

# City of Central Point, Oregon

## *The Fair City*



## **Comprehensive Annual Financial Report For the Year Ended June 30, 2017**

*Serving THE CITIZENS OF CENTRAL POINT*

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2017

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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February 22, 2018

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, 2017.

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

The enclosed financial statements have been audited by Isler CPA, LLC; a firm of licensed certified public accountants. The engagement partner is Paul Neilson, CPA and Licensed Municipal Auditor. The goal of the independent audit is to determine that the financial statements of the City of Central Point for the fiscal year ending June 30, 2017, are free from material misstatement. The audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor concluded based on the audit performed, that there was a reasonable basis for rendering an unmodified opinion that the City of Central Point's financial statements are fairly presented in conformance with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

### **The City**

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

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

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

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

### **Accounting System and Budgetary Control**

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

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

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

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

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

### **Factors Affecting Financial Condition – Local Economy**

The regional economic base is tied to agriculture, tourism, higher education, health care, transportation and manufacturing. There is an increasing population of retirees moving into the area, a factor that requires new and expanded health care resources, and additional demands for retirement, assisted living and nursing home facilities. During the past recession, the City of Central Point and all cities within the Rogue Valley have experienced an increased number of lost jobs and one of the higher unemployment rates in the nation. During the same period of time, housing prices plummeted along with construction in the area, all of which had a negative effect on the City's building permit revenues and planning actions. However, during the past two years there are indications that the local economy is stabilizing with the lowering of the unemployment rate and an increasing number of home sales at increasingly higher prices. It remains too early to know the full extent to which the prolonged recession will have on property tax assessments and collections. Although we initially anticipated reduced property tax collections as a result of the recession and substantial number of foreclosures in the area, our actual experience has been that property tax collections increased as the foreclosing banks paid delinquent property taxes upon foreclosure. And although there have been substantial fluctuations in taxes as properties were reassessed following the recession, it appears that property values and therefore tax revenues are beginning to stabilize.



## **Financial Policies**

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

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

## **Long-term Financial Planning**

Although 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 2.1-2.5 percent. Although not spectacular, it will be a modest improvement over the 1.6 percent achieved during 2016.

## **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, 2016. In order to be awarded a Certificate of Achievement, a government must publish a comprehensive annual financial report in accordance with GFOA standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement

**Acknowledgments**

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

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

Respectively submitted,

  
Chris Clayton  
City Manager

  
Steve Weber  
Finance Director

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

**ELECTED OFFICIALS**

**June 30, 2017**

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

All council members receive mail at the address listed below.

**CITY MANAGER**

Chris Clayton

**FINANCE DIRECTOR**

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



Government Finance Officers Association

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

Presented to

**City of Central Point  
Oregon**

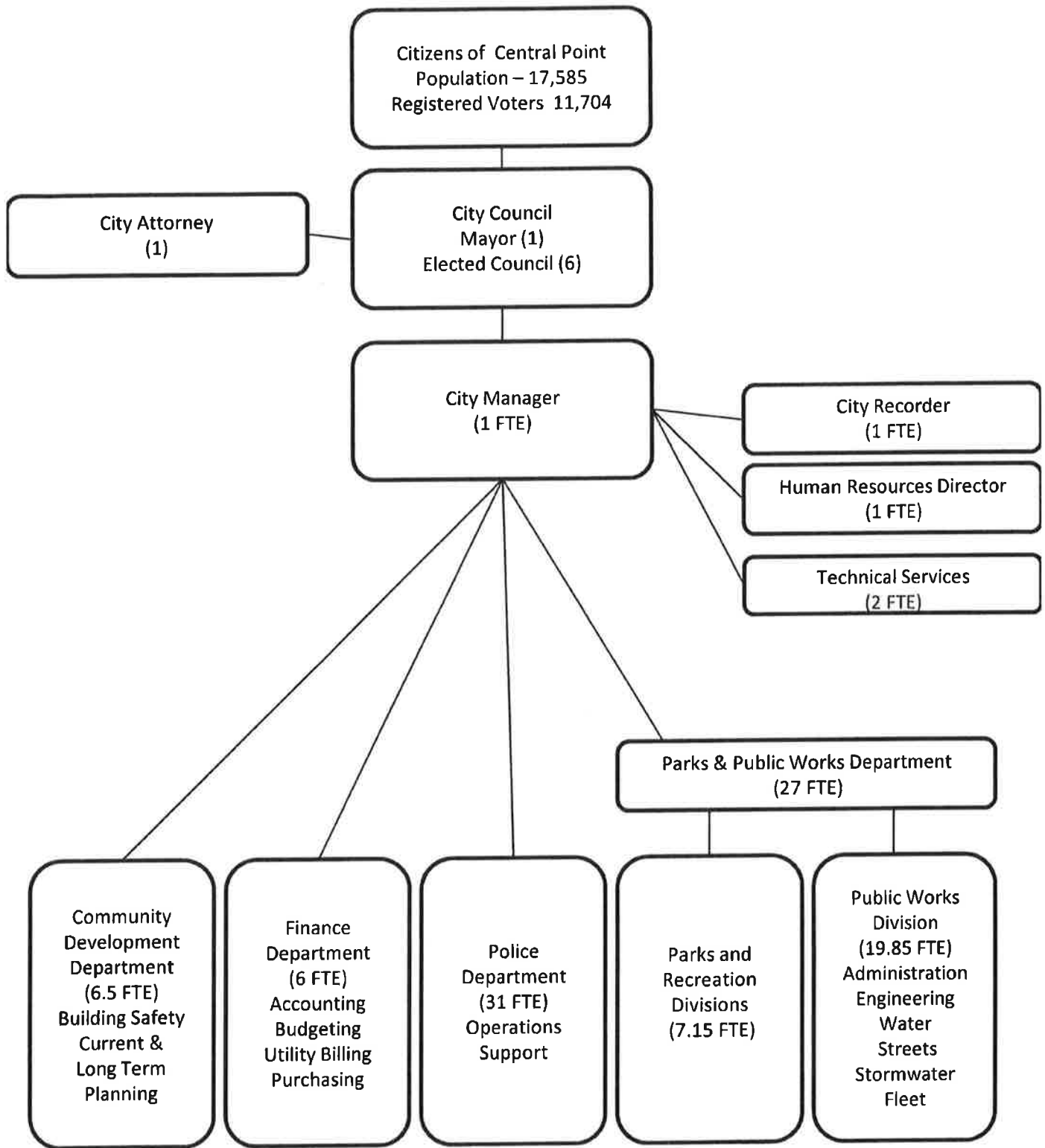
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

**City of Central Point**  
**75.5 FTE**  
**For The Biennial Budget 2017/2019**





1976 Garden Ave.  
Eugene, OR 97403  
541.342.5161  
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, 2017, 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, 2017 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 and street fund budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis 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 and budgetary comparisons are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

*Report on Other Legal and Regulatory Requirements*

In accordance with Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated February 22, 2018, on our consideration of the City's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**Isler CPA**

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

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

Eugene, Oregon  
February 22, 2018



**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, 2017. 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 2016-17 fiscal year as reported on the government-wide statements - the Statement of Net Position and the Statement of Activities:

- Total assets of the City, including both governmental and business-type activities exceeded its total liabilities at June 30, 2017, the close of the most recent fiscal year, by approximately \$65,730 (net position). Of this amount, \$3,334 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total current and other assets, including both governmental and business-type activities, increased \$7,409 to \$19,337 while total current and other liabilities due with one year, including both governmental and business-type activities, increased \$109 to \$2,315. These changes were reasonable and reflected normal City operations.
- Total capital assets decreased \$2,348 due to depreciation expense as well as capital asset purchases and disposals of the current year. This decrease consisted of a \$1,882 decrease in governmental activities capital assets and a \$466 decrease in business-type capital assets. Capital asset additions during the current year consisted of \$1,387 in government activities, including internal services, and \$255 in business-type activities. Depreciation expense decreases consisted of \$3,021 in governmental activities, including internal services, and \$721 in business-type activities.
- The City's total current portion of long-term debt decreased \$11 to \$961. This decrease consists of a \$15 increase in the current portion of compensated absences and a \$25 decrease in current maturities of long-term debt due to a new issuance of long-term debt.
- The City's non-current portion of long-term liabilities increased \$4,226 due to a new debt issuance. The increase consists of debt issued for \$9,766 while the offset by a \$4,178 reduction in the current maturities on existing long-term debt and a net increase of \$18 in the City's long-term portion of compensated absences earned by employees.
- A significant cause in the City's unfavorable change in net position was the continued impact of GASB Statement No. 68 relating to pension reporting. The effects of the Moro decision as ruled by the Oregon Supreme Court on April 30, 2015 as well as the OPERS investment performance as measured on December 31, 2013 and rolled forward to June 30, 2017 caused the City's net pension liability to increase \$5,184 to \$8,889. This resulted in a reduction of \$4,555 to governmental activities net position and a reduction of \$629 to business-type activities net position to recognize additional pension expense.
- Overall net position for governmental activities decreased \$4,517 to \$39,885. The decrease consisted of \$4,555 due to the GASB Statement No. 68 pension reporting and a \$4,039 increase due to operations. Expenses of governmental activities decreased \$1,091 to \$13,717 despite the increase in net pension expenses. Revenue increased \$1,072 to \$12,928. There was \$1,071 increase in program revenue that was

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

primarily caused by changes in the mix of charges for services and capital grants. There was also an increase of \$450 as a result of increased tax collections. There was a \$2,072 increase in total revenue for the governmental activities.

- Overall, the net position for business-type activities increased \$53 to \$25,845. The increase consisted of \$6,529 increase in expenses due to the effects of GASB Statement No. 68 pension reporting and a \$604 decrease due to management controlled operations. Expenses of the business type activities increased \$48 to \$4,608 as a result of net pension expenses. Overall program revenues of the business-type activities increased \$187 to \$4,591. General revenues did not change.
- 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, 2017 that significantly affect the availability of fund resources for future use.
- The City Council, through the adoption of the biennial budget, has established a conservative financial policy as the economy continues to recover from the financial effects of the most recent recession, and a stated policy of not wanting to reduce the level of City services provided to the community. In response to these policies, the City staff continues to reevaluate and reassign staff in an effort to maintain the current level of City services, even though staff vacancies due to attrition and retirement have occurred. In 2007 the number of City FTE employees peaked at 85.5; since then the City has eliminated 9.5 positions ending with 76.0 employees at June 30, 2017. This current year end employee count compares to 73.0 at June 30, 2015; 75.75 at June 30, 2011, up to 85.5 at 2007.

**Overview of the financial statements**

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Government-wide financial statements**

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

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

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

**Fund financial statements**

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

The City has the following 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. *Enterprise funds* are 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 stormwater 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

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

By far the largest portion of the City's net position (88%) is the net investment in capital assets (land, buildings, equipment and infrastructure improvements). These capital assets are used to deliver governmental and business-type services to citizens and are not available for future spending. Net investment in capital assets decreased \$1,287 during the year primarily due to depreciation expense.

The next largest portion (7%) of net position is noted as restricted. This net position is subject to external restrictions on how the related assets can be used. Restricted net position increased \$1,796 during the year as debt was issued for a major infrastructure project to begin in fiscal year 2017-18 as well as new systems development charges ("SDCs") were received on new construction activity at the same time as SDCs were spent on qualifying expenses.

The final portion 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 \$973 despite the effects of GASB Statement No. 68 pension reporting.

Overall, the City's financial condition deteriorated during the 2016-17 fiscal year as evidenced by the decline in total net position of \$464. However, the majority of the governmental activities net position decrease of \$517 consisted of \$5,106 due to the GASB Statement No. 68 pension reporting, \$3,696 from new debt issuance restricted to a major infrastructure project to begin in fiscal year 2017-18, and a \$894 increase due to operations. The business-type net position increase of \$53 includes a charge of \$629 due to GASB Statement No. 68 and an increase of \$682 due to operations. The significant decrease caused by the GASB Statement No. 68 was anticipated and is caused by the variables involved in the determination of pension expense. In addition, the detail effects of GASB Statement No. 68 the restatement on the previously reported expenses is not determinable. Changes in net position from operations in both governmental activities and business-type activities are as expected and planned for in the budget. The City has the capacity and resources to continue to weather the residual effects of the economic recession, particularly as signs of stability and improvement in the community begin to be seen. However, the impact of GASB Statement No. 68 going forward appears to be outside the control of City management.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

	Governmental		Business Type		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>ASSETS</b>						
Current and Other Assets	\$ 14,533	\$ 8,130	\$ 4,804	\$ 3,798	\$ 19,337	\$ 11,928
Capital Assets	37,199	39,081	27,483	27,949	64,682	67,030
Deferred Outflows	4,134	1,082	580	155	4,714	1,237
Total Assets and Outflows	<u>55,866</u>	<u>48,293</u>	<u>32,867</u>	<u>31,902</u>	<u>88,733</u>	<u>80,195</u>
<b>LIABILITIES</b>						
Current and Due Within One Year	1,577	1,613	738	593	2,315	2,206
Long-Term Liabilities	6,281	2,259	5,144	4,940	11,425	7,199
Net Pension Liability	7,795	3,240	1,094	465	8,889	3,705
Deferred Inflows	328	779	46	112	374	891
Total Liabilities and inflows	<u>15,981</u>	<u>7,891</u>	<u>7,022</u>	<u>6,110</u>	<u>23,003</u>	<u>14,001</u>
<b>NET POSITION</b>						
Net Investment in						
Capital Assets	35,287	36,477	22,228	22,325	57,515	58,802
Restricted Assets	4,337	2,541	534	534	4,871	3,075
Unrestricted Assets	261	1,384	3,083	2,933	3,344	4,317
Total Net Position	<u>\$ 39,885</u>	<u>\$ 40,402</u>	<u>\$ 25,845</u>	<u>\$ 25,792</u>	<u>\$ 65,730</u>	<u>\$ 66,194</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

	Governmental		Business Type		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>REVENUES</b>						
Program Revenues:						
Charges For Services	\$ 3,959	\$ 3,677	\$ 4,378	\$ 4,260	\$ 8,337	\$ 7,937
Grants and Contributions					-	-
Operating	1,658	648	-	-	1,658	648
Capital	-	221	213	144	213	365
General Revenues:						
Property Taxes	5,164	4,714	-	-	5,164	4,714
Franchise Taxes	1,171	1,050	-	-	1,171	1,050
Hotel/Motel Taxes	441	482	-	-	441	482
Interest	46	55	33	19	79	74
Gain on capital asset sale	-	9	-	-	-	9
Miscellaneous	489	-	37	51	526	51
Total Revenues	<u>12,928</u>	<u>10,856</u>	<u>4,661</u>	<u>4,474</u>	<u>17,589</u>	<u>15,330</u>
<b>EXPENSES</b>						
Functions:						
General Government	4,088	4,447	-	-	4,088	4,447
Public Safety	5,453	6,442	-	-	5,453	6,442
Highways and Streets	1,679	2,129	-	-	1,679	2,129
Parks and Recreation	1,992	1,733	-	-	1,992	1,733
Community development	410	-	-	-	410	-
Interest	95	57	-	-	95	57
Water Services	-	-	3,490	3,409	3,490	3,409
Stormwater Services	-	-	885	910	885	910
Building Services	-	-	233	241	233	241
Total Expenses	<u>13,717</u>	<u>14,808</u>	<u>4,608</u>	<u>4,560</u>	<u>18,325</u>	<u>19,368</u>
<b>CHANGE IN NET POSITION</b>	<u>(789)</u>	<u>(3,952)</u>	<u>53</u>	<u>(86)</u>	<u>(736)</u>	<u>(4,038)</u>
<b>BEGINNING NET POSITION</b>	40,402	44,157	25,792	25,878	66,194	70,035
<b>RESTATEMENT</b>	272	197	-	-	272	197
<b>AS RESTATED</b>	<u>40,674</u>	<u>44,354</u>	<u>25,792</u>	<u>25,878</u>	<u>66,466</u>	<u>70,232</u>
<b>ENDING NET POSITION</b>	<u>\$ 39,885</u>	<u>\$ 40,402</u>	<u>\$ 25,845</u>	<u>\$ 25,792</u>	<u>\$ 65,730</u>	<u>\$ 66,194</u>

CITY OF CENTRAL POINT  
JACKSON COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial analysis of the City (*In Thousands of Dollars*)**

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

- **General Fund:** At June 30, 2017, the fund balance for the General Fund was \$3,895, an increase of \$536 from the previous year. Fund balance components include \$13 non-spendable relating to prepaid items, \$3,871 assigned to the 2017-19 budget and \$12 that is unassigned. In total, fund balance represents approximately 46% of the 2016-17 total general fund expenditures. While revenues increased \$668 - about 7.8%, expenditures increased \$432 - about 5.3%. Interfund transfers out were increased to \$107 from \$106. Current year results provided an anticipated increase in General Fund carryover of \$536. Also, since the 2008-09 fiscal year, as compelling evidence of local and regional economic challenges became more evident, the management of every department has been focused on conserving resources in whatever manner possible while still preserving services. This trend of conservation is still ongoing and was reflected in the 2015-17 biennial budget and will continue throughout the 2017-19 biennial budget period.
- **Street Fund:** At June 30, 2017, the fund balance of the Street Fund primarily consisted of a restricted amount of \$4,145 from state shared gas taxes and system development charges. Compared to last year, revenues increased \$1,387. Expenditures increased by \$26 and debt of \$895 was issued during the year with transfers remaining at \$55. These changes caused fund balance to increase by \$2,226 to \$4,145. 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, 2017, the fund balance of the Economic Development Fund primarily consisted of a restricted amount of \$51 from property taxes. An advance of \$3,634, a full faith and credit financing to the City, lent to the City's Development Commission, will be used to finance the East Pine Streetscaping project in fiscal year 2017-18.
- **Debt Service Fund:** The Debt Service Fund accounts all debt relating to and paid by governmental activities. Annual debt service is funded by a recurring state payment relating to a prior joint city/state construction project, a share of the City's monthly utility fees, assessments received from special assessment payments of property owners benefited by past water construction projects and transfers from the General, Street and Capital Improvement funds. The financial activities for the year were unanticipated as the City took advantage of low interest rates to issue new debt, which was advanced to the Central Point Development Commission, for an infrastructure project to begin in the 2017-18 fiscal year. These activities resulted in an increase to ending fund balance of \$35 to \$3,694 due mainly to the Interfund advance of \$3,634 to the Economic Development Fund. The \$3,694 ending fund balance is restricted to future debt service payments.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

- **Water Fund:** At June 30, 2017, the net position of the Water Fund reports an increase of \$63 from operations and a decrease of \$169 in non-operating areas, resulting in an ending net position of \$17,069. Water utility operations were as planned and budgeted and improving because of a new service rate schedule in effect. Operating revenue increased \$62 to \$3,289 due to fewer foreclosed or abandoned homes, and high water usage in the summer months due to warmer weather. Operating expenses of \$3,226 reflected a decrease of \$5 over the prior year. Operating income was \$63 compared to the prior year operating loss of \$3. Non-operating activity for the year consisted of investment earnings of \$19 and interest expense of \$264. Last year's non-operating activity included investment earnings of \$11 and interest expense of \$178. SDCs were \$76 in the current year compared to \$104 in the previous year - a decrease of \$28. These changes resulted in a \$106 decrease in net position at year end.
- **Stormwater Fund:** At June 30, 2017, the net position of the Stormwater Fund reports an increase of \$69 from operations and a decrease of \$104 relating to the compliance with GASB Statement No. 68 pension reporting and an increase of \$146 from other operating areas, resulting in an ending net position of \$8,567. Stormwater utility operations were as planned and budgeted. Operating revenue increased \$11 to \$850 primarily due to the new service utility rate schedule. Operating expenses decreased \$23 to \$885 despite the effects due to net pension expense. Operating loss of \$35 was realized compared to operating loss of \$69 in the previous year and is attributed to compliance with GASB Statement No. 68. Non-operating income from investment earnings increased \$4 to \$9 and interest expense decreased \$2 to \$0 for \$9 non-operating income. SDCs increased \$101 to \$136. These changes resulted in a \$111 increase in net position at year end.
- **Internal Services Fund:** At June 30, 2017, the net position of the Internal Services Fund was \$523, having declined \$51 from the 2015-16 fiscal year. This decline was caused by \$364 relating to the compliance with GASB Statement No. 68 pension reporting, while operations provided an increase of \$335. Interfund revenues increased \$75 to \$1,296 and operating expenses increased \$14 to \$1,326. Operating loss was \$29 and non-operating income was \$3. Transfers out were \$25. Combined this resulted in a \$51 decrease in net position. The Internal Service Fund revenues consist primarily of rental and overhead fees charged to City departments. Fluctuations in revenues and expenses over the years in this fund are generally caused by either fleet or facility projects requiring capital asset purchases.

**General Fund budgetary highlights**

The expenditures and revenues of the General Fund are well matched and there was only one significant variance from the original budget. The City approved a supplemental budget via resolution in May 2016 primarily for the receipt and corresponding expenditure of an unanticipated grant received for the City's Skyrman Park Arboretum. 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, 2017, amounts to \$64,682 (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 2016-17, approximately \$1,641 of capital asset additions relating to the City's buildings, equipment, computers and software, and streets and utility infrastructure were added, \$247 were deleted, and depreciation expense totaled \$3,742. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Long term debt**

At June 30, 2017, the City had \$11,045 of long-term debt due in more than one year compared to \$7,199 the previous year end. This amount includes \$10,437 of bonds and notes payable and \$286 of compensated absences payable. Principal debt repayment of the City's bonds and notes payable during the year totaled \$5,494, including scheduled maturities of \$1,116 and SDC obligations were paid as expected or expired. The City issued new debt of \$9,766 during the year. The City's compensated absences increased \$179 by employee service and declined \$130 as employees took time off for a net increase of \$14. More detailed information about the City's long-term debt is presented in the Notes 5 and 6 to the financial statements.

**Economic factors and the new year budget**

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 2017, the City's assessed value increased by 4.57%, slightly higher than the 3% allowed under Oregon statute.

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 2015-16 was the first year of the new biennium rates. In September 2016, the PERS Board released fiscal year 2017-18 and 2018-19 rates. The rates for the current biennium and following biennium are as follows, respectively: Tier I/II employee at 16.43% (increasing to 20.60% on July 1, 2017), Oregon Public Service Retirement Plan (OPSRP) general employees at 10.24% (increasing to 13.01% on July 1, 2017) and OPSRP Police/Fire employees at 14.35% (increasing to 17.78% on July 1, 2017). These sharp PERS rate increases are forecasted to occur in each of the next 3 biennium (2019-21, 2021-23, and 2023-25) as well.

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

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

**Contacting the City's financial management**

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

If you have any questions about this report or need any clarification of information please contact the Finance department at the City of Central Point, or visit our website at [www.centralpointoregon.gov](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, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 13,501,684	\$ 4,096,411	\$ 17,598,095
Receivables			
Taxes	392,993	-	392,993
Accounts	523,061	542,619	1,065,680
Interest	23,978	-	23,978
Prepaid expenses	14,054	4,815	18,869
Internal balances	11,510	(11,510)	-
Supply inventory	65,413	171,254	236,667
Capital assets, net of allowances for depreciation			
Capital assets not being depreciated	6,760,062	3,174,475	9,934,537
Capital assets, net of accumulated depreciation	<u>30,439,236</u>	<u>24,308,388</u>	<u>54,747,624</u>
Total Assets	<u>51,731,991</u>	<u>32,286,452</u>	<u>84,018,443</u>
<b>Deferred outflows of resources</b>			
Deferred outflow of resources related to pensions	<u>4,133,745</u>	<u>580,096</u>	<u>4,713,841</u>
<b>Liabilities:</b>			
Accounts payable	334,454	235,828	570,282
Accrued payroll	283,317	-	283,317
Unearned revenue	375,000	-	375,000
Accrued interest	14,093	14,428	28,521
Deposits	-	109,131	109,131
Noncurrent liabilities			
Compensated absences			
Due within one year	129,832	24,075	153,907
Due in more than one year	261,400	24,075	285,475
Long-term debt			
Due within one year	440,141	367,181	807,322
Due in more than one year	6,019,157	5,107,080	11,126,237
Net pension liability	<u>7,795,308</u>	<u>1,093,931</u>	<u>8,889,239</u>
Total liabilities	<u>15,652,702</u>	<u>6,975,729</u>	<u>22,628,431</u>
<b>Deferred inflows of resources</b>			
Deferred inflow of resources related to pensions	328,472	46,209	374,681
<b>Net position:</b>			
Net invested in capital assets	35,286,782	22,227,820	57,514,602
Restricted for:			
Debt service	62,445	-	62,445
Community development	51,027	-	51,027
Public safety	78,842	-	78,842
Utility systems enhancements (Gas tax and SDCs)	4,144,732	533,792	4,678,524
Unrestricted	<u>260,734</u>	<u>3,082,998</u>	<u>3,343,732</u>
Total net position	<u>\$ 39,884,562</u>	<u>\$ 25,844,610</u>	<u>\$ 65,729,172</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, 2017**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
<b>Governmental activities</b>							
General government	\$ 4,087,852	\$ 1,948,504	\$ 543,879	\$ -	\$ (1,595,469)	\$ -	\$ (1,595,469)
Public safety	5,453,021	-	-	-	(5,453,021)	-	(5,453,021)
Highways and streets	1,678,878	2,010,788	1,114,403	-	1,446,313	-	1,446,313
Parks and recreation	1,992,173	-	-	-	(1,992,173)	-	(1,992,173)
Community development	410,464	-	-	-	(410,464)	-	(410,464)
Interest on long-term debt	94,831	-	-	-	(94,831)	-	(94,831)
<b>Total governmental activities</b>	<b>13,717,219</b>	<b>3,959,292</b>	<b>1,658,282</b>	<b>-</b>	<b>(8,099,645)</b>	<b>-</b>	<b>(8,099,645)</b>
<b>Business-type activities</b>							
Water services	3,489,614	3,262,536	-	75,780	-	(151,298)	(151,298)
Stormwater services	885,215	844,253	-	136,833	-	95,871	95,871
Building services	233,027	271,103	-	-	-	38,076	38,076
<b>Total business-type activities</b>	<b>4,607,856</b>	<b>4,377,892</b>	<b>-</b>	<b>212,613</b>	<b>-</b>	<b>(17,351)</b>	<b>(17,351)</b>
<b>Total primary government</b>	<b>\$ 18,325,075</b>	<b>\$ 8,337,184</b>	<b>\$ 1,658,282</b>	<b>\$ 212,613</b>	<b>(8,099,645)</b>	<b>(17,351)</b>	<b>(8,116,996)</b>
<b>General revenues</b>							
Property taxes					5,163,837	-	5,163,837
Franchise taxes					1,171,101	-	1,171,101
Hotel/Motel taxes					440,783	-	440,783
Interest					45,776	32,808	78,584
Miscellaneous					488,352	37,106	525,458
<b>Total general revenues</b>					<b>7,309,849</b>	<b>69,914</b>	<b>7,379,763</b>
<b>Change in net position</b>					<b>(789,796)</b>	<b>52,563</b>	<b>(737,233)</b>
<b>Beginning net position, as restated, see Note 12</b>					<b>40,674,358</b>	<b>25,792,047</b>	<b>66,466,405</b>
<b>Ending net position</b>					<b>\$ 39,884,562</b>	<b>\$ 25,844,610</b>	<b>\$ 65,729,172</b>

See accompanying notes to the basic financial statements

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017**

	GENERAL FUND	STREET FUND	ECONOMIC DEVELOPMENT COMMISSION	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>						
Cash and investments	\$ 3,990,331	\$ 4,327,194	\$ 3,686,909	\$ 62,445	\$ 1,107,910	\$ 13,174,789
Receivables:						
Taxes	381,961	-	11,032	-	-	392,993
Accounts receivable	343,558	179,503	-	-	-	523,061
Interest Receivable	23,978	-	-	-	-	23,978
Due from Other Funds	-	-	13,490	-	-	13,490
Supply inventory	-	65,413	-	-	-	65,413
Prepaid items	12,835	353	-	-	-	13,188
Advance to other funds	-	-	-	3,634,000	-	3,634,000
<b>Total assets</b>	<b>\$ 4,752,663</b>	<b>\$ 4,572,463</b>	<b>\$ 3,711,431</b>	<b>\$ 3,696,445</b>	<b>\$ 1,107,910</b>	<b>\$ 17,840,912</b>
<b>LIABILITIES</b>						
Accounts payable	237,070	52,378	16,932	-	-	306,380
Payroll taxes and salaries	283,317	-	-	-	-	283,317
Due to Other Funds	-	-	-	1,980	-	1,980
Unearned revenue	-	375,000	-	-	-	375,000
Advance from other funds	-	-	3,634,000	-	-	3,634,000
<b>Total liabilities</b>	<b>520,387</b>	<b>427,378</b>	<b>3,650,932</b>	<b>1,980</b>	<b>-</b>	<b>4,600,677</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	331,375	-	9,472	-	-	340,847
Unavailable notes and accounts receivable	5,452	-	-	-	-	5,452
<b>Total deferred inflows of resources</b>	<b>336,827</b>	<b>-</b>	<b>9,472</b>	<b>-</b>	<b>-</b>	<b>346,299</b>
<b>FUND BALANCE</b>						
Nonspendable	12,835	353	-	3,634,000	-	3,647,188
Restricted	-	4,144,732	51,027	60,465	78,842	4,335,066
Committed	-	-	-	-	1,029,068	1,029,068
Assigned	3,870,668	-	-	-	-	3,870,668
Unassigned	11,946	-	-	-	-	11,946
<b>Total fund balances</b>	<b>3,895,449</b>	<b>4,145,085</b>	<b>51,027</b>	<b>3,694,465</b>	<b>1,107,910</b>	<b>12,893,936</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,752,663</b>	<b>\$ 4,572,463</b>	<b>\$ 3,711,431</b>	<b>\$ 3,696,445</b>	<b>\$ 1,107,910</b>	<b>\$ 17,840,912</b>

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, 2017**

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>	\$	12,893,936
<p>The cost of governmental capital assets (land, buildings, improvements, machinery and equipment, infrastructure, intangibles, and construction in progress) is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the City as a whole.</p>		
		36,626,589
<p>Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.</p>		
Accrued interest	\$ (14,093)	
Long-term debt	<u>(6,459,298)</u>	(6,473,391)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
		(360,076)
<p>Assets, liabilities, deferred inflows and outflows related to the City's portion of the State-wide pension plan are not current resources or requirements and therefore are not reported in the funds;.</p>		
Net pension liability	(7,172,954)	
Deferred outflow of resources related to pensions	3,803,719	
Deferred inflow of resources related to pensions	<u>(302,240)</u>	(3,671,475)
<p>Unavailable revenues are not earned in the current period and therefore are not reported as revenues in the funds</p>		
Unavailable revenue		
Property taxes levied but not collected	340,847	
Long term notes and accounts receivable	<u>5,452</u>	346,299
<p>An internal service fund is used by the City and its assets and liabilities are included with the City's governmental activities in the Statement of Net Position.</p>		
		<u>522,680</u>
<b>Total net position - governmental activities</b>	<b>\$</b>	<b><u>39,884,562</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, 2017

	GENERAL FUND	STREET FUND	ECONOMIC DEVELOPMENT COMMISSION	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>						
Taxes	\$ 6,608,731	\$ 175,000	\$ 197,169	\$ -	\$ -	\$ 6,980,900
Licenses and permits	146,634	-	-	-	-	146,634
Intergovernmental	543,879	1,114,403	-	162,864	-	1,821,146
Charges for services	1,271,933	2,010,788	-	193,032	118,168	3,593,921
Assessments	-	-	-	62,892	-	62,892
Fines and forfeitures	72,908	-	-	-	-	72,908
Investment earnings	58,825	23,071	5,037	10,022	8,834	105,789
Miscellaneous	450,150	38,202	-	3	57,498	545,853
Total revenues	<u>9,153,060</u>	<u>3,361,464</u>	<u>202,206</u>	<u>428,813</u>	<u>184,500</u>	<u>13,330,043</u>
<b>EXPENDITURES</b>						
Current:						
General government	2,833,867	-	-	-	-	2,833,867
Public safety	4,121,417	-	-	-	27,758	4,149,175
Highways and streets	-	1,975,108	-	-	-	1,975,108
Parks and recreation	1,554,684	-	-	-	-	1,554,684
Community Development	-	-	410,464	-	-	410,464
Debt service:						
Principal	-	-	-	575,671	-	575,671
Interest	-	-	12,827	70,189	-	83,016
Total expenditures	<u>8,509,968</u>	<u>1,975,108</u>	<u>423,291</u>	<u>645,860</u>	<u>27,758</u>	<u>11,581,985</u>
Excess of revenues over (under) expenditures	<u>643,092</u>	<u>1,386,356</u>	<u>(221,085)</u>	<u>(217,047)</u>	<u>156,742</u>	<u>1,748,058</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt proceeds	-	895,000	-	3,651,782	-	4,546,782
Transfers in	-	-	-	234,050	25,000	259,050
Transfers out	(106,600)	(55,500)	-	-	(71,950)	(234,050)
Total transfers	<u>(106,600)</u>	<u>839,500</u>	<u>-</u>	<u>3,885,832</u>	<u>(46,950)</u>	<u>4,571,782</u>
Net change in fund balance	536,492	2,225,856	(221,085)	3,668,785	109,792	6,319,840
Beginning fund balance	<u>3,358,957</u>	<u>1,919,229</u>	<u>272,112</u>	<u>25,680</u>	<u>998,118</u>	<u>6,574,096</u>
Ending fund balance	<u>\$ 3,895,449</u>	<u>\$ 4,145,085</u>	<u>\$ 51,027</u>	<u>\$ 3,694,465</u>	<u>\$ 1,107,910</u>	<u>\$ 12,893,936</u>

See accompanying notes to the basic financial statements

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - TO  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2017**

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** **\$ 6,319,840**

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

Capitalized expenditures	\$	1,245,538	
Book value of capital asset disposal		(247,349)	
Depreciation expense		<u>(2,908,911)</u>	
Net adjustment			(1,910,722)

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		(11,815)	
Compensated absences		<u>(37,659)</u>	(49,474)

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

Expiration of SDC Credits		116,330	
Debt proceeds		(4,546,782)	
Bond and notes payable principal payments		<u>575,690</u>	(4,430,452)

Expenses related to pension obligations not using current resources (392,892)

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

Special assessments		(134,356)	
Property taxes		21,453	
Long term notes and accounts receivable		<u>(162,096)</u>	(274,999)

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>(51,097)</u>
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<b>Change in net position - governmental activities</b>	<b>\$</b>		<b><u>(789,796)</u></b>
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See accompanying notes to the basic financial statements



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

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**June 30, 2017**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and investments	\$ 2,331,136	\$ 1,157,790	\$ 607,485	\$ 4,096,411	\$ 326,895
Accounts receivable	472,262	70,357	-	542,619	-
Prepaid items	4,137	353	325	4,815	866
Supply inventory	171,254	-	-	171,254	-
<b>Total current assets</b>	<b>2,978,789</b>	<b>1,228,500</b>	<b>607,810</b>	<b>4,815,099</b>	<b>327,761</b>
<b>Noncurrent assets</b>					
Capital assets not being depreciated	2,424,810	749,665	-	3,174,475	-
Capital assets being depreciated, net	17,594,510	6,713,878	-	24,308,388	572,709
<b>Total noncurrent assets</b>	<b>20,019,320</b>	<b>7,463,543</b>	<b>-</b>	<b>27,482,863</b>	<b>572,709</b>
<b>Total assets</b>	<b>22,998,109</b>	<b>8,692,043</b>	<b>607,810</b>	<b>32,297,962</b>	<b>900,470</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pensions	362,650	104,456	112,990	580,096	330,026
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	159,954	10,003	65,871	235,828	28,074
Due to Other Funds	11,510	-	-	11,510	-
Developer and customer deposits	-	-	109,131	109,131	-
Accrued interest	14,428	-	-	14,428	-
<b>Current portion of long-term debt</b>					
SDC obligations	3,168	650	-	3,818	-
Notes payable	350,424	-	-	350,424	-
Series 2014 bonds	-	-	-	-	-
Compensated absences	15,259	3,961	4,855	24,075	15,578
<b>Total current portion of long-term debt</b>	<b>368,851</b>	<b>4,611</b>	<b>4,855</b>	<b>378,317</b>	<b>15,578</b>
<b>Total current liabilities</b>	<b>554,743</b>	<b>14,614</b>	<b>179,857</b>	<b>749,214</b>	<b>43,652</b>
<b>Noncurrent liabilities</b>					
SDC obligations	25,345	5,210	-	30,555	-
Notes payable	5,089,464	-	-	5,089,464	-
Compensated absences	15,259	3,961	4,855	24,075	15,578
Net pension liability	683,879	196,979	213,073	1,093,931	622,354
<b>Total long-term liabilities</b>	<b>5,813,947</b>	<b>206,150</b>	<b>217,928</b>	<b>6,238,025</b>	<b>637,932</b>
<b>Total liabilities</b>	<b>6,368,690</b>	<b>220,764</b>	<b>397,785</b>	<b>6,987,239</b>	<b>681,584</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pensions	28,925	8,303	8,981	46,209	26,232
<b>NET POSITION</b>					
Net investment in capital assets	14,550,919	7,457,683	-	22,008,602	572,709
Restricted for:					
Utility system enhancements (SDCs)	388,619	145,173	-	533,792	-
Unrestricted	2,023,606	964,576	314,034	3,302,216	(50,029)
<b>Total net position</b>	<b>\$ 16,963,144</b>	<b>\$ 8,567,432</b>	<b>\$ 314,034</b>	<b>\$ 25,844,610</b>	<b>\$ 522,680</b>

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, 2017**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,262,536	\$ 844,253	\$ 271,103	\$ 4,377,892	\$ 1,280,124
Miscellaneous	25,995	5,935	5,176	37,106	16,144
Total operating revenues	<u>3,288,531</u>	<u>850,188</u>	<u>276,279</u>	<u>4,414,998</u>	<u>1,296,268</u>
<b>OPERATING EXPENSES</b>					
Public works equipment rental operations	-	-	-	-	1,213,562
Utility operations	2,729,059	660,844	-	3,389,903	-
Building inspection services	-	-	233,027	233,027	-
Depreciation	496,868	224,371	-	721,239	112,182
Total operating expenses	<u>3,225,927</u>	<u>885,215</u>	<u>233,027</u>	<u>4,344,169</u>	<u>1,325,744</u>
Operating income (loss)	<u>62,604</u>	<u>(35,027)</u>	<u>43,252</u>	<u>70,829</u>	<u>(29,476)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest expense	(263,687)	-	-	(263,687)	-
Investment earnings	19,201	9,378	4,229	32,808	3,379
Gain/loss on assets	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>(244,486)</u>	<u>9,378</u>	<u>4,229</u>	<u>(230,879)</u>	<u>3,379</u>
Income (loss) before contributions and transfers	(181,882)	(25,649)	47,481	(160,050)	(26,097)
System development charges capital contributions	75,780	136,833	-	212,613	-
Transfers out	-	-	-	-	(25,000)
Total contributions and transfers	<u>75,780</u>	<u>136,833</u>	<u>-</u>	<u>212,613</u>	<u>(25,000)</u>
Change in net position	(106,102)	111,184	47,481	52,563	(51,097)
Beginning net position	<u>17,069,246</u>	<u>8,456,248</u>	<u>266,553</u>	<u>25,792,047</u>	<u>573,777</u>
Ending net position	<u>\$ 16,963,144</u>	<u>\$ 8,567,432</u>	<u>\$ 314,034</u>	<u>\$ 25,844,610</u>	<u>\$ 522,680</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, 2017**

	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	\$ 3,301,130	\$ 856,460	\$ 352,309	\$ 4,509,899	\$ -
Received from interfund services provided	-	-	-	-	1,296,988
Paid for interfund services provided	(818,500)	(320,500)	-	(1,139,000)	-
Paid to suppliers	(1,231,396)	(143,922)	(23,978)	(1,399,296)	(712,380)
Paid to employees	(591,108)	(178,273)	(135,175)	(904,556)	(449,865)
Net cash provided by operating activities	<u>660,126</u>	<u>213,765</u>	<u>193,156</u>	<u>1,067,047</u>	<u>134,743</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Change in due to other funds	11,510	-	-	11,510	-
Transfers to other funds	-	-	-	-	(25,000)
Net cash provided (used) by noncapital and related financing activities	<u>11,510</u>	<u>-</u>	<u>-</u>	<u>11,510</u>	<u>(25,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
SDC fees received	89,054	136,833	-	225,887	-
Purchase of capital assets	(158,800)	(95,978)	-	(254,778)	(140,995)
Proceeds from issuance of long-term debt	5,219,218	-	-	5,219,218	-
Interest paid on capital debt	(336,217)	-	-	(336,217)	-
Long-term debt principal payments	(4,899,662)	(18,319)	-	(4,917,981)	-
Net cash provided (used) by capital and related financing activities	<u>(86,407)</u>	<u>22,536</u>	<u>-</u>	<u>(63,871)</u>	<u>(140,995)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>19,201</u>	<u>9,378</u>	<u>4,229</u>	<u>32,808</u>	<u>3,379</u>
<b>Net increase in cash and investments</b>	<u>604,430</u>	<u>245,679</u>	<u>197,385</u>	<u>1,047,494</u>	<u>(27,873)</u>
<b>Cash and investments</b>					
Beginning of year	<u>1,726,706</u>	<u>912,111</u>	<u>410,100</u>	<u>3,048,917</u>	<u>354,768</u>
End of Year	<u>\$ 2,331,136</u>	<u>\$ 1,157,790</u>	<u>\$ 607,485</u>	<u>\$ 4,096,411</u>	<u>\$ 326,895</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>					
Operating income (loss)	\$ 62,604	\$ (35,027)	\$ 43,252	\$ 70,829	\$ (29,476)
Depreciation and amortization	496,868	224,371	-	721,239	112,182
Net reduction of expense under GASB 68	85,515	16,801	36,319	138,635	84,419
(Increase) decrease in prepaid expenses	(3,799)	446	(325)	(3,678)	-
(Increase) decrease in customer deposits	-	-	76,030	76,030	(379)
(Increase) decrease in inventory	14,812	-	-	14,812	-
(Increase) decrease in receivables	12,599	6,272	-	18,871	720
Increase (decrease) in payables	(7,964)	897	37,888	30,821	(28,341)
Increase (decrease) in compensated absences	(509)	5	(8)	(512)	(4,382)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 660,126</u>	<u>\$ 213,765</u>	<u>\$ 193,156</u>	<u>\$ 1,067,047</u>	<u>\$ 134,743</u>

See accompanying notes to the basic financial statements

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**THE FINANCIAL REPORTING ENTITY**

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

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

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

The government reports the following nonmajor governmental funds:

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

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

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

The government reports the following major proprietary funds:

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

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

The government also reports the following proprietary funds:

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

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service fund is charges to other departments for sales and services. Operating expenses for the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. All systems development charges (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 Commisison are appropriated at object levels of personal services, materials and services, capital outlay, debt service, interfund transactions and contingency. All other funds, including the General, Street, High Tech Crime Unit Fund, Capital Improvement, Water, Stormwater and Internal Service funds are appropriated by total budget at the division level. Unexpected additional resources or appropriations may be added to the budget through the use of a supplemental budget. Original and supplemental budgets require hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by passing a Council resolution authorizing the transfer.

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

**ESTIMATES**

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

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

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

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

**Cash and Investments**

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

**Receivables and Payables**

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

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

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

**Interfund Activities**

Interfund activities include charges for services and operating transfers

**Supplies Inventories**

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

**Prepaid Expenses**

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

**Capital Assets**

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

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

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

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

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

**Capitalized Interest**

Interest is capitalized on capital assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the year ended June 30, 2017, and for prior years as well, no interest was capitalized on capital assets. All interest incurred during the current year was charged to expense/expenditures.

**Grants**

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

**Compensated Absences**

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

**Deferred Outflow / Inflow of Resources**

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

**Long-term Obligations**

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

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

**Net Position**

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

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

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

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

**Unrestricted net position** - all other net position.



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

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

**Fund Balances**

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

**Nonspendable fund balance** - inherently nonspendable resources that, because of their form, 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>2017</b>
Petty cash	\$ 1,150
Demand deposits	2,228,269
Deposits - FSA	5,000
LGIP	15,363,676
Total	\$ 17,598,095

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

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. The LGIP is not rated by a national rating service. Additional information about the OSTF can be obtained at [www.ost.state.or.us](http://www.ost.state.or.us) and [www.oregon.gov/treasury](http://www.oregon.gov/treasury). The weighted-average maturity of LGIP is less than one year. The 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, 2017, 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, 2017 are as follows:

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance End of Year</b>
<b>Governmental Activities:</b>				
<b>Not being depreciated</b>				
Land	\$ 5,345,702	\$ 260,478	\$ -	\$ 5,606,180
Work in process	762,500	715,506	(366,939)	1,111,067
Land use rights	42,815	-	-	42,815
Total	<u>6,151,017</u>	<u>975,984</u>	<u>(366,939)</u>	<u>6,760,062</u>
<b>Being depreciated</b>				
Buildings	5,136,526	-	-	5,136,526
Software	181,277	-	(181,277)	-
Computers	452,949	167,394	(130,275)	490,068
Equipment s	672,240	21,370	(198,987)	494,623
Infrastructure	85,936,846	447,729	-	86,384,575
Total	<u>92,379,838</u>	<u>636,493</u>	<u>(510,539)</u>	<u>92,505,792</u>
<b>Accumulated depreciation</b>				
Buildings	(1,891,424)	(120,085)	-	(2,011,509)
Software	(70,134)	-	70,134	-
Computers	(323,826)	(118,103)	94,218	(347,711)
Equipment	(492,412)	(11,449)	98,838	(405,023)
Infrastructure	(57,215,748)	(2,659,274)	-	(59,875,022)
Total	<u>(59,993,544)</u>	<u>(2,908,911)</u>	<u>263,190</u>	<u>(62,639,265)</u>
<b>Governmental capital assets, net</b>	<u>\$ 38,537,311</u>	<u>\$ (1,296,434)</u>	<u>\$ (614,288)</u>	<u>\$ 36,626,589</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>Internal Service Fund:</b>				
<b>Being depreciated</b>				
Buildings	267,912	-	-	267,912
Computers	7,035	-	-	7,035
Equipment and vehicles	1,204,138	140,998	(24,511)	1,320,625
Infrastructure	18,000	-	-	18,000
Total	<u>1,497,085</u>	<u>140,998</u>	<u>(24,511)</u>	<u>1,613,572</u>
<b>Accumulated depreciation</b>				
Buildings	(118,559)	(9,110)	-	(127,669)
Computers	(5,630)	(1,402)	-	(7,032)
Equipment and vehicles	(824,863)	(101,310)	24,511	(901,662)
Infrastructure	(4,140)	(360)	-	(4,500)
Total	<u>(953,192)</u>	<u>(112,182)</u>	<u>24,511</u>	<u>(1,040,863)</u>
<b>Internal service fund capital assets, net</b>	<u>\$ 543,893</u>	<u>\$ 28,816</u>	<u>\$ -</u>	<u>\$ 572,709</u>
<b>Business-type Activities:</b>				
<b>Not being depreciated</b>				
Land	\$ 1,943,024	\$ -	\$ -	\$ 1,943,024
Work in process	783,797	146,988	-	930,785
Land use rights	300,666	-	-	300,666
Total	<u>3,027,487</u>	<u>146,988</u>	<u>-</u>	<u>3,174,475</u>
<b>Being depreciated</b>				
Equipment and vehicles	75,947	56,791	-	132,738
Infrastructure	36,656,668	50,998	-	36,707,666
Total	<u>36,732,615</u>	<u>107,789</u>	<u>-</u>	<u>36,840,404</u>
<b>Accumulated depreciation</b>				
Equipment and vehicles	(38,413)	(12,181)	-	(50,594)
Infrastructure	(11,772,365)	(709,058)	-	(12,481,423)
Total	<u>(11,810,778)</u>	<u>(721,239)</u>	<u>-</u>	<u>(12,532,017)</u>
<b>Business-type capital assets, net</b>	<u>\$ 27,949,324</u>	<u>\$ (466,462)</u>	<u>\$ -</u>	<u>\$ 27,482,862</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	\$ 960,239	\$ -
Public Safety	1,192,654	-
Highways and Streets	407,087	-
Parks and Recreation	348,931	-
Internal Service Fund - charged to various functions based on usage	112,182	-
Water	-	496,868
Stormwater	-	224,371
Total	<u>\$ 3,021,093</u>	<u>\$ 721,239</u>

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

**5. LONG-TERM DEBT**

At June 30, 2017, the City's long-term financed debt consists of the following:

**Limited Tax Improvement Bonds:** During 2007-08, the City entered into a limited tax bond purchase agreement to obtain funding in the amount of \$500,000 for water line improvement projects on behalf of certain City residents. The bond purchase agreement is secured by the assessment payments of the benefited property owners. In addition, should these payments be insufficient, the City's full faith and credit and taxing power has been committed. Interest at 4.62% and principal is paid semiannually. The final payment was made May 31, 2017.

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

**Water Reservoir:** During 2010-11, the City entered into an agreement with the state of Oregon Safe Drinking Water Revolving Loan Fund to provide financing of up to \$5,600,000 to engineer and construct a new City reservoir. The total borrowing that financed the costs of engineering and construction was \$5,507,924. During 2013-14 an interest only payment of \$292,510 was made. Beginning in 2014-15, the City will make annual payments of \$384,045, including interest at 3.4%, for approximately 20 years. Repayment is guaranteed by the United States government. The final payment is scheduled for December 2017.

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

**Full Faith and Credit Financing Agreement 2017:** During the 20016-017 fiscal year, the City entered into a Full Faith and Credit Financing Agreement (Agreement) in the amount of \$9,766,000. The Agreement was entered into to fund refinancing of the 2010 State of Oregon Revolving loan, waterline improvements, and a streetscape project. The tax exempt financing note was secured by the full faith and credit of the City and was payable from all legally available funds of the City. Interest at 2.64% was paid semi-annually, and principal was paid annually. Final payment was scheduled for 2030. The City advance refunded the aforementioned loan to reduce its total debt service payments over the next 13 years by \$800,768 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$750,303. As part of this loan an Intergovernmental Agreement (Agreement) was made between the City and the Economic Development Commisison (Comission) in which the City advanced a portion of the loan to the Comission, see note 7. The Agreement calls for the tax increment revenue of the Comisison be pledged as security for the loan

All outstanding long-term debt at June 30, 2017 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, 2017:

	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<b>Governmental Activities</b>						
Limited tax improvement bonds	\$ 71,660	\$ -	\$ (71,660)	\$ -	\$ -	\$ -
Series 2014	2,088,291	-	(504,030)	1,584,261	279,090	1,305,171
Series 2017	-	4,546,782	-	4,546,782	124,308	4,422,474
SDC obligations	444,585	-	(116,330)	328,255	36,743	291,512
<b>Total</b>	<u>\$ 2,604,536</u>	<u>\$ 4,546,782</u>	<u>\$ (692,020)</u>	<u>\$ 6,459,298</u>	<u>\$ 440,141</u>	<u>\$ 6,019,157</u>
<b>Business-type Activities</b>						
Water Reservoir	\$ 5,107,682	\$ -	\$(4,887,012)	\$ 220,670	\$ 220,670	\$ -
Series 2014	30,970	-	(30,970)	-	-	-
Series 2017	-	5,219,218	-	5,219,218	142,692	5,076,526
SDC obligations	21,098	13,275	-	34,373	3,819	30,554
<b>Total</b>	<u>\$ 5,159,750</u>	<u>\$ 5,232,493</u>	<u>\$ (4,917,982)</u>	<u>\$ 5,474,261</u>	<u>\$ 367,181</u>	<u>\$ 5,107,080</u>

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

Years Ending June 30,	Series 2014 Bonds		Series 2017 Agreement		SDC Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 279,090	\$ 35,973	\$ 124,308	\$ 118,394	\$ 36,743	\$ -
2019	289,946	28,889	224,406	113,791	36,743	-
2020	157,399	23,319	242,563	107,627	36,743	-
2021	160,354	19,363	263,049	100,953	36,743	-
2022	167,668	15,280	282,137	93,757	36,743	-
2023 to 2027	529,804	20,113	1,694,219	320,485	144,540	-
2028 to 2032	-	-	1,716,100	104,438	-	-
<b>Total</b>	<u>\$ 1,584,261</u>	<u>\$ 142,937</u>	<u>\$ 4,546,782</u>	<u>\$ 959,445</u>	<u>\$ 328,255</u>	<u>\$ -</u>

Years Ending June 30,	Total Governmental Activities	
	Principal	Interest
2018	\$ 440,141	\$ 154,367
2019	551,095	142,680
2020	436,705	130,946
2021	460,146	120,316
2022	486,548	109,037
2023 to 2027	2,368,563	340,598
2028 to 2032	1,716,100	1,716,100
<b>Total</b>	<u>\$ 6,459,298</u>	<u>\$ 2,714,044</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,	Water Reservoir Loan		Series 2017 Agreement		SDC Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 220,670	\$ 3,751	\$ 142,692	\$ 135,904	\$ 3,819	\$ -
2019	-	-	257,594	130,620	3,819	-
2020	-	-	278,437	123,544	3,819	-
2021	-	-	301,951	115,883	3,819	-
2022	-	-	323,863	107,623	3,819	-
2023 to 2027	-	-	1,944,781	393,885	15,278	-
2028 to 2032	-	-	1,969,900	119,883	-	-
<b>Total</b>	<b>\$ 220,670</b>	<b>\$ 3,751</b>	<b>\$ 5,219,218</b>	<b>\$ 1,127,342</b>	<b>\$ 34,373</b>	<b>\$ -</b>

	Total Business-Type Activities	
	Principal	Interest
2017-18	\$ 367,181	\$ 139,655
2018-19	261,413	130,620
2019-20	282,256	123,544
2020-21	305,770	115,883
2021-22	327,682	107,623
2023 to 2027	1,960,059	393,885
2028 to 2032	1,969,900	119,883
2033 to 2037	-	-
<b>Total</b>	<b>\$ 5,474,261</b>	<b>\$ 1,131,093</b>

**6. COMPENSATED ABSENCES**

During the year ended June 30, 2017 the changes in the City's vested compensated absences obligation to employees were as follows:

	Balance 7/1/16	Additions	Deletions	Balance 7/1/17	Due Within One Year	Long-Term Portion
<b>Governmental Activities</b>						
Governmental Funds	\$ 322,417	\$ 139,634	\$ (101,975)	\$ 360,076	\$ 114,254	\$ 245,822
Internal Service Fund	35,538	7,038	(11,420)	31,156	15,578	15,578
<b>Total</b>	<b>\$ 357,955</b>	<b>\$ 146,672</b>	<b>\$ (113,395)</b>	<b>\$ 391,232</b>	<b>\$ 129,832</b>	<b>\$ 261,400</b>
<b>Business-Type Activities</b>						
Proprietary Funds	\$ 32,946	\$ 32,189	\$ (16,985)	\$ 48,150	\$ 24,075	\$ 24,075
<b>Combined Total</b>	<b>\$ 390,901</b>	<b>\$ 178,861</b>	<b>\$ (130,380)</b>	<b>\$ 439,382</b>	<b>\$ 153,907</b>	<b>\$ 285,475</b>

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

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

**7. INTERFUND ACTIVITY**

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

<u>Transfer Out</u>	<u>Transfer In</u>		<u>Total</u>
	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds Reserve Fund</u>	
General Fund	\$ 106,600	\$ -	\$ 106,600
Street Fund	55,500	-	55,500
Nonmajor governmental funds	71,950	-	71,950
Internal Service Fund	-	25,000	25,000
Total	<u>\$ 234,050</u>	<u>\$ 25,000</u>	<u>\$ 259,050</u>

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

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

Interfund balances consists of amount due to the Economic Development Commission (Commission) for interest paid on long-term debt in behalf of other funds. The interfund receivable in the Commission is \$13,490 which is payable from the Debt Service fund and the Water fund in the amounts of \$1,980 and \$11,510 respectively.

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

Interfund advance activity and balances for the year ended June 30, 2017 follows:

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



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

**8. GOVERNMENTAL FUND BALANCES**

Governmental fund balance components at June 30, 2017 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	\$ 12,835	\$ 353	\$ -	\$ -	\$ -	\$ 13,188
Advance to other funds	-	-	-	3,634,000	-	3,634,000
Prepaid items	12,835	353	-	3,634,000	-	3,647,188
Restricted:						
Community Development	-	-	51,027	60,465	-	111,492
State Law - Gas Tax and SDCs	-	4,144,732	-	-	-	4,144,732
Grant Funds - Public Safety	-	-	-	-	78,842	78,842
Total	-	4,144,732	51,027	60,465	78,842	4,335,066
Committed:						
Council resolution/ordinances:						
Future capital assets	-	-	-	-	1,029,068	1,029,068
Total	-	-	-	-	1,029,068	1,029,068
Assigned:						
2015-17 Budget	3,870,668	-	-	-	-	3,870,668
Unassigned	11,946	-	-	-	-	11,946
Total fund balance	<u>\$ 3,895,449</u>	<u>\$ 4,145,085</u>	<u>\$ 51,027</u>	<u>\$ 3,694,465</u>	<u>\$ 1,107,910</u>	<u>\$ 12,893,936</u>

**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)

**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

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

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

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

*Death Benefits*

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

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

*Disability Benefits*

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

*Benefit Changes After Retirement*

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

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

**2. OPSRP Pension Program (OPSRP DB)**

*Pension Benefits.*

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

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

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

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

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

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

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.

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

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

**Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 were \$952,125, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 were 16.43 percent for Tier One/Tier Two Members, 10.24 percent for OPSRP Pension Program General Service Members, 14.35 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, 2017, the City's proportionate share of the net pension liability is \$8,889,239. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion was 0.05921 percent, which changed from its proportion of 0.06454 measured as of June 30, 2016.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 294,095	\$ -
Change in assumptions	1,895,861	-
Net difference between projected and actual earnings on pension plan investments	1,756,140	286,617
Changes in proportionate share	82,873	-
Differences between City contributions and proportionate share of contributions	<u>62,672</u>	<u>88,064</u>
Subtotal before post-measurement date contributions	4,091,641	374,681
City contributions subsequent to the measurement date	<u>622,200</u>	-
Total	<u>\$ 4,713,841</u>	<u>\$ 374,681</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 \$622,200 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, 2017. Net deferred outflows (inflows) of resources of \$3,716,960 will be recognized in pension expense as follows:

Year Ended June 30,		
2018	\$	658,621
2019		658,621
2020		1,304,013
2021		969,371
2022		<u>126,334</u>
Total	\$	<u>3,716,960</u>

**Actuarial Assumptions**

The employer contribution rates effective July 1, 2013 through June 30, 2015, and effective July 1, 2015 through June 30, 2017, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability:**

Valuation Date	December 31, 2014
Measurement date	June 30, 2016
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Investment Rate of return	7.5 percent
Projected Salary Increases	Blend of 2.00% COLA and Grade COLA
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table..</p>

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

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

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

**Long-term Expected Rate of Return**

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

**Depletion Date Projection**

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

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

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

**Discount Rate**

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

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)	\$ 14,353,154	\$ 8,889,239	\$ 4,322,359

**Changes in Plan Provisions Subsequent to Measurement Date**

At its July 28, 2017 meeting, the PERS Board lowered the assumed earning rate from 7.5% to 7.25%, adding \$2.1 billion to the System's unfunded liability.

**11. PROPERTY TAX LIMITATIONS**

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

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

**12. RESTATEMENT OF NET POSITION**

In prior years the City has not reported the Economic Development Commission (Commission) in the audited financial statements. The amounts for the Commission were considered immaterial in prior years. The effect of both of adding the Commission to beginning net position of Governmental Activities is as follows:

	<u>Total Governmental Activities</u>	
Ending fund balance/net position, July 1, 2016:		
As previously reported	\$	40,402,245
July 1, 2106 balance in Economic Development Commission		272,113
Fund balance/net position, July 1, 2016 as restated	\$	40,674,358

**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, 2017**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.059213 %	0.064537 %	0.058290 %
Proportionate share of the net pension liability (asset)	\$ 8,889,239	\$ 3,705,167	\$ (1,321,278)
Covered payroll	\$ 4,771,542	\$ 4,719,630	\$ 3,926,697
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	186.30 %	78.51 %	(33.65)%
Plan net position as a percentage of the total pension liability	80.50 %	91.88 %	103.59 %

**Schedule of Pension Contributions  
Oregon Public Employees Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 930,357	\$ 930,357	\$ 851,622
Contributions in relation to the contractually required contribution	<u>930,357</u>	<u>930,357</u>	<u>851,622</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 4,771,542	\$ 4,719,630	\$ 3,926,697
Contributions as a percentage of covered employee payroll	19.50 %	19.71 %	21.69 %

**Notes to Required Supplementary Information**

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

Amounts presented are for the measurement period reported during the fiscal year, which for FY 2017 is the July 1, 2015-June 30, 2016.

**Changes of Assumptions**

Details and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the System, which was published on September 23, 2015. The report can be found at:  
<http://www.oregon.gov/pers/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

**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, 2017**

	<u>BIENNIUM BUDGET</u>		FIRST YEAR ACTUAL	SECOND YEAR ACTUAL	TOTAL ACTUAL FOR BUDGET PERIOD	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>Revenues:</b>						
Taxes	\$ 13,013,000	\$ 13,013,000	\$ 6,421,233	\$ 6,608,731	\$ 13,029,964	\$ 16,964
Licenses and permits	270,550	270,550	116,911	146,634	263,545	(7,005)
Intergovernmental	1,185,990	1,200,990	484,922	543,879	1,028,801	(172,189)
Charges for services	2,320,700	2,320,700	1,202,808	1,271,933	2,474,741	154,041
Fines and forfeitures	180,000	180,000	84,679	72,908	157,587	(22,413)
Investment earnings	35,000	35,000	37,742	58,825	96,567	61,567
Miscellaneous	344,000	589,395	136,856	450,150	587,006	(2,389)
<b>Total revenues</b>	<b>17,349,240</b>	<b>17,609,635</b>	<b>8,485,151</b>	<b>9,153,060</b>	<b>17,638,211</b>	<b>28,576</b>
<b>Expenditures:</b>						
Mayor & Council	123,100	123,100	45,595	51,550	97,145	25,955
Administration	1,493,200	1,518,200	710,693	675,951	1,386,644	131,556
Technical services	1,134,050	1,134,050	575,594	533,265	1,108,859	25,191
City enhancement	408,000	408,000	149,134	160,263	309,397	98,603
Finance	1,617,300	1,617,300	771,902	734,996	1,506,898	110,402
Interdepartmental	265,000	265,000	124,421	140,217	264,638	362
Parks and recreation - parks	1,796,670	2,037,065	821,314	1,114,410	1,935,724	101,341
Parks and recreation - recreation	1,109,350	1,109,350	411,707	440,274	851,981	257,369
Planning	1,126,150	1,126,150	456,667	537,625	994,292	131,858
Police	8,781,750	8,801,750	4,011,459	4,121,417	8,132,876	668,874
Contingency	180,000	180,000	-	-	-	180,000
<b>Total expenditures</b>	<b>18,034,570</b>	<b>18,319,965</b>	<b>8,078,486</b>	<b>8,509,968</b>	<b>16,588,454</b>	<b>1,731,511</b>
Excess of revenues over (under) expenditures	(685,330)	(710,330)	406,665	643,092	1,049,757	1,760,087
<b>Other financing sources (uses):</b>						
Transfers in	20,000	20,000	20,000	-	20,000	-
Transfers out	(212,850)	(212,850)	(106,250)	(106,600)	(212,850)	-
<b>Net transfers</b>	<b>(192,850)</b>	<b>(192,850)</b>	<b>(86,250)</b>	<b>(106,600)</b>	<b>(192,850)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(878,180)</b>	<b>(903,180)</b>	<b>320,415</b>	<b>536,492</b>	<b>856,907</b>	<b>1,760,087</b>
Beginning fund balance	2,501,250	2,526,250	2,841,746	3,358,957	2,841,746	315,496
Restatement - see Note 12	-	-	196,796	-	196,796	196,796
Beginning fund balance as restated	2,501,250	2,526,250	3,038,542	3,358,957	3,038,542	512,292
<b>Ending fund balance</b>	<b>\$ 1,623,070</b>	<b>\$ 1,623,070</b>	<b>\$ 3,358,957</b>	<b>\$ 3,895,449</b>	<b>\$ 3,895,449</b>	<b>\$ 2,272,379</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, 2017**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>Revenues:</b>						
Taxes	\$ 355,000	\$ 355,000	\$ 175,000	\$ 175,000	\$ 350,000	\$ (5,000)
Intergovernmental	2,126,800	2,126,800	1,096,631	1,114,403	2,211,034	84,234
Charges for services	2,304,000	2,304,000	657,624	2,010,788	2,668,412	364,412
Investment earnings	16,000	16,000	9,712	23,071	32,783	16,783
Miscellaneous	385,000	385,000	34,737	38,202	72,939	(312,061)
<b>Total revenues</b>	<b>5,186,800</b>	<b>5,186,800</b>	<b>1,973,704</b>	<b>3,361,464</b>	<b>5,335,168</b>	<b>148,368</b>
<b>Expenditures:</b>						
Street operations	4,105,309	4,219,309	1,811,350	1,649,160	3,460,510	758,799
SDC streets	915,000	1,179,000	138,052	325,948	464,000	715,000
Contingency	157,000	157,000	-	-	-	157,000
<b>Total expenditures</b>	<b>5,177,309</b>	<b>5,555,309</b>	<b>1,949,402</b>	<b>1,975,108</b>	<b>3,924,510</b>	<b>1,630,799</b>
<b>Excess of revenues over (under) expenditures</b>	<b>9,491</b>	<b>(368,509)</b>	<b>24,302</b>	<b>1,386,356</b>	<b>1,410,658</b>	<b>1,779,167</b>
<b>Other financing sources (uses):</b>						
Debt proceeds	-	-	-	895,000	895,000	895,000
Transfers out	(146,500)	(110,500)	(55,000)	(55,500)	(110,500)	-
<b>Total other financing sources (uses)</b>	<b>(146,500)</b>	<b>(110,500)</b>	<b>(55,000)</b>	<b>839,500</b>	<b>784,500</b>	<b>(895,000)</b>
<b>Net change in fund balance</b>	<b>(137,009)</b>	<b>(479,009)</b>	<b>(30,698)</b>	<b>2,225,856</b>	<b>2,195,158</b>	<b>2,674,167</b>
<b>Beginning fund balance</b>	<b>1,605,860</b>	<b>1,983,860</b>	<b>1,949,927</b>	<b>1,919,229</b>	<b>1,949,927</b>	<b>(33,933)</b>
<b>Ending fund balance</b>	<b>\$ 1,468,851</b>	<b>\$ 1,504,851</b>	<b>\$ 1,919,229</b>	<b>\$ 4,145,085</b>	<b>\$ 4,145,085</b>	<b>\$ 2,640,234</b>

**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, 2017**

	ORIGINAL Budget	FINAL Budget	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>Revenues:</b>				
Taxes	\$ 327,500	\$ 327,500	\$ 197,169	\$ (130,331)
Investment earnings	100	100	5,037	4,937
Total revenues	327,600	327,600	202,206	125,394
<b>Expenditures:</b>				
Capital outlay	1,588,010	1,588,010	409,187	1,178,823
Materials and services	120,300	120,300	1,277	119,023
Debt service	397,400	397,400	12,827	384,573
Personal services	39,000	39,000	-	39,000
Contingency	50,000	50,000	-	50,000
Total expenditures	2,194,710	2,194,710	423,291	1,771,419
Excess of revenues over (under) expenditures	(1,867,110)	(1,867,110)	(221,085)	1,646,025
<b>Other financing sources (uses):</b>				
Debt proceeds	1,700,000	1,700,000	3,634,000	1,934,000
Net change in fund balance	(167,110)	(167,110)	3,412,915	3,580,025
Beginning fund balance	167,110	167,110	272,112	105,002
Ending fund balance	\$ -	\$ -	3,685,027	\$ 3,685,027
<b>Reconciliation to proprietary net position:</b>				
Advance from City			(3,634,000)	
Total			\$ 51,027	

**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, 2017**

	<u>BIENNIUM BUDGET</u>				TOTAL ACTUAL FOR BUDGET PERIOD	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	FIRST YEAR ACTUAL	SECOND YEAR ACTUAL		
<b>Revenues:</b>						
Intergovernmental	\$ 325,728	\$ 325,728	\$ 162,864	\$ 162,864	\$ 325,728	\$ -
Charges for services	469,400	469,400	192,000	193,032	385,032	(84,368)
Assessments	44,000	44,000	5,180	62,892	68,072	24,072
Investment earnings	500	500	509	10,022	10,531	10,031
Miscellaneous	-	-	-	3	3	3
<b>Total revenues</b>	<b>839,628</b>	<b>839,628</b>	<b>360,553</b>	<b>428,813</b>	<b>789,366</b>	<b>(50,262)</b>
<b>Expenditures:</b>						
Debt service	<u>1,283,880</u>	<u>1,331,857</u>	<u>586,560</u>	<u>645,860</u>	<u>1,232,420</u>	<u>99,437</u>
Excess of revenues over (under) expenditures	<u>(444,252)</u>	<u>(492,229)</u>	<u>(226,007)</u>	<u>(217,047)</u>	<u>(443,054)</u>	<u>49,175</u>
<b>Other financing sources (uses):</b>						
Debt proceeds	-	3,681,977	-	3,651,782	3,651,782	(30,195)
Transfers in	467,250	467,250	233,200	234,050	467,250	-
Transfers out	-	<u>(3,634,000)</u>	-	<u>(3,634,000)</u>	<u>(3,634,000)</u>	-
<b>Total other financing sources     (uses)</b>	<b>467,250</b>	<b>515,227</b>	<b>233,200</b>	<b>251,832</b>	<b>485,032</b>	<b>(30,195)</b>
Net change in fund balance	22,998	22,998	7,193	34,785	41,978	18,980
Beginning fund balance	<u>14,769</u>	<u>14,769</u>	<u>18,487</u>	<u>25,680</u>	<u>18,487</u>	<u>3,718</u>
Ending fund balance	<u>\$ 37,767</u>	<u>\$ 37,767</u>	<u>\$ 25,680</u>	60,465	<u>\$ 60,465</u>	<u>\$ 22,698</u>
<b>GAAP Basis Presentation</b>						
Advance to Economic Development Commission				<u>3,634,000</u>		
Ending fund balance GAAP basis				<u>\$ 3,694,465</u>		

**CITY OF CENTRAL POINT  
JACKSON COUNTY, OREGON  
**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2017****

	<u>High Tech Crime Unit Fund</u>	<u>Reserve Fund</u>	<u>Capital Improvement Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash and investments	\$ <u>78,842</u>	\$ <u>689,618</u>	\$ <u>339,450</u>	\$ <u>1,107,910</u>
 <b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Fund balances:				
Restricted	78,842	-	-	78,842
Committed	<u>-</u>	<u>689,618</u>	<u>339,450</u>	<u>1,029,068</u>
Total fund balances:	<u>78,842</u>	<u>689,618</u>	<u>339,450</u>	<u>1,107,910</u>
Total liabilities and fund balances:	<u>\$ 78,842</u>	<u>\$ 689,618</u>	<u>\$ 339,450</u>	<u>\$ 1,107,910</u>

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

**NONMAJOR GOVERNMENTAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2017**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 118,168	\$ 118,168
Investment earnings	-	5,842	2,992	8,834
Miscellaneous	-	57,498	-	57,498
Total revenues:	-	63,340	121,160	184,500
<b>EXPENDITURES:</b>				
Current:				
Public safety	27,758	-	-	27,758
Excess of revenues over (under) expenditures	(27,758)	63,340	121,160	156,742
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	25,000	-	25,000
Transfers out	-	-	(71,950)	(71,950)
Total transfers:	-	25,000	(71,950)	(46,950)
Net change in fund balance	(27,758)	88,340	49,210	109,792
Beginning fund balance	106,600	601,278	290,240	998,118
Ending fund balance	\$ 78,842	\$ 689,618	\$ 339,450	\$ 1,107,910



**CITY OF CENTRAL POINT  
JACKSON COUNTY, OREGON  
HIGH TECH CRIME UNIT FUND  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**  
For the Fiscal Year Ended June 30, 2017**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Expenditures:						
Public safety	<u>108,525</u>	<u>108,525</u>	<u>-</u>	<u>27,758</u>	<u>27,758</u>	<u>80,767</u>
Excess of Revenues Over (Under) Expenditures	<u>(108,525)</u>	<u>(108,525)</u>	<u>-</u>	<u>(27,758)</u>	<u>27,758</u>	<u>80,767</u>
Other Financing Sources (Uses):						
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	<u>(128,525)</u>	<u>(128,525)</u>	<u>(20,000)</u>	<u>(27,758)</u>	<u>(47,758)</u>	<u>80,767</u>
Beginning fund balance	<u>128,525</u>	<u>128,525</u>	<u>126,600</u>	<u>106,600</u>	<u>126,600</u>	<u>(1,925)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,600</u>	<u>\$ 78,842</u>	<u>\$ 78,842</u>	<u>\$ 78,842</u>

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

**RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2017**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Investment earnings	\$ 6,000	\$ 6,000	\$ 3,462	\$ 5,842	\$ 9,304	\$ 3,304
Miscellaneous	-	-	-	57,498	57,498	57,498
Expenditures:						
Other financing sources (uses):						
Transfers in	50,000	50,000	25,000	25,000	50,000	-
Net change in fund balance	56,000	56,000	28,462	88,340	116,802	60,802
Beginning fund balance	572,850	572,850	572,816	601,278	572,816	(34)
Ending fund balance	<u>\$ 628,850</u>	<u>\$ 628,850</u>	<u>\$ 601,278</u>	<u>\$ 689,618</u>	<u>\$ 689,618</u>	<u>\$ 60,768</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, 2017**

	<u>BIENNIUM BUDGET</u>		FIRST YEAR ACTUAL	SECOND YEAR ACTUAL	TOTAL ACTUAL FOR BUDGET PERIOD	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>Revenues:</b>						
Intergovernmental	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ (60,000)
Charges for services	258,400	258,400	143,578	118,168	261,746	3,346
Investment earnings	1,400	1,400	1,468	2,992	4,460	3,060
<b>Total revenues</b>	<b><u>319,800</u></b>	<b><u>319,800</u></b>	<b><u>145,046</u></b>	<b><u>121,160</u></b>	<b><u>266,206</u></b>	<b><u>(53,594)</u></b>
<b>Expenditures:</b>						
SDC capital projects	135,000	135,000	-	-	-	135,000
<b>Total expenditures</b>	<b><u>135,000</u></b>	<b><u>135,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>135,000</u></b>
<b>Excess of revenues over (under) expenditures</b>	<b><u>184,800</u></b>	<b><u>184,800</u></b>	<b><u>145,046</u></b>	<b><u>121,160</u></b>	<b><u>266,206</u></b>	<b><u>81,406</u></b>
<b>Other financing sources (uses):</b>						
Transfers out	(143,900)	(143,900)	(71,950)	(71,950)	(143,900)	-
<b>Net Change in fund balance</b>	<b>40,900</b>	<b>40,900</b>	<b>73,096</b>	<b>49,210</b>	<b>122,306</b>	<b>81,406</b>
<b>Beginning fund balance</b>	<b><u>157,955</u></b>	<b><u>157,955</u></b>	<b><u>217,144</u></b>	<b><u>290,240</u></b>	<b><u>217,144</u></b>	<b><u>59,189</u></b>
<b>Ending fund balance</b>	<b><u>\$ 198,855</u></b>	<b><u>\$ 198,855</u></b>	<b><u>\$ 290,240</u></b>	<b><u>\$ 339,450</u></b>	<b><u>\$ 339,450</u></b>	<b><u>\$ 140,595</u></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, 2017**

	<u>BIENNIUM BUDGET</u>		FIRST YEAR ACTUAL	SECOND YEAR ACTUAL	TOTAL ACTUAL FOR BUDGET PERIOD	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>Revenues:</b>						
Charges for services	\$ 6,024,000	\$ 6,112,200	\$ 3,282,851	\$ 3,351,590	\$ 6,634,441	\$ 522,241
Investment earnings	12,000	12,000	10,682	19,201	29,883	17,883
Miscellaneous	16,000	16,000	48,379	25,995	74,374	58,374
<b>Total revenues</b>	<b><u>6,052,000</u></b>	<b><u>6,140,200</u></b>	<b><u>3,341,912</u></b>	<b><u>3,396,786</u></b>	<b><u>6,738,698</u></b>	<b><u>598,498</u></b>
<b>Expenditures:</b>						
Operations	6,371,450	11,418,868	3,119,492	7,839,758	10,959,250	459,618
SDC water improvements	150,000	150,000	1,276	108,522	109,798	40,202
Contingency	151,100	151,100	-	-	-	151,100
<b>Total expenditures</b>	<b><u>6,672,550</u></b>	<b><u>11,719,968</u></b>	<b><u>3,120,768</u></b>	<b><u>7,948,280</u></b>	<b><u>11,069,048</u></b>	<b><u>650,920</u></b>
<b>Excess of revenues over (under) expenditures</b>	<b><u>(620,550)</u></b>	<b><u>(5,579,768)</u></b>	<b><u>221,144</u></b>	<b><u>(4,551,494)</u></b>	<b><u>(4,330,350)</u></b>	<b><u>1,249,418</u></b>
<b>Other financing sources (uses):</b>						
Debt proceeds	-	4,759,218	-	5,219,218	5,219,218	460,000
<b>Net change in fund balance</b>	<b><u>(620,550)</u></b>	<b><u>(820,550)</u></b>	<b><u>221,144</u></b>	<b><u>667,724</u></b>	<b><u>888,868</u></b>	<b><u>1,709,418</u></b>
<b>Beginning fund balance</b>	<b><u>1,660,995</u></b>	<b><u>1,860,995</u></b>	<b><u>1,918,457</u></b>	<b><u>2,139,601</u></b>	<b><u>1,918,457</u></b>	<b><u>57,462</u></b>
<b>Ending fund balance</b>	<b><u>\$ 1,040,445</u></b>	<b><u>\$ 1,040,445</u></b>	<b><u>\$ 2,139,601</u></b>	<b><u>2,807,325</u></b>	<b><u>\$ 2,807,325</u></b>	<b><u>\$ 1,766,880</u></b>
<b>Reconciliation to Proprietary Net Position:</b>						
Accrued interest				(14,428)		
Capital assets, net of depreciation				20,019,320		
Deferred outflow of resources				362,650		
Net pension liability				(683,879)		
Compensated absences						
Current portion				(15,259)		
Noncurrent portion				(15,259)		
Long-term debt:						
Current portion				(353,592)		
Noncurrent portion				(5,114,809)		
Deferred inflow of resources				(28,925)		
<b>Total</b>				<b><u>\$ 16,963,144</u></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, 2017**

	<u>BIENNIUM BUDGET</u>		FIRST YEAR ACTUAL	SECOND YEAR ACTUAL	TOTAL ACTUAL FOR BUDGET PERIOD	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>Revenues:</b>						
Charges for services	\$ 1,787,700	\$ 1,787,700	\$ 873,542	\$ 981,086	\$ 1,854,628	\$ 66,928
Investment earnings	7,000	7,000	5,556	9,378	14,934	7,934
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,688</u>	<u>5,935</u>	<u>7,623</u>	<u>5,623</u>
Total revenues	<u>1,796,700</u>	<u>1,796,700</u>	<u>880,786</u>	<u>996,399</u>	<u>1,877,185</u>	<u>80,485</u>
<b>Expenditures:</b>						
Operations	1,602,740	1,639,740	751,151	645,903	1,397,054	242,686
Stormwater quality	262,000	262,000	136,750	112,432	249,182	12,818
SDC stormwater improvements	75,460	75,460	1,815	-	1,815	73,645
Contingency	<u>46,500</u>	<u>46,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,500</u>
Total expenditures	<u>1,986,700</u>	<u>2,023,700</u>	<u>889,716</u>	<u>758,335</u>	<u>1,648,051</u>	<u>375,649</u>
Excess of revenues over (under) expenditures	<u>(190,000)</u>	<u>(227,000)</u>	<u>(8,930)</u>	<u>238,064</u>	<u>229,134</u>	<u>456,134</u>
<b>Other financing sources (uses):</b>						
Transfers out	(175,000)	-	-	-	-	-
Net change in fund balance	(365,000)	(227,000)	(8,930)	238,064	229,134	456,134
Beginning fund balance	<u>897,860</u>	<u>934,860</u>	<u>989,363</u>	<u>980,433</u>	<u>989,363</u>	<u>54,503</u>
Ending fund balance	<u>\$ 532,860</u>	<u>\$ 707,860</u>	<u>\$ 980,433</u>	1,218,497	<u>\$ 1,218,497</u>	<u>\$ 510,637</u>
<b>Reconciliation to Proprietary Net Position:</b>						
Capital assets, net of depreciation				7,463,543		
Deferred outflow of resources				104,456		
Net pension liability				(196,979)		
Compensated absences						
Current portion				(3,961)		
Noncurrent portion				(3,961)		
Long-term debt:						
Current portion				(650)		
Noncurrent portion				(5,210)		
Deferred inflow of resources				<u>(8,303)</u>		
Total				<u>\$ 8,567,432</u>		

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

**NONMAJOR BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2017**

	<u>BIENNIUM BUDGET</u>		FIRST YEAR ACTUAL	SECOND YEAR ACTUAL	TOTAL ACTUAL FOR BUDGET PERIOD	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>Revenues:</b>						
Charges for services	\$ 371,200	\$ 371,200	\$ 243,666	\$ 271,103	\$ 514,769	\$ 143,569
Investment earnings	2,400	2,400	2,355	4,229	6,584	4,184
Miscellaneous	-	-	1,673	5,176	6,849	6,849
<b>Total revenues</b>	<u>373,600</u>	<u>373,600</u>	<u>247,694</u>	<u>280,508</u>	<u>528,202</u>	<u>154,602</u>
<b>Expenditures:</b>						
Personal services	338,020	353,020	148,183	171,485	319,668	33,352
Materials and services	53,900	53,900	27,709	25,231	52,940	960
Contingency	4,500	4,500	-	-	-	4,500
<b>Total expenditures</b>	<u>396,420</u>	<u>411,420</u>	<u>175,892</u>	<u>196,716</u>	<u>372,608</u>	<u>38,812</u>
Excess of revenues over (under) expenditures	<u>(22,820)</u>	<u>(37,820)</u>	<u>71,802</u>	<u>83,792</u>	<u>155,594</u>	<u>193,414</u>
<b>Other financing sources (uses):</b>						
Net change in fund balance	(22,820)	(37,820)	71,802	83,792	155,594	193,414
Beginning fund balance	<u>199,625</u>	<u>214,625</u>	<u>277,214</u>	<u>349,016</u>	<u>277,214</u>	<u>62,589</u>
<b>Ending fund balance</b>	<u>\$ 176,805</u>	<u>\$ 176,805</u>	<u>\$ 349,016</u>	432,808	<u>\$ 432,808</u>	<u>\$ 256,003</u>
<b>Reconciliation to proprietary net position:</b>						
Deferred outflow of resources				112,990		
Net pension liability				(213,073)		
Compensated absences:				-		
Current portion				(4,855)		
Noncurrent portion				(4,855)		
Deferred inflow of resources				<u>(8,981)</u>		
<b>Total</b>				<u>\$ 314,034</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, 2017**

	<u>BIENNIUM BUDGET</u>		FIRST YEAR ACTUAL	SECOND YEAR ACTUAL	TOTAL ACTUAL FOR BUDGET PERIOD	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>Revenues:</b>						
Charges for service	\$ 2,470,000	\$ 2,470,000	\$ 1,216,364	\$ 1,280,124	\$ 2,496,488	\$ 26,488
Investment earnings	1,000	1,000	1,744	3,379	5,123	4,123
Miscellaneous	4,000	4,000	5,296	16,144	21,440	17,440
Gain/loss on assets	<u>2,000</u>	<u>2,000</u>	<u>9,097</u>	<u>-</u>	<u>9,097</u>	<u>7,097</u>
Total revenues	<u>2,477,000</u>	<u>2,477,000</u>	<u>1,232,501</u>	<u>1,299,647</u>	<u>2,532,148</u>	<u>55,148</u>
<b>Expenditures:</b>						
Administration	1,192,600	1,192,600	559,487	586,099	1,145,586	47,014
Facilities maintenance	559,500	559,500	232,201	280,709	512,910	46,590
Fleet maintenance	<u>762,600</u>	<u>762,600</u>	<u>315,839</u>	<u>407,712</u>	<u>723,551</u>	<u>39,049</u>
Total expenditures	<u>2,514,700</u>	<u>2,514,700</u>	<u>1,107,527</u>	<u>1,274,520</u>	<u>2,382,047</u>	<u>132,653</u>
Excess of revenues over (under) expenditures	<u>(37,700)</u>	<u>(37,700)</u>	<u>124,974</u>	<u>25,127</u>	<u>150,101</u>	<u>187,801</u>
<b>Other financing sources (uses):</b>						
Transfers out	(50,000)	(50,000)	(25,000)	(25,000)	(50,000)	-
Net change in fund balance	(87,700)	(87,700)	99,974	127	100,101	187,801
Beginning fund balance	<u>153,380</u>	<u>153,380</u>	<u>199,586</u>	<u>299,560</u>	<u>199,586</u>	<u>46,206</u>
Ending fund balance	<u>\$ 65,680</u>	<u>\$ 65,680</u>	<u>\$ 299,560</u>	299,687	<u>\$ 299,687</u>	<u>\$ 234,007</u>

Reconciliation to proprietary net position:

Capital assets, net of depreciation	572,709
Deferred outflow of resources	330,026
Net pension liability	(622,354)
Current portion	(15,578)
Noncurrent portion	(15,578)
Deferred inflow of resources	<u>(26,232)</u>
Total	<u>\$ 522,680</u>

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

**STATISTICAL SECTION**

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

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- Schedules 11,12,13,14 and 15.

**Demographic and Economic Information**

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

**Operating Information**

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

**Financial Trends**

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



**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 48,838,382	\$ 48,417,254	\$ 46,594,689	\$ 44,500,963	\$ 42,943,618	\$ 41,573,848	\$ 40,358,368	\$ 38,370,480	\$ 36,476,671	\$ 35,286,782
Restricted	1,851,088	4,751,603	4,302,082	1,197,631	2,653,745	2,650,004	2,405,786	2,350,270	2,541,218	4,337,046
Unrestricted	3,599,064	2,507,938	2,904,153	6,226,634	4,913,618	3,794,933	3,656,848	3,436,470	1,384,357	260,734
<b>Total governmental activities net assets</b>	<b>54,288,534</b>	<b>55,676,795</b>	<b>53,800,924</b>	<b>51,925,228</b>	<b>50,510,981</b>	<b>50,510,981</b>	<b>46,421,002</b>	<b>44,157,220</b>	<b>40,402,246</b>	<b>\$ 39,884,562</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	23,251,411	23,619,580	23,955,986	23,676,805	23,526,895	23,898,684	23,153,266	22,806,927	22,324,662	22,227,820
Restricted	2,357,084	2,354,177	1,816,743	1,816,743	201,433	305,848	554,492	550,129	533,792	533,792
Unrestricted	1,378,880	956,608	445,095	502,475	2,061,984	1,793,428	2,155,003	2,520,830	2,933,593	3,082,998
<b>Total business-type activities net assets</b>	<b>26,987,375</b>	<b>26,930,365</b>	<b>26,217,824</b>	<b>25,996,023</b>	<b>25,790,312</b>	<b>25,997,960</b>	<b>25,862,761</b>	<b>25,877,886</b>	<b>25,792,047</b>	<b>25,844,610</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	72,089,793	72,036,834	70,550,675	68,177,768	66,470,513	65,472,532	63,511,634	61,177,407	58,801,333	57,514,602
Restricted	4,208,172	7,105,780	6,118,825	3,014,374	2,855,178	2,955,852	2,960,278	2,900,399	3,075,010	4,870,838
Unrestricted	4,977,944	3,464,546	3,349,248	6,729,109	6,975,602	5,588,361	5,811,851	5,957,300	4,317,950	3,343,732
<b>Total primary government</b>	<b>\$ 81,275,909</b>	<b>\$ 82,607,160</b>	<b>\$ 80,018,748</b>	<b>\$ 77,921,251</b>	<b>\$ 76,301,293</b>	<b>\$ 74,016,745</b>	<b>\$ 72,283,763</b>	<b>\$ 70,035,106</b>	<b>\$ 66,194,293</b>	<b>\$ 65,729,172</b>

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

Fiscal Years Ended June 30,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 3,838,907	\$ 3,867,997	\$ 3,818,268	\$ 6,408,877	\$ 3,741,404	\$ 4,099,776	\$ 2,753,719	\$ 2,956,023	\$ 4,447,293	\$ 4,087,852
Public safety	3,406,748	3,432,492	3,646,951	3,860,777	3,831,436	4,041,554	3,972,593	4,440,928	6,442,355	5,453,021
Highways and streets	3,897,122	2,759,920	3,559,735	1,223,887	3,644,229	3,975,841	3,728,934	1,709,798	2,128,458	1,878,878
Parks and recreation	1,051,386	1,104,829	1,204,108	1,071,328	1,368,389	1,455,619	1,470,829	1,453,826	1,732,755	1,992,173
Community development	-	-	-	-	-	-	-	-	-	410,484
Interest on long term debt	169,560	174,600	228,498	370,303	203,134	184,837	153,488	108,429	57,243	84,831
<b>Total governmental activities net assets</b>	<b>\$ 12,483,721</b>	<b>\$ 11,339,838</b>	<b>\$ 12,357,558</b>	<b>\$ 12,724,962</b>	<b>\$ 12,788,572</b>	<b>\$ 13,757,827</b>	<b>\$ 12,077,643</b>	<b>\$ 10,686,974</b>	<b>\$ 14,808,104</b>	<b>\$ 13,717,219</b>
<b>Business-type activities</b>										
Water services	\$ 2,290,365	\$ 2,395,403	\$ 2,638,608	\$ 2,438,327	\$ 2,638,889	\$ 2,825,032	\$ 3,132,382	\$ 2,954,133	\$ 3,408,999	\$ 3,489,614
Stormwater services	790,686	613,368	675,609	787,799	712,514	800,860	960,248	942,517	909,840	885,215
Building services	504,341	209,814	153,638	148,381	123,545	119,440	161,975	107,161	241,001	233,027
<b>Total business-type activities net assets</b>	<b>\$ 3,585,392</b>	<b>\$ 3,218,585</b>	<b>\$ 3,467,855</b>	<b>\$ 3,374,507</b>	<b>\$ 3,474,748</b>	<b>\$ 3,545,332</b>	<b>\$ 4,254,605</b>	<b>\$ 3,903,811</b>	<b>\$ 4,559,840</b>	<b>\$ 4,607,856</b>
<b>Program revenue</b>										
<b>Governmental activities:</b>										
Charges for services										
General Government	\$ 2,315,279	\$ 2,649,709	\$ 2,499,067	\$ 2,229,797	\$ 2,405,632	\$ 2,464,733	\$ 1,443,604	\$ 1,623,683	\$ 1,736,575	\$ 1,948,504
Public safety	189,673	166,336	204,673	202,034	263,232	185,271	144,779	-	-	-
Highways and streets	3,209,989	1,442,138	1,243,122	1,556,713	1,326,666	1,418,101	1,613,409	1,748,278	1,797,416	2,010,798
Parks and recreation	376,309	329,248	219,182	147,207	117,524	141,549	330,473	165,382	143,578	-
Interest on long term debt	530,616	326,743	260,654	370,303	252,253	237,827	-	-	-	-
Operating grants and contributions	58,459	14,141	5,891	5,578	707,451	260,616	126,418	659,823	647,786	1,658,282
Capital grants and contributions	-	267,900	170,000	-	-	265,880	849,326	182,648	221,659	-
<b>Total governmental activities program revenues</b>	<b>\$ 6,680,224</b>	<b>\$ 6,176,215</b>	<b>\$ 4,802,369</b>	<b>\$ 4,511,832</b>	<b>\$ 5,071,748</b>	<b>\$ 4,973,977</b>	<b>\$ 4,508,009</b>	<b>\$ 4,397,612</b>	<b>\$ 4,547,014</b>	<b>\$ 5,617,574</b>
<b>Business-type activities:</b>										
Charges for services										
Water services	\$ 2,313,551	\$ 2,303,604	\$ 2,149,693	\$ 2,353,000	\$ 2,434,016	\$ 2,729,293	\$ 2,887,384	\$ 2,963,854	\$ 3,179,099	\$ 3,262,636
Stormwater services	677,362	588,752	543,537	708,031	720,697	885,834	819,915	830,954	837,245	844,253
Building services	412,685	180,107	64,418	86,372	77,892	108,552	202,163	228,880	243,868	271,103
Capital grants and contributions	-	-	9,905	-	-	-	165,624	153,426	143,768	212,613
<b>Total business-type activities program revenues</b>	<b>\$ 3,303,498</b>	<b>\$ 3,072,463</b>	<b>\$ 2,767,553</b>	<b>\$ 3,167,403</b>	<b>\$ 3,232,505</b>	<b>\$ 3,723,679</b>	<b>\$ 4,074,966</b>	<b>\$ 4,167,064</b>	<b>\$ 4,403,788</b>	<b>\$ 4,890,505</b>
<b>Net (expense)/revenue</b>										
Governmental activities:	\$ (5,803,487)	\$ (6,163,423)	\$ (7,755,188)	\$ (8,213,320)	\$ (7,716,824)	\$ (8,783,650)	\$ (7,568,634)	\$ (6,271,362)	\$ (10,261,090)	\$ (6,089,845)
Business-type activities:	(281,894)	(146,122)	(710,302)	(217,104)	(242,243)	178,347	(179,639)	263,283	(156,172)	(17,351)
<b>Total primary government net expense</b>	<b>\$ (6,085,381)</b>	<b>\$ (6,309,545)</b>	<b>\$ (8,465,491)</b>	<b>\$ (8,430,424)</b>	<b>\$ (7,859,067)</b>	<b>\$ (8,605,303)</b>	<b>\$ (7,749,273)</b>	<b>\$ (6,008,079)</b>	<b>\$ (10,417,262)</b>	<b>\$ (6,118,996)</b>
<b>General Revenue and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Property	\$ 4,068,601	\$ 4,359,832	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,388,671	\$ 4,241,913	\$ 4,737,843	\$ 4,713,874	\$ 5,163,837
Franchise	855,576	911,080	942,997	964,808	1,148,387	1,179,580	1,180,589	1,004,867	1,050,201	1,171,101
Hotel/Motel	343,237	299,009	297,808	304,388	362,446	451,542	373,342	391,491	481,514	440,783
Interest	287,039	122,221	42,876	25,126	46,874	56,075	45,028	34,819	54,637	45,776
Gain (loss) on capital asset disposal	-	-	-	-	-	-	29,887	(16,199)	8,097	-
Miscellaneous	61,084	156,261	279,427	397,464	234,847	217,606	148,931	-	-	468,352
Transfers	-	-	41,900	157,700	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>\$ 5,615,538</b>	<b>\$ 5,849,403</b>	<b>\$ 5,879,318</b>	<b>\$ 6,209,917</b>	<b>\$ 6,302,577</b>	<b>\$ 6,291,454</b>	<b>\$ 6,918,670</b>	<b>\$ 6,152,621</b>	<b>\$ 6,308,323</b>	<b>\$ 7,308,849</b>
<b>Business-type activities</b>										
Interest	\$ 181,546	\$ 82,411	\$ 15,408	\$ 7,721	\$ 11,116	\$ 13,529	\$ 10,939	\$ 13,540	\$ 18,583	\$ 32,808
Miscellaneous	18,556	6,702	24,252	49,388	25,418	15,772	33,491	34,422	51,740	37,108
Transfers	-	-	(41,900)	(157,700)	-	-	-	-	-	-
<b>Total Business-type activities</b>	<b>\$ 200,101</b>	<b>\$ 89,113</b>	<b>\$ (2,399)</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>Change in Net Position</b>										
Governmental activities	\$ (187,961)	\$ (315,020)	\$ (1,875,871)	\$ (1,913,403)	\$ (1,414,247)	\$ (2,482,196)	\$ (1,549,964)	\$ (118,741)	\$ (3,951,767)	\$ (789,796)
Business-type activities	(81,793)	(57,098)	(712,641)	(317,715)	(205,709)	207,648	(135,209)	311,245	(85,839)	52,663
<b>Total primary government</b>	<b>\$ (269,754)</b>	<b>\$ (372,028)</b>	<b>\$ (2,588,412)</b>	<b>\$ (2,231,118)</b>	<b>\$ (1,619,956)</b>	<b>\$ (2,284,548)</b>	<b>\$ (1,685,173)</b>	<b>\$ 192,504</b>	<b>\$ (4,037,606)</b>	<b>\$ (737,233)</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Property taxes	\$ 4,068,601	\$ 4,359,832	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671	\$ 4,241,913	\$ 4,737,843	\$ 4,713,874	\$ 5,163,837
Franchise taxes	855,575	911,080	942,997	964,808	1,148,367	1,179,560	1,180,569	1,004,667	1,050,201	1,171,101
Hotel/Motel taxes	343,237	299,009	297,808	304,366	362,446	451,542	373,342	391,491	481,514	440,783
<b>Total</b>	<b>\$ 5,267,413</b>	<b>\$ 5,569,921</b>	<b>\$ 5,515,115</b>	<b>\$ 5,719,627</b>	<b>\$ 6,021,256</b>	<b>\$ 6,017,773</b>	<b>\$ 5,795,824</b>	<b>\$ 6,134,001</b>	<b>\$ 6,245,589</b>	<b>\$ 6,775,721</b>

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

<u>Fiscal Years Ended June 30,</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund</b>										
Unreserved	2,613,391	2,916,709	3,154,369	-	-	-	-	-	-	-
<b>Total general funds</b>	<b>\$ 2,613,391</b>	<b>\$ 2,916,709</b>	<b>\$ 3,154,369</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>All other governmental funds</b>										
Reserved, reported in										
Debt service fund	\$ 39,619	\$ 98,807	\$ 117,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	1,688,137	1,871,334	1,757,167	-	-	-	-	-	-	-
Capital projects fund	566,497	161,166	73,379	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 2,294,253</b>	<b>\$ 2,131,307</b>	<b>\$ 1,947,875</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

Fiscal Years Ended June 30,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<i>Using GASB Statement 54 Definitions</i>										
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 25,249	\$ 19,879	\$ 6,506	6,896	10,171	12,835
Assigned	-	-	-	2,824,550	2,988,602	2,518,770	2,098,460	2,501,250	2,501,250	3,870,668
Unassigned	-	-	-	519,581	188,064	14,543	530,203	333,600	847,535	11,946
<b>Total General Fund</b>	<b>-</b>	<b>-</b>	<b>-</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>All other governmental funds</b>										
Nonspendable	-	-	-	-	672	3,841	483	19	40,647	3,634,353
Special revenue fund	-	-	-	-	672	3,841	483	19	40,647	3,634,353
Restricted	-	-	-	1,644,801	16	1,721,973	1,785,130	2,051,824	1,985,182	4,144,732
Special revenue funds	-	-	-	1,644,801	16	1,721,973	1,785,130	2,051,824	1,985,182	4,144,732
Economic development commission	-	-	-	-	-	-	-	-	-	51,027
Debt service fund	-	-	-	7,094	18,040	47,012	41,939	18,486	25,680	-
Capital projects fund	-	-	-	68,167	78,238	117,955	139,393	217,144	290,240	78,842
Total Restricted	-	-	-	1,720,062	96,294	1,886,940	1,966,462	2,287,454	2,301,102	4,274,601
Committed	-	-	-	363,817	739,573	301,661	133,515	24,684	-	-
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
Total Committed	-	-	-	664,430	1,223,036	788,757	703,484	597,500	601,278	1,029,068
Assigned	-	-	-	-	-	-	-	-	-	60,465
Debt service fund	-	-	-	-	-	-	-	-	-	60,465
<b>Total all other governmental funds</b>	<b>-</b>	<b>-</b>	<b>-</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>8,998,487</b>
<b>Total Fund Balances, Governmental Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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>12,893,936</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,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUES:</b>										
Taxes	\$ 5,033,472	\$ 5,270,507	\$ 5,492,186	\$ 5,678,570	\$ 5,899,946	\$ 5,928,140	\$ 6,100,680	\$ 6,273,085	\$ 6,596,233	\$ 6,980,900
Licenses and permits	57,915	58,990	53,128	52,468	52,726	51,833	55,925	63,355	116,911	146,634
Intergovernmental	1,516,709	1,523,005	1,585,932	1,636,926	2,425,471	2,117,836	2,358,108	1,726,624	1,744,417	1,821,146
Charges for services	2,320,486	2,194,384	1,697,673	1,737,840	1,498,315	1,659,605	1,846,151	2,093,311	2,196,010	3,593,921
Assessments	185,231	82,875	83,145	31,709	59,855	59,364	51,567	34,541	5,180	62,892
Fines and forfeitures	169,674	156,336	204,673	202,034	180,330	181,121	140,096	99,302	84,679	72,908
Investment earnings	264,844	109,949	38,568	23,124	44,945	53,686	44,365	33,257	52,893	105,789
Miscellaneous	60,567	106,849	197,012	303,326	232,963	195,719	262,175	253,432	171,592	545,853
<b>Total Revenues</b>	<b>9,608,898</b>	<b>9,502,895</b>	<b>9,352,317</b>	<b>9,665,997</b>	<b>10,394,551</b>	<b>10,247,304</b>	<b>10,859,067</b>	<b>10,576,907</b>	<b>10,967,915</b>	<b>13,330,043</b>
<b>EXPENDITURES:</b>										
Current										
General government	1,076,877	1,772,998	1,426,625	2,433,392	2,794,613	3,097,111	2,641,291	2,628,067	2,834,006	2,833,867
Public Safety	3,228,420	3,275,750	3,485,011	3,635,189	3,979,123	4,020,160	3,947,264	3,932,240	4,011,459	4,149,175
Highways and streets	1,152,794	1,135,045	1,220,863	1,486,442	1,598,584	2,246,667	2,359,168	1,672,466	1,949,402	1,975,108
Parks and recreation	1,351,709	1,029,186	1,191,358	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999	1,233,021	1,554,684
Principal	468,792	499,342	488,355	593,702	454,000	457,765	497,000	3,182,604	525,861	575,671
Interest	154,171	180,764	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016
Capital outlay	3,712,192	2,878,934	1,332,325	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>11,144,955</b>	<b>10,772,019</b>	<b>9,367,802</b>	<b>9,497,318</b>	<b>10,091,011</b>	<b>11,226,737</b>	<b>10,866,199</b>	<b>12,785,551</b>	<b>10,614,448</b>	<b>11,581,985</b>
Excess of revenues over (under) expenditures	(1,536,057)	(1,269,124)	(15,485)	168,679	303,540	(979,433)	(7,132)	(2,208,644)	353,467	1,748,058
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	30,000	62,500	274,639	671,746	703,100	497,750	298,800	199,000	278,200	259,050
Transfers out	(30,000)	(62,500)	(232,739)	(214,046)	(523,100)	(497,750)	(218,800)	(199,000)	(253,200)	(234,050)
Long term debt proceeds	638,889	1,409,496	27,815	-	-	-	-	2,629,766	-	4,546,782
<b>Total other financings sources (uses)</b>	<b>638,889</b>	<b>1,409,496</b>	<b>69,715</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>Net Change in Fund Balance</b>	<b>(897,168)</b>	<b>140,372</b>	<b>54,230</b>	<b>626,379</b>	<b>483,540</b>	<b>(979,433)</b>	<b>72,868</b>	<b>421,122</b>	<b>378,467</b>	<b>6,319,840</b>
<b>Beginning fund balance</b>	<b>5,804,813</b>	<b>4,907,645</b>	<b>5,048,015</b>	<b>5,102,244</b>	<b>5,728,623</b>	<b>6,212,163</b>	<b>5,232,730</b>	<b>5,305,597</b>	<b>5,923,516</b>	<b>6,574,096</b>
<b>Ending fund balance</b>	<b>\$ 4,907,645</b>	<b>\$ 5,048,016</b>	<b>\$ 5,102,245</b>	<b>\$ 5,728,623</b>	<b>\$ 6,212,163</b>	<b>\$ 5,232,730</b>	<b>\$ 5,305,598</b>	<b>\$ 5,726,719</b>	<b>\$ 6,301,983</b>	<b>\$ 12,893,936</b>

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

Fiscal Years Ended June 30,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>EXPENDITURES:</b>										
Current										
General government	\$ 1,076,877	\$ 1,772,998	\$ 1,426,625	\$ 2,433,392	\$ 2,794,613	\$ 3,097,111	\$ 2,641,291	\$ 2,628,067	2,834,006	2,833,867
Public Safety	3,228,420	3,275,750	3,485,011	3,635,189	3,979,123	4,020,160	3,947,264	3,932,240	4,011,459	4,149,175
Highways and streets	1,152,794	1,135,045	1,220,863	1,486,442	1,598,584	2,246,667	2,359,168	1,672,466	1,949,402	1,975,108
Parks and recreation	1,351,709	1,029,186	1,191,358	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999	1,233,021	1,554,684
Community development	-	-	-	-	-	-	-	-	-	410,464
Principal	468,792	499,342	488,355	593,702	454,000	457,765	497,000	3,182,604	525,861	575,671
Interest	154,171	180,764	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016
Capital outlay	3,712,192	2,878,934	1,332,325	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 11,144,955</b>	<b>\$ 10,772,019</b>	<b>\$ 9,367,802</b>	<b>\$ 9,497,318</b>	<b>\$ 10,091,011</b>	<b>\$ 11,226,737</b>	<b>\$ 10,866,199</b>	<b>\$ 12,785,551</b>	<b>\$ 10,614,448</b>	<b>\$ 11,581,985</b>
<b>Debt service as a percentage of non-capital expenditures</b>										
<b>Debt Service Calculations</b>										
Total Expenditures	\$ 11,144,955	\$ 10,772,019	\$ 9,367,803	\$ 9,497,318	\$ 10,091,011	\$ 11,226,737	\$ 10,866,199	\$ 12,785,551	\$ 10,614,448	\$ 11,581,985
Less capitalized expenditures	6,926,889	2,303,916	397,024	365,286	782,987	888,948	1,153,556	408,633	459,430	1,979,416
<b>Non-capital expenditures</b>	<b>\$ 4,218,066</b>	<b>\$ 8,468,103</b>	<b>\$ 8,970,779</b>	<b>\$ 9,132,032</b>	<b>\$ 9,308,024</b>	<b>\$ 10,337,789</b>	<b>\$ 9,712,643</b>	<b>\$ 12,376,918</b>	<b>\$ 10,155,018</b>	<b>\$ 9,602,569</b>
<b>Debt service</b>										
Principal	\$ 468,792	\$ 499,342	\$ 488,355	\$ 593,702	\$ 454,000	\$ 457,765	\$ 497,000	\$ 3,182,604	\$ 525,861	\$ 575,671
Interest	154,171	180,764	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016
<b>Total debt service</b>	<b>\$ 622,963</b>	<b>\$ 680,106</b>	<b>\$ 711,620</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>Debt service as a percentage of non-capital expenditures</b>										
	<b>14.77%</b>	<b>8.03%</b>	<b>7.93%</b>	<b>8.75%</b>	<b>6.82%</b>	<b>6.00%</b>	<b>6.61%</b>	<b>26.61%</b>	<b>5.78%</b>	<b>6.86%</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)**

<u>Fiscal Years Ended June 30</u>	<u>Property Taxes</u>	<u>Franchise Taxes</u>	<u>Hotel/Motel Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2008	\$ 4,068,601	\$ 855,575	\$ 343,237	- \$	5,267,413
2009	4,359,832	911,080	299,009	-	5,569,921
2010	4,274,310	942,997	297,808	-	5,515,115
2011	4,450,453	964,808	304,366	-	5,719,627
2012	4,510,443	1,148,367	362,446	-	6,021,256
2013	4,386,671	1,179,560	451,542	-	6,017,773
2014	4,241,913	1,180,569	373,342	-	5,795,824
2015	4,737,843	1,004,667	391,491	-	6,134,001
2016	4,713,874	1,050,201	481,514	-	6,245,589
2017	5,163,837	1,171,101	440,783	-	6,775,721



**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	Real
	Real Property	Mobile Homes	Personal Property	Utilities	Non-Profit Housing	Total	Direct Tax Rate	Market Value
							(1) (2) (3)	(4)
2008	863,168	10,879	15,637	7,759	2,036	899,479	4.47	1,714,248
2009	914,230	10,091	14,757	8,049	2,097	949,224	4.47	1,621,274
2010	950,387	9,395	14,133	11,924	2,160	987,999	4.47	1,428,667
2011	979,262	8,071	16,915	14,639	2,224	1,021,111	4.47	1,259,362
2012	992,547	8,663	15,965	16,485	2,291	1,035,951	4.47	1,196,042
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

Source: Jackson County Assessment Records

Notes:

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

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

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

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	2017	Percentage of	2008	Percentage of
		Assessed Valuation	Total Assessed Valuation	Assessed Valuation	Total Assessed Valuation
USF Reddaway Inc	Distribution	\$ 8,393,100	0.81%	\$ 7,389,740	0.88%
Ronald Deluca Trustee, et al	Builder/Developer	7,820,380	0.76%		
Avista	Gas Utility	7,406,000	0.72%	\$3,519,600	
Investors II LLC	Builder/Developer	5,386,750	0.52%	2,946,380	0.35%
Charter Communications	Utility	5,254,300	0.51%		0.00%
Travel Center Develop LLC	Truck Stop/Store	4,807,830	0.47%	3,767,730	
Berdan Federal Wall LLC		4,227,210	0.41%		0.00%
Kjarry LLC	Motel	3,914,560	0.38%	3,000,220	
STJ 1 LLC Et Al	Shopping Center	4,116,810	0.40%		
Carrico Family Foundation	Builder/Developer	3,733,210	0.36%		
Albertsons	Shopping Center			4,403,560	0.52%
Galpin Holdings LLC	Builder/Developer			3,718,380	0.44%
Mountain View Plaza LLC	Shopping Center			3,700,010	0.44%
Beebe Wood LLC	Builder/Developer			3,467,060	0.41%
Twin Creeks Development LLC	Builder/Developer			3,304,841	0.39%
<b>Total Value Principal Taxpayers</b>		<b>\$ 55,060,150</b>	<b>5.34%</b>	<b>\$ 39,217,521</b>	<b>4.68%</b>
<b>Total Assessed Value all Taxable Property</b>		<b>\$ 1,031,250,541</b>		<b>\$ 838,821,584</b>	

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

Fiscal Year Ended	Net Tax Levy	Collected Within The Fiscal Year Of The Levy		Subsequent Years		Total Current & Delinquent Collections	Percent of Total Tax Collected To Net Tax Levy (5)	Out-standing Delinquent Taxes
		Current Tax Collections	Percentage of Net Tax Levy	Delinq. Tax Collections				
2008	\$ 4,017,179	\$ 3,799,328	94.6%	\$ 215,439	\$ 4,014,767	99.9%	\$ 2,412	
2009	4,244,501	3,943,985	92.9%	298,140	4,242,125	99.9%	2,376	
2010	4,425,222	4,082,008	92.2%	340,299	4,422,307	99.9%	2,915	
2011	4,566,195	4,338,021	95.0%	224,264	4,562,285	99.9%	3,910	
2012	4,630,906	4,420,826	95.5%	192,719	4,613,545	99.6%	17,361	
2013	4,500,231	4,304,723	95.7%	169,297	4,474,020	99.4%	26,211	
2014	4,610,815	4,434,322	96.2%	126,861	4,561,183	98.9%	49,632	
2015	4,713,240	4,546,455	96.5%	91,302	4,637,757	98.4%	75,483	
2016	4,913,775	4,747,053	96.6%	163,855	4,747,053	96.6%	133,104	
2017	5,015,104 (5)	4,912,032 (1) (2) (3) (4)	97.9%	0	4,912,032	97.9%	132,054	

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

Notes: (1) Collections reflect cash transactions as reported by and received from Jackson County.

(2) Discounts and adjustments to the rolls may occur because of discounts on early payment or levy adjustments.

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

Fiscal Year Ended	Governmental Activities										Total
	SDC Obligations	Financing Agreement	Capital Leases	Notes Payable	Limited Tax Improvement Bonds	Tax Exempt Financing Note	Certificates of Participation	Series 2014	Series 2017		
2008	\$ 551,078	\$ 1,624,453	\$ 38,762	\$ 93,306	\$ 457,214	\$ -	\$ 2,400,000	\$ -	\$ -		5,164,813
2009	703,446	1,473,974	-	19,087	401,491	1,200,000	2,295,000	-	-		6,092,998
2010	629,347	1,315,937	-	27,815	352,491	1,100,000	2,190,000	-	-		5,615,590
2011	622,475	1,165,853	-	13,824	302,491	995,000	2,080,000	-	-		5,179,643
2012	622,475	994,378	-	-	267,491	885,000	1,965,000	-	-		4,734,344
2013	572,001	813,902	-	-	267,491	770,000	1,845,000	-	-		4,268,394
2014	533,159	607,668	-	-	217,491	655,000	1,725,000	-	-		3,738,318
2015	499,668	-	-	-	107,491	-	-	2,578,321	-		3,185,480
2016	444,585	-	-	-	71,660	-	-	2,088,291	-		2,604,536
2017	328,255	-	-	-	0	-	-	1,584,261	4,546,782		6,459,298

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

**Business-type Activities**

	<b>SDC</b>	<b>Financing</b>	<b>Notes</b>	<b>Series</b>		<b>Total</b>	<b>Personal</b>	<b>%</b>		<b>Debt</b>
	<b>Obligations</b>	<b>Agreement</b>	<b>Payable</b>	<b>2014</b>		<b>Government</b>	<b>Income</b>	<b>Personal</b>	<b>Population</b>	<b>Per</b>
					<b>Total</b>			<b>Income</b>		<b>Capita</b>
\$	25,707	\$ 211,547	\$ 152,415	\$ -	\$ 389,669	\$ 5,554,482	\$ 588,828,240	0.94%	17,025	\$ 326
	20,637	191,711	140,206	-	352,554	6,445,552	586,630,392	1.10%	17,160	376
	19,540	171,063	127,896	-	318,499	5,934,089	596,365,470	1.00%	17,169	346
	17,315	135,147	601,015	-	753,477	5,933,120	596,365,470	0.99%	17,235	344
	16,202	112,622	3,702,678	-	3,831,502	8,565,846	620,460,000	1.38%	17,235	497
	7,551	90,098	5,507,924	-	5,605,573	9,873,967	637,119,275	1.55%	17,275	572
	4,848	84,332	5,507,924	-	5,597,104	9,335,422	422,105,070	2.21%	17,315	539
	26,443	-	5,311,148	61,940	5,399,531	8,585,011	426,249,330	2.01%	17,485	491
	21,098	-	5,107,682	30,970	5,159,750	7,764,286	432,678,925	1.79%	17,585	442
	34,373	-	5,439,888	-	5,474,261	11,933,559	396,137,295	3.01%	17,585	679

**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>
2008	\$ 457,214	\$ 1,714,248,000	0.03%	17,025	\$ 26.86
2009	401,491	1,621,273,750	0.02%	17,160	23.40
2010	352,491	1,428,666,739	0.02%	17,165	20.54
2011	302,491	1,259,361,862	0.02%	17,235	17.55
2012	267,491	1,196,041,552	0.02%	17,235	15.52
2013	267,491	1,124,215,919	0.02%	17,275	15.48
2014	217,491	1,136,873,000	0.02%	17,315	12.56
2015	107,491	1,286,533,591	0.01%	17,724	6.06
2016	71,660	1,387,362,586	0.01%	17,485	4.10
2017	-	1,475,999,730	0.00%	17,585	-

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, 2017**

<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	\$ 6,459,298	100.00%	\$ 6,459,298
<b><u>Overlapping Debt</u></b>			
Jackson County School District 6			
General Obligation Bonds	8,685,000	53.05%	4,607,024
Jackson County School District 549C			
General Obligation Bonds	143,715,000	1.03%	1,474,503
<b>Total Overlapping Debt</b>	<b>152,400,000</b>		<b>6,081,527</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 158,859,298</b>		<b>\$ 12,540,825</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 57,427,438	\$ 48,638,213	\$ 42,860,002	\$ 37,780,856	\$ 35,881,230
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 57,427,438</u>	<u>\$ 48,638,213</u>	<u>\$ 42,860,002</u>	<u>\$ 37,780,856</u>	<u>\$ 35,881,230</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 33,726,450	\$ 34,106,190	\$ 38,596,008	\$ 41,620,878	\$ 44,279,992
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 33,726,450</u>	<u>\$ 34,106,190</u>	<u>\$ 38,596,008</u>	<u>\$ 41,620,878</u>	<u>\$ 44,279,992</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**

2017

True Cash Value (1)	\$ 1,475,999,730
Debt Limit at 3% of True Cash Value (2)	44,279,992
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>\$ 44,279,992</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 Year	Operating Revenues	Plus: Interest Expenses	Net Available For Debt Service	Debt Service Requirements		Coverage (3)
				Principal	Interest	
2008	\$ 2,480,736	\$ 7,374	\$ 2,488,110	\$ -	\$ 7,374	336
2009	2,377,591	7,374	\$ 2,384,965	-	7,374	322
2010	2,173,483	6,824	\$ 2,180,307	-	6,824	319
2011	2,353,000	6,824	\$ 2,359,824	127,896	6,824	345
2012	2,434,016	-	\$ 2,434,016	-	-	-
2013	2,729,293	-	\$ 2,729,293	-	-	-
2014	3,000,054	-	\$ 3,000,054	-	-	-
2015	2,981,420	-	\$ 2,981,420	-	-	-
2016	3,227,478	-	\$ 3,227,478	-	-	-
2017	3,288,531	-	\$ 3,288,531	-	-	-

**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>
2008	17,250	\$ 34,506	\$ 588,828,240	34	86%	14%	4,668	6.7
2009	17,025	34,314	586,630,392	34	89%	29%	4,664	13.4
2010	17,160	34,168	596,365,470	34	89%	29%	4,567	12.0
2011	17,169	34,602	594,081,738	37	89%	29%	4,434	12.8
2012	17,235	36,000	620,460,000	38	89%	29%	4,468	10.7
2013	17,235	36,881	635,644,035	38	89%	29%	4,436	9.8
2014	17,275	24,378	422,105,700	41	90%	19%	4,336	8.6
2015	17,485	24,378	426,249,330	41	89%	25%	4,413	7.1
2016	17,585	24,605	432,678,925	38	89%	26%	4,471	6.2
2017	17,585	22,527	396,137,295	38	87%	19%	4,497	4.6

**Source:**

- (1) Certified by the Center for Population Research and Census, Portland State University
- (2) State of Oregon Employment Division; average for 12 months ended June 30th of each year.
- (3) School District # 6; using May of each year.
- (4) U.S. Census 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 2016/17</u>			<u>Fiscal Year 2008/09</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	599	3.43%	1	600	3.52%	1
Pilot Travel Center	120	0.69%	3	-	-	-
USF Reddaway	115	0.66%	2	120	0.70%	2
Albertsons	95	0.54%	4	80	0.47%	4
City of Central Point	73	0.42%	5	110	0.65%	3
McDonalds	63	0.36%	8	75	0.44%	5
Grange Co-op	55	0.31%	7	70	0.41%	6
Providence Medical Group	53	0.30%	6	46	0.27%	8
Shari's	41	0.23%	9	44	0.26%	10
Quality Fence	41	0.23%	11	45	0.26%	9
Rays Food Place	36	0.21%	10	53	0.31%	7
<b>Total</b>	<b>1,291</b>	<b>7.38%</b>		<b>1,243</b>	<b>7.29%</b>	

Source: City of Central Point Finance Department

Note: Information first presented in the 2007-08 CAFR

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
<i>Administration</i>	3.25	3.25	4.00	5.50	5.50	5.50	5.50	4.50	4.50	4.00
<i>Finance</i>	7.00	8.00	7.50	7.50	7.00	7.00	7.00	6.00	6.00	6.00
<i>Human Resources</i>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<i>Community Development</i>	5.50	5.50	4.50	4.50	3.00	3.50	3.00	3.00	4.50	4.50
<i>Police</i>	28.25	28.25	28.50	28.50	28.50	28.50	29.50	30.00	31.00	31.00
<b>Physical Environment</b>										
<i>Building</i>	4.50	2.50	1.50	1.50	1.50	1.50	1.50	1.50	2.00	1.00
<i>Public Works</i>	18.86	18.50	17.25	12.75	12.00	14.50	14.85	14.85	14.85	14.00
<b>Transportation</b>										
<i>Streets &amp; Fleet</i>	6.64	6.00	6.00	8.00	7.00	6.00	6.00	6.00	6.00	5.00
<b>Culture/Recreation</b>										
<i>Parks</i>	2.00	5.00	3.50	3.75	2.65	3.50	3.65	3.65	4.15	3.00
<i>Recreation</i>	4.50	2.00	2.50	2.75	3.61	7.50	2.50	2.50	2.00	2.00
<b>Total</b>	<b>6.50</b>	<b>80.00</b>	<b>76.25</b>	<b>75.75</b>	<b>71.76</b>	<b>78.50</b>	<b>74.50</b>	<b>73.00</b>	<b>76.00</b>	<b>71.50</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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Building Inspections</b>										
Building Permits Issued	97	57	28	30	45	70	84	120	61	52
<b>Finance</b>										
Accounts Payable Checks Processed	5,030	3,548	1,513	1,604	1,366	1,249	1,672	1,455	1,602	1311
Business Licenses	1,003	882	913	978	972	950	931	971	982	895
Average Number Utility Accounts	6,030	6,044	6,128	6,079	6,100	6,158	6,409	6,505	6,587	6637
<b>Public Works - Street Division</b>										
Streets Cleaned (Miles)	800	800	800	800	800	800	2,000	7,696	5,751	6289
Man Holes Inspected	198	198	198	198	198	198	350	175	175	5
Curb Inlets & Catch Basins Inspected	583	583	583	583	583	583	750	300	360	73
<b>Water/Storm</b>										
Fire Hydrants Flushed & Serviced	215	215	215	215	218	218	218	107	125	127
Water Valve Actuations	620	620	620	620	620	620	620	136	540	421
Water Meters Read	72,824	73,049	73,279	73,512	73,764	73,892	73,892	78,054	79,044	79,638
Blow-off Valves Flushed	18	18	18	18	18	18	18	162	18	92
Stormdrains Flushed & Cleaned (Miles)	16	16	16	16	16	16	16	16	-	-

Source: City of Central Point Records

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Public Safety</b>										
<i>Police Stations</i>	1	1	1	1	1	1	1	1	1	1
<i>Police Sub Station</i>	1	1	2	2	2	2	1	1	1	1
<b>Other Public Works</b>										
<i>Miles of Streets</i>	71	71	71	71	71	71	71	71	71	71
<b>Parks and Recreation</b>										
<i>Park acreage</i>	135.12	186.48	187.93	189.73	192.73	192.73	192.73	192.73	192.73	192.73
<i>Number of community parks</i>	16	16	17	17	17	17	17	17	17	17
<i>Number of neighborhood parks</i>	5	5	5	6	6	6	6	6	6	6
<b>Water</b>										
<i>Water Mains (miles)</i>	77	86	89.7	89.7	90	91	91	91	91	91
<i>Maximum Plant Capacity (MPG)</i>						6700	6700	6700	6700	6700
<i>Fire Hydrants</i>		904	913	913	913	925	925	925	929	947

Source: City of Central Point Finance Department

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

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

**INDEPENDENT AUDITOR'S COMPLIANCE REPORT**





1976 Garden Ave.  
Eugene, OR 97403  
541.342.5161  
[www.islercpa.com](http://www.islercpa.com)

**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, 2017, and have issued our report thereon dated February 22, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

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

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

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

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

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

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given 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: Paul Nielson, CPA, a member of the firm

Eugene, Oregon  
February 22, 2018