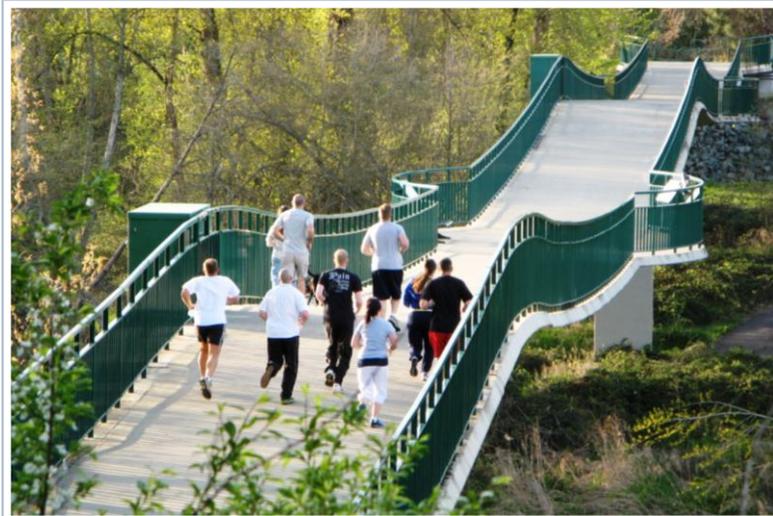




# City of Grants Pass, Oregon Comprehensive Annual Financial Report Fiscal Year 2011-12



CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2012

Prepared by:

City of Grants Pass Finance Department

Jay Meredith, Finance Director  
Tammy Canady, Financial Analyst

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

TABLE OF CONTENTS

PAGE  
NUMBER

INTRODUCTORY SECTION:

Elected Officials	1
Transmittal Letter	2
Organizational Charts	12
Certificate of Achievement for Excellence in Financial Reporting	14

FINANCIAL SECTION:

INDEPENDENT AUDITORS' REPORT	15
------------------------------	----

MANAGEMENT'S DISCUSSION AND ANALYSIS	17
--------------------------------------	----

FINANCIAL STATEMENTS AND SCHEDULES:

Basic Financial Statements:

Statement of Net Position	32
Statement of Activities	33
Balance Sheet – Governmental Funds	35
Reconciliation of Balance Sheet of Governmental Funds to Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	39
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance –Governmental Funds – To Statement of Activities	41
Statement of Net Position – Proprietary Funds	42
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	43
Statement of Cash Flows - Proprietary Funds	44
Statement of Fiduciary Net Assets	45
Notes to Basic Financial Statements	46

Required Supplementary Information:

Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis – General Fund	67
Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis – Solid Waste Fund	68
Notes To Required Supplementary Information	69

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

TABLE OF CONTENTS, (CONTINUED)

	<u>PAGE NUMBER</u>
Supplementary Data:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis:	
General Obligation Bond Fund	71
Bancroft Bond Fund	72
Transportation Projects Fund	73
Land and Building Projects Fund	74
Parkway Redevelopment Fund	75
Combining Balance Sheet – Non-Major Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	77
Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis:	
Non-Major Governmental Funds:	
Transient Room Tax Fund	78
Street Utility Fund	79
Community Development Block Grant Fund	80
Housing and Economic Development Fund	81
Storm Water Open Space Fund	82
Enterprise Funds:	
Water Fund	83
Sewer Fund	84
Redwood Sanitary Sewer Service District Fund	85
Combining Statement of Net Assets – Internal Service Funds	86
Combining Statement of Revenues, Expenditures and Changes in Net Assets – Internal Service Funds	87
Combining Statement of Cash Flows – Internal Service Funds	88
Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis:	
Fleet Operations Fund	89
Support Services Fund	90
Administrative Services Fund	91
Insurance Services Fund	92
Statement of Changes in Assets and Liabilities – Agency Fund	93
Schedule of Property Tax Transactions and Balances of Taxes Uncollected	94

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

TABLE OF CONTENTS, (CONTINUED)

PAGE  
NUMBER

STATISTICAL SECTION:

Net Assets by Component	96
Changes in Net Assets	97
Program Revenue by Function	99
Fund Balances, Governmental Funds	100
Changes in Fund Balances, Governmental Funds	101
Tax Revenue by Source, Governmental Funds	103
Property Tax Levies and Collections	104
Consolidated Tax Rates	105
Consolidated Tax Levies	106
Assessed and Estimated Actual Value of Taxable Property	107
Real Property Tax Rates – Direct and Overlapping Governments	108
Special Assessment Collections	109
Ratio of Outstanding Debt by Type	110
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	111
Legal Debt Margin Information	112
Computation of Direct and Overlapping Debt	113
Ratio of Annual General Obligation Bonded Debt Service Expenditures to General Expenditures	114
Schedule of Revenue Bond Coverage Water Bonds	115
Schedule of Bonds and Bond Interest Transactions	116
Schedule of Future Debt Service	117
Property Values, Construction Values and Bank Deposits	118
Demographic Statistics	119
Insurance and Surety Bonds in Force	120
Josephine County Principal Employers	121
Ten Largest Taxpayers Within City Limits	122
Operating Indicators by Function	123
Capital Assets Statistics by Function	125
Workers Compensation Fund Balance & Reserves	126
Miscellaneous Statistics	127
Staff Allocation by Activity	128
Water Utility Ten Largest Revenue Sources	129
Utility Statistics Water Usage Customers Analysis	130
Water and Sewer Rates	131
AUDITORS' COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS	141
SCHEDULE OF FEDERAL EXPENDITURES	143
GOVERNMENTAL AUDITING STANDARD COMPLIANCE REPORTS	144

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

ELECTED OFFICIALS

October 1, 2012

<u>NAME</u>	<u>TERM EXPIRES</u>
Mike Murphy, Mayor	December 31, 2012
Dennis Webber, NW – Ward 1	December 31, 2014
Dan DeYoung, NW – Ward 1	December 31, 2012
Rick Riker, NE – Ward 2	December 31, 2014
Lily Morgan, NE – Ward 2	December 31, 2012
Jim Williams, SE – Ward 3	December 31, 2014
Richard Michelin, SE – Ward 3	December 31, 2012
Kris Woodburn, SW – Ward 4	December 31, 2012
Darin Fowler, SW – Ward 4	December 31, 2014

All council members receive mail at the address listed below.

CITY MANAGER

Aaron Cubic

FINANCE DIRECTOR

Jay Meredith

City of Grants Pass  
Municipal Building  
101 N.W. "A" Street  
Grants Pass, OR 97526

October 21, 2012



To the Honorable Mayor Mike Murphy, Members of the City Council, Reviewing Agencies, and the Citizens of Grants Pass:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Grants Pass, Oregon. This report is for the fiscal year ending June 30, 2012.

Grants Pass Municipal government undergoes an annual audit to report information on local government financial affairs and to ensure compliance with government accounting standards and practices. Local government has very stringent reporting and accounting standards that require full disclosure of financial affairs to the public that it serves. This report is presented in conformity with generally accepted accounting principles (GAAP) and is audited in conformance with generally accepted auditing standards.

The annual audit is prepared to meet legal requirements (ORS 297.425) and to respond to our Council's strong belief in total disclosure and effective communication. Pauly, Rogers and Co., P.C., a firm of certified public accountants, have audited the attached financial statements. The City is responsible for the accuracy of the data and the complete disclosure of our financial records. The auditors test transactions, verify the system, and assure accuracy. The independent auditor's report is presented as the first component of the financial section of this report.

This report consists of management's representations concerning the finances of the City of Grants Pass. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe that the financial information and disclosures of this report are accurate in all material respects, and that the report fairly represents the financial position of the City and the results of operations for the last year, as measured by financial activity. We have included all disclosures necessary for the reader to understand the financial condition of the City.

The independent audit of the financial statements of the City of Grants Pass was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included and are available in the Auditors' Comments and Disclosures section of this report.

Generally accepted accounting principals 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 the MD&A and should be read in conjunction with it. The City of Grants Pass' MD&A can be found immediately following the independent auditor's report.

## **Profile of the City of Grants Pass**

Grants Pass has grown to an estimated population of 34,660 residents according to the Portland State University Population Research Center and is a beautiful community with a "hometown" feeling. The City was incorporated in 1887 and today encompasses 7,026 acres of land. Grants Pass is located on Interstate 5 in the "Sun Belt" of Southern Oregon, astride the banks of the Rogue River, one of America's premier white water rivers. The City is nestled among a series of mountains providing the valley a scenic backdrop. Grants Pass is the County seat of Josephine County and serves as the major commercial, cultural, and economic center for a County population of 82,987.

## **Factors Impacting Financial Conditions**

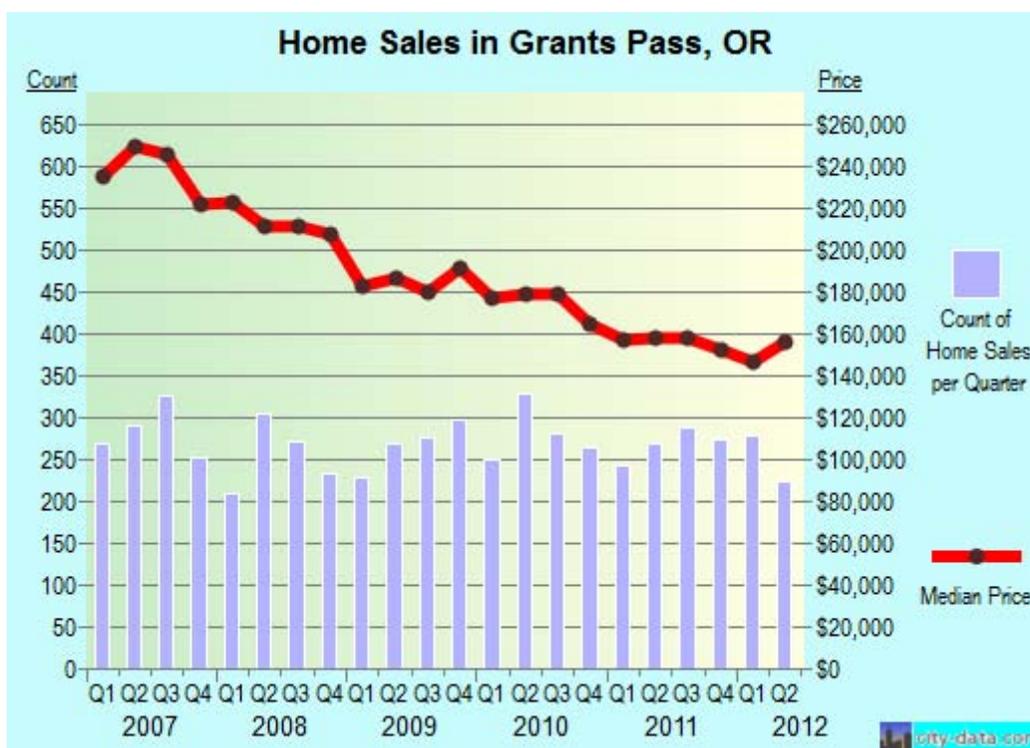
The City of Grants Pass continues to rank 15th in population among 242 cities in Oregon. Grants Pass' real estate assessed value rose by 1.2% in spite of the continued challenging housing market conditions. Approximately 0.2% of this increase was the change on assessed values for existing properties and approximately a 1% increase in values was the result of new development. Assessed property values are on average much closer to actual market values for many properties than they used to be years ago and in some cases are dropping along with lower market values. Changes to assessed values are limited under State law so the assessed values were significantly lower than the market values during the periods where market values were increasing in the last decade. The assessed value change for the next fiscal year (Fiscal 2013) will be a total increase of 2.1%, with approximately 1.4% coming from new construction and 0.7% coming from the change in existing properties.

In spite of the continued economic downturn hitting development particularly hard, Grants Pass continues to see some new building activity, particularly in commercial development. The Building and Safety Division issued 36 new structural permits during the year, down slightly from the number of permits issued in the previous year. Total commercial construction units were down one unit and decreased \$3.6M in total value, while total residential construction units declined by 11 units and \$0.2M in value as compared to FY'11. This last fiscal year was the second lowest level of total new construction out of any year in the last 10 years. Residential construction continues to be the soft spot in development during this period of higher than normal existing properties on the market for sale. A total of 26 single-family residential permits were issued compared to 25 for FY'11, while the number of multi-family permits decreased to 1 from 7 in the previous fiscal year. Commercial permits totaled 9 in the current year as compared to 10 in FY'11.

The immediate demand for planning and building inspections for all classes of construction continues to be slow given the overall real estate market challenges and inventory on the market due to foreclosures and other sales. Despite development declines, escalating demands for transportation and public safety services are on-going. Simultaneously, as the

municipal boundaries grow and residents within the urban growth boundary connect to City utility services, additional citizens expect rural streets to be brought up to City standards and neighborhood parks to be planned and developed while protecting the natural environment.

The local housing market has started to flatten out in terms of number of homes sold and the median price, in line with many other parts of the region and country. The median home sale price in the second calendar quarter of 2012 was approximately \$160,000 which is similar to the same quarter in the previous year. It is difficult to predict when the market will change but it seems reasonable to assume that with the relatively higher amounts of housing inventory expected to be on the market in the near term, development in the next few years will not be returning to anywhere near the record breaking levels experienced in the 2005 calendar year.



The permitting of lands throughout the urban growth boundary by private developers for future subdivisions has decreased dramatically and will continue to depend upon the expansion of municipal utility services. Grants Pass requires Service and Annexation Agreements (S & A) prior to accessing municipal services for water, wastewater, police, and fire. Accordingly, property owners within the urban growth boundary are required to pay the equivalent of the City tax rate on assessed value for these services. At the time of annexation, this independent billing is replaced by the levy of the City property tax rate on the subject properties. It has been nearly six years since an annexation occurred in the City, however a new annexation policy will be among the top priorities of Council discussion in the coming year.

All property taxes received in Grants Pass are dedicated exclusively for the provision of

public safety services. The permanent tax rate (\$4.1335) together with the local option levy (\$1.79) and public safety bond (\$0.40) totaled \$6.33/\$1,000 assessed value and generated \$14.8M of the \$17.0M public safety operations budget. Citizens reaffirmed the local option levy amount at the same rate for an additional three years in the November 2010 vote with 65% of citizens voting yes for the levy renewal.

While many of the same influences affecting the nation as a whole continue to impact Grants Pass and Josephine County, the unemployment rate fell for the third consecutive year. At June 30<sup>th</sup> the rate of 11.7% was down 1.1% from the previous year. Grants Pass has a significant presence of manufacturing industries, led by wood products and housing-related manufacturing. As the current recession was fueled in part by the housing crisis, the impact on the economy in Grants Pass remains significant. Although there has been a slight gain over the previous year in the wood products industry it is still below 2008 numbers.

Grants Pass along with its recruitment partner the Southern Oregon Regional Economic Devolvement Incorporated (SOREDI) successfully recruited one new business to the area, MV Pro Audio which will hire between ten to fifteen employees in the coming year. Grants Pass also had multiple businesses expand over the year. Cascade Metal Recycling moved into Spalding Industrial Park and increased employment from 15 to 25, Sleadd Adventures Systems has gone from four employees to fourteen, First Call Resolution is now up to around 175 employees during the year and 250 during the holiday season, and Mycorrhizal Applications has completed their headquarters/training building and hired five new employees. The City has also awarded \$25,000 in façade redevelopment grants. These grants are given to help plan façade improvement through the major traffic zones in and out of Grants Pass.

Working with the Rogue Community College Small Business Development Center, the City of Grants Pass was able to continue the Economic Gardening Program. The City contributed another \$13,000 from the Economic Development budget and was able to match that money with approximately another \$50,000 in public and private funds. This brings the two year total of the program to around \$150,000. The program officially began operation in March of 2011 and we have seen one hundred full time jobs created and retained, over \$1,000,000 in new real property investment, and an increase of \$1,716,000 in increased sales because of this program. Finally, this October Grants Pass participated in the second annual Site Selectors Visit. This project brings professional Site Selectors to Southern Oregon to familiarize them to the region. The hope is that by increasing their knowledge of Southern Oregon they will be able to recommend this region to their customers in the future.

Levels of growth in residential and commercial real estate have a significant effect on the resources available to support capital projects and upgrade the City's utility and transportation infrastructure. System Development Charges (SDCs) are assessed at the start of new construction or change of use in a property and the funds are then restricted for use in capital projects that increase capacity for the related system. SDC revenue levels have fallen substantially in recent years. With the desire to be competitive with other regional cities and to encourage local economic development, the City Council has temporarily lowered Transportation SDCs and Parks SDCs. Revenue forecasts for development sensitive resources such as Building Permits and SDCs have been set at very

conservative levels in recent budgets given the low level of development activity. The Transportation SDCs came in well ahead of budget thanks to a pickup in commercial development activity. The Water SDCs, Storm Water SDC, and Parks SDCs came in slightly under budget, while the Wastewater SDCs came in close to budget.

The shortfall in resources available to complete pending high priority utility infrastructure projects will continue to be an important discussion for Council as it has been in the last two years. In late Fiscal 2009, the City Council rolled back annual Cost of Living Index Adjustments (COLA) rate changes for all of the utility revenue rates, which means that while certain expenses increased during the year the utility revenue rates per unit remained constant. The COLA has since been reinstated at different time periods for each utility, however the rates have been insufficient to meet long-term infrastructure needs for many years in the City utilities and Council will need to discuss how quickly to prepare for major infrastructure projects on the horizon in coming years. The more borrowing that is required, the more interest expenses will add to project costs and user rates in the future.

Issues such as these will be reviewed periodically by the City Council. The Council has already taken some interim steps by adjusting the rates for the Wastewater Utility, the Transportation Utility Fee, and the rates for the Redwood Sanitary Sewer Service District. Water rates are being discussed in FY'13 prior to the bond issuance for the construction and replacement of Water Reservoir #3, one of the largest reservoirs in the system.

### **City Organization and Services**

The City of Grants Pass has been organized under the Council/Manager form of government since 1946. The governing body consists of eight Council members elected at large, two from each of four wards, and a Mayor elected at large. Elected officials serve without compensation. The governing council is responsible for establishing policies, passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the government's manager. The Council's mission is:

"To represent all of the citizens by providing leadership, policies, ordinances and decisions necessary to meeting citizens' needs and desires."

The government's manager, the City Manager, is responsible for carrying out the policies and ordinances of the governing council, managing the daily operations of the government, and for appointing the heads of the government's departments. The City Manager is responsible for the operations and administrative functions for all divisions of the municipal corporation. Our local government structure is similar to that of other corporations. For instance, our Mayor is Chairman of the Board, our Council the Board of Directors, and our City Manager the Chief Executive/Operating Officer of the Corporation.

The City provides a full range of municipal services. General governmental functions include public safety, code enforcement, park maintenance, planning and development, and parking enforcement. Street maintenance, landfill operations and other special operations are reported with the Special Revenue Funds. Services provided through enterprise funds are the water and sewer utilities, in which expenses are covered primarily by user charges. Administrative Services, Support Services, Insurance and Fleet Management are provided through Internal Service Funds. The following programs are

administered by five departments under the direction of the City Manager:

**Community Development:** Directs the development of the community through planning and construction (utility systems, parking facilities, neighborhood improvements, etc.), and enforcement of state building standards.

**Public Safety:** Provides police protection, fire suppression and prevention, traffic control, code enforcement, educational programs and similar activities for the community.

**Parks & Community Services:** Directs the operations and maintenance of City facilities (parks, buildings), coordinates downtown events, supports tourism and recreation in the community, and provides information technology and fleet maintenance services.

**Public Works:** Directs the operations of the City's utilities, including the Street Utility, City Water and Wastewater utilities, landfill and special districts (Harbeck-Fruitdale Sewer District and the Redwood Sanitary Sewer Service District).

**Administrative Services:** Divided into four divisions, Management, Legal, Finance, and Human Resources. Provides management in coordinating and directing all City operations and policy development/analysis, risk management and legal services, economic development, payroll, personnel, debt administration, fiscal management, budget and other financial services to the City.

## **City Agencies and Special Districts**

This report includes all of the funds and account groups of the City as well as all activities for which the City exercises financial or oversight responsibilities consistent with the entity definition criteria established by the Governmental Accounting Standards Board (GASB).

The Grants Pass Parkway Redevelopment Agency (GPPRA) is required to have a separate audit by licensed public accountants. Because the City Council is the governing board of this independent Agency and the City provides financial and administrative services to the Agency, the GPPRA is included in this report as a Capital Project Fund. The information presented has been condensed from the separate GPPRA audit report to conform to the City's reporting format.

Effective August 1998, the City Council also became the governing body of the Redwood Sanitary Sewer Service District (RSSSD), an entity formed in the late 1960s to provide sewer services to a specific geographical area outside the municipal boundary. The District was authorized through an intergovernmental agreement between the City and Josephine County. Today a large portion of the district is within City limits, but a large portion still remains outside the City boundary. Effective fiscal year 2000, the City assumed responsibility for management of RSSSD from Josephine County for providing financial support services, including preparation of the financial report and contracting for a separate audit. RSSSD is required to have a separate audit, which is included as a component unit in this report and shown in the Enterprise Funds section.

Similarly, in September, 2001 the City of Grants Pass entered into an intergovernmental agreement with Josephine County, forming an entity known as the Josephine County/City of Grants Pass Solid Waste Agency. This Agency has a six-member board, three each from the County and the City. This Board is responsible for oversight of the solid waste franchise agreements, establishing rates, and collecting and allocating environmental program fees. The Board granted managerial responsibilities of the Agency to the City of Grants Pass.

## **Goals of the Community**

The Grants Pass City Council adopted the following goals for 2012-2013. These goals were affirmed by the Mayor and Council to provide a special emphasis on the central role of the Rogue River and our natural environment while guiding our community and our organization. Over 100 individual Council Work Plan items were developed to guide operations towards each of the following big picture goals:

- Provide cooperative, shared leadership involving Council, staff and community
- Keep citizens safe
- Encourage economic prosperity
- Expand tourism and cultural opportunities
- Promote healthy neighborhoods
- Facilitate sustainable, manageable growth
- Maintain, operate, and expand our infrastructure to meet community needs
- Interconnect all transportation modes
- Preserve and enjoy our natural resources

## **Measuring Performance**

Grants Pass is committed to the Government Finance Officers Association's recommended performance standards. Each operating division, as a part of the annual budgetary process, is required to define outcomes and service levels. These indicators of performance are reviewed semi-annually and then published at year-end, with notations addressing the attainment of each. In fiscal 2012, the City achieved 86% of the 111 performance indicators for outcomes and service levels and some of these were still ongoing at the close of the fiscal year.

## **Accounting Systems and Internal Controls**

The City's governmental and fiduciary fund types are maintained on the modified accrual basis of accounting with revenues recorded when measurable and available, and expenditures recorded when the goods or services are delivered and liabilities are incurred. The City's enterprise and internal service funds are maintained on the accrual basis of accounting.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled for the preparation of

financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

The cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations have been made within the framework described above. We believe the internal accounting controls meet the material standards for audit, adequately safeguard the City's assets, and provide reasonable assurance that financial transactions are properly reported.

## **Financial Policies**

The City's adopted financial policies guide decisions in the main areas of revenue, budgetary management, debt management, capital improvements, and financial management. A full description of the policies can be found in the annual budget book. Policies that had impacts on the financial statements for this period and potential impact in the future include: revenue, budgetary goals and services, financial planning, capital improvements, financial management and investments.

### Revenue

The City's revenue policies strive to maintain a diversified income base in order to minimize the impact of fluctuations in any one source. The City considers the financial burden of multiple taxing jurisdictions when setting taxes and tries to equitably share the costs of services. The City will use non-recurring income for capital projects and other one-time expenses. As in the prior year, the City had a higher than normal amount of grants earmarked for both operations and major capital projects. The City anticipates grant activity to remain high for the coming fiscal year. The use of grant money for operations is atypical, however with the expansion of Public Safety to two newly constructed buildings; we knew there would be increased operational expenses. Certain grants have allowed us to defer the full impact of these staffing increases to future years. During the year, Council continued to review fees for a number of services with an emphasis on the utility rates. Maintaining diversity in revenue sources and following policies that avoid long-term financial burdens will be important as Council continues its efforts to equitably share costs.

### Budgetary Goals and Services

The Council adopts City goals as part of their efforts to provide policy and direction for the City. The operating and capital budgets work to carry out the Council's goals and policies. The 2012-2013 Work Plan was adopted by Council on February 15, 2012, and the next Council goal setting session is set for December 2012. Council is expected to adopt new goals prior to fiscal year 2014 budgeting, which will take place in the spring of 2013.

### Financial Planning

Policies under financial planning require the City to estimate income and expenses over a three-year horizon and to update those projections annually. The policy also requires each fund to maintain a contingency to meet unanticipated requirements during the fiscal year. Two years ago, Council adopted a fund balance policy for the General Fund. An expanded

fund balance policy also covering Enterprise Funds and certain Internal Service Funds was adopted by Council in the last year, along with policies that assist in planning for future capital expenditures.

### Capital Improvements

Under capital policies, the City strives to maintain five-year capital improvement plans and one-year capital improvement budgets. The budgets provide for adequate maintenance and the regular replacement of capital, plant and equipment. Multi-year capital improvement plans ensure that the proper financing programs are in place and regular maintenance prevents costly accelerated deterioration of capital assets.

### Financial Management

The City maintains an accounting system that is consistent with generally accepted accounting practices for local governments in order to promote an atmosphere of trust in its financial management system and to provide full disclosure of its financial condition. During fiscal 2009, the City implemented GASB 45 which measures and reports the liability for postemployment benefits other than pensions. This relatively new governmental accounting standard measures the actuarial cost of offering certain benefits such as insurance to retirees and it will now affect both expenses and employer liabilities. Certain retirement insurance benefits measured under this standard are already being phased out by the City, however implementation of this standard will increase the City's expenses and liabilities until a higher percentage of employees are not eligible for these benefits. Starting in last year's current annual report, there was also a minor change to Fund Balance reporting under GASB 54 showing different categories of fund balance restrictions for governmental funds.

### Investments

The City strives to maximize interest income on cash assets for the benefit of the public. Cash in all City funds is pooled and invested in either the state managed Local Government Investment Pool (LGIP) or short-term instruments, which are restricted to investments approved by the State Treasurer in accordance with Oregon Revised Statutes 294.035 and 294.046 and a Council Adopted Investment Policy. Minor changes were made to the investment policy by Council in the last year and throughout the year money is moved between various investment accounts authorized by the policy in order to maximize interest while keeping the funds safe and liquid. Interest income is distributed monthly to each fund's cash balance.

### **Awards**

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grants Pass for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the 29<sup>th</sup> consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our

current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

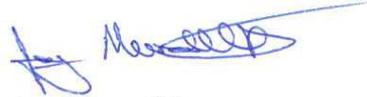
We would like to thank the Mayor and the City Council for their leadership and support. The preparation of this report could not have been accomplished without the dedicated effort of the City Finance Department staff. We also appreciate the contributions made by all other City staff members and wish to express our gratitude for their assistance in this project. Special recognition and thanks go to Tammy Canady who has dedicated a great deal of effort in preparing these financial statements.

These combined efforts plus the level of participation by members of our community help the City plan and conduct the financial operations of the City in a positive and responsible manner. It is a pleasure to serve the City and its citizens.

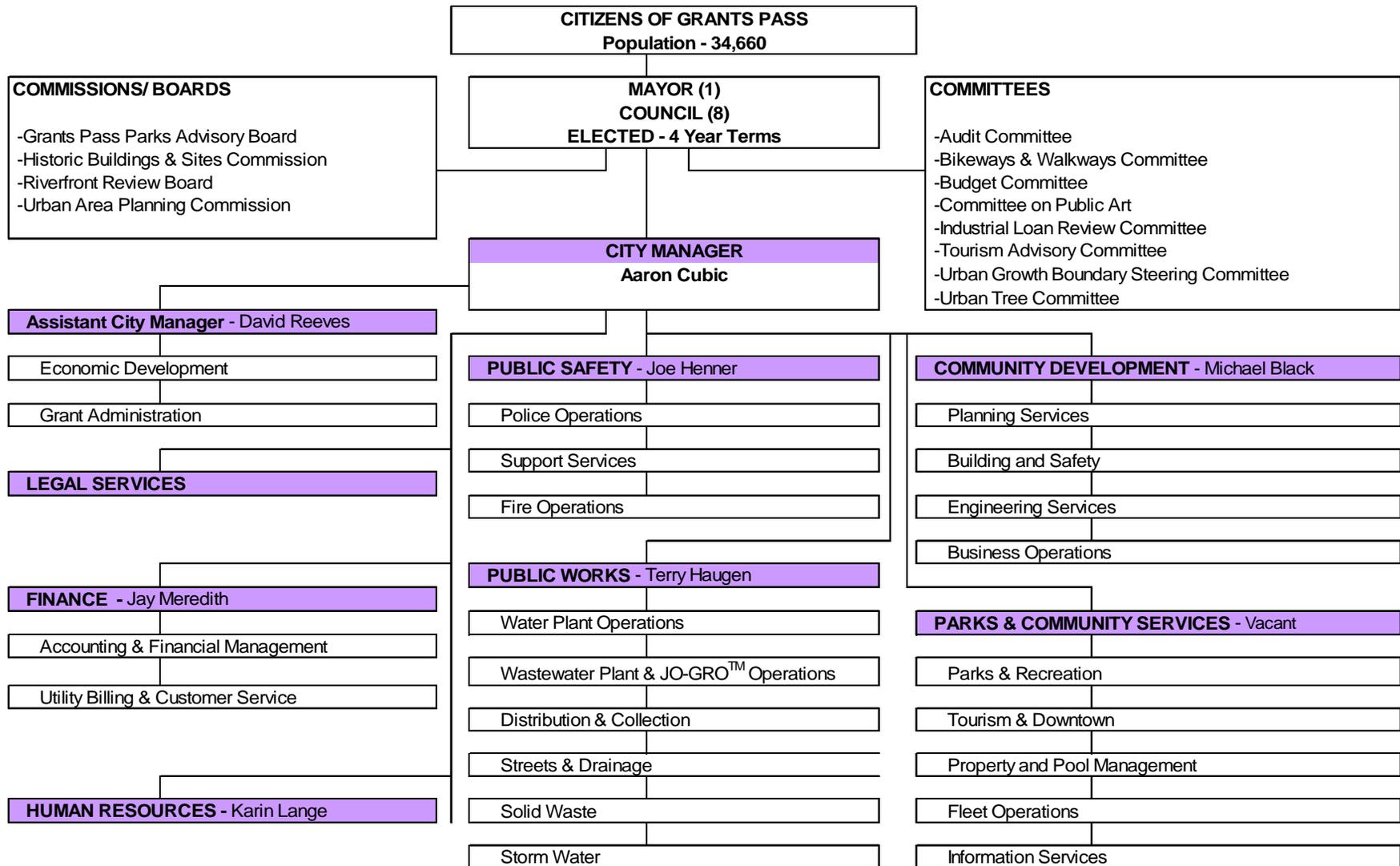
Respectfully submitted,



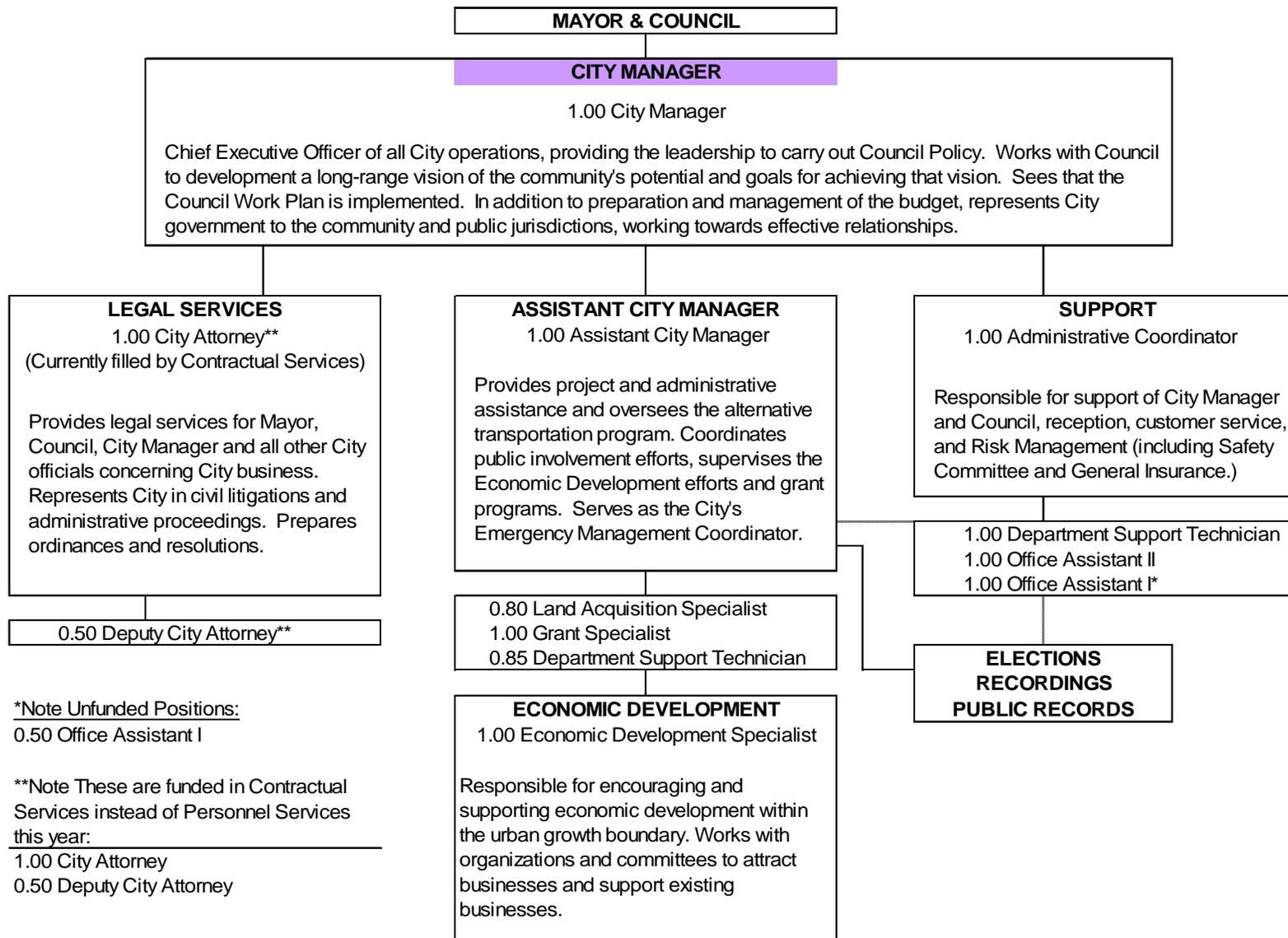
Aaron Cubic  
City Manager



Jay Meredith  
Finance Director



ORGANIZATIONAL CHART FY13



\*Note Unfunded Positions:  
0.50 Office Assistant I

\*\*Note These are funded in Contractual Services instead of Personnel Services this year:

1.00 City Attorney  
0.50 Deputy City Attorney

ORGANIZATIONAL CHART FY13

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grants Pass  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Dandson*

President

*Jeffrey R. Emer*

Executive Director



**PAULY, ROGERS AND CO., P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

October 21, 2012

To the Honorable Mayor and  
Members of the City Council  
City of Grants Pass, Oregon

### **INDEPENDENT AUDITORS' REPORT**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Grants Pass, Josephine County, Oregon, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of the Josephine County City of Grants Pass Solid Waste Agency (a component unit) were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the basic financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Grants Pass, Josephine County, Oregon, at June 30, 2012 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated October 21, 2012, on our consideration of City of Grants Pass's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison schedules presented as Required Supplemental Information, as listed in the table of contents, 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grants Pass' financial statements. The supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grants Pass' financial statements. The introductory section, other information and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



**PAULY, ROGERS AND CO., P.C.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As the management of the City of Grants Pass ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-11 of this report.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$280,028,308 (net position). Of this amount, \$34,410,644 represented unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$4,232,734 largely due to investments in capital and reductions in long-term debt as a result of annual debt-service payments.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$29,737,219, an increase of \$1,986,073 in comparison with the prior year. Approximately 28% of this amount (\$8,416,116) is available for spending at the government's discretion.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$12,069,442, or approximately 60% of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$2,111,705 during the current fiscal year as a result of scheduled annual debt service payments.

### Overview of the Financial Statements

The City's Comprehensive Annual Financial Report (CAFR) is organized as follows:

- I. Introductory Section
- II. Financial Section
  - a. Basic Financial Statements – government-wide and fund financial statements, including notes to the basic financial statements.
  - b. Required Supplementary Information – budget and actual schedules for the General Fund and major Special Revenue Funds.
  - c. Other Supplementary Information – budget and actual schedules for other major funds and nonmajor funds and included internal service fund financials.
  - d. Other Financial Schedules – schedules of property tax.
- III. Statistical Section
- IV. Compliance Section

The basic financial statements and supplementary information are presented using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and local Governments. The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. The basic financial statements present financial information about the City as a whole and about its activities. The financial statements also include notes that explain some of the information in the financial statements and provide

more detailed data. Following the basic financial statements are required supplementary information, other supplementary information, and other financial schedules.

## **1. Government-wide Financial Statements**

The *government-wide financial 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 City's assets and liabilities, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City's include general government, public safety, planning, building and safety, streets and storm drainage, solid waste, economic development, parks and recreation, and interest on long-term debt. The business-type activities of the City include water and sewer utilities.

The government-wide financial statements include not only the City itself (known as the primary government), but also for the legally separate Josephine County-City of Grants Pass Solid Waste Agency for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Grants Pass Redevelopment Agency and Redwood Sanitary Sewer Service District, although legally separate, function for all practical purposes as a department of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statement can be found on pages 32-34 of this report.

## **2. Fund Financial Statements**

Following the government-wide statements is a section containing fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental Funds*** - The governmental fund statements emphasize available financial resources rather than net assets. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The following reconciliations are provided to facilitate a comparison between governmental funds as reported in the fund financial statements and governmental activities as reported in the government-wide financial statements:

- A reconciliation of the fund balance reported in the governmental funds Balance Sheet to the net assets reported on the government-wide Statement of Net Assets, and
- A reconciliation of the change in fund balances reported in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances to the change in net assets reported in the government-wide Statement of Activities.

The City has 12 governmental funds. The governmental fund statements present seven major funds separately: General Fund, Solid Waste Fund, General Obligation Bond Fund, Bancroft Bond Fund, Transportation Projects Fund, Lands & Buildings Projects Fund, and the Parkway Redevelopment Agency Fund. The other 5 nonmajor funds are combined and presented in a single column as nonmajor governmental funds.

The basic governmental fund financial statement can be found on pages 35-41 of this report.

***Proprietary Funds*** – Proprietary funds are to account for activities supported by user charges and where the emphasis is on the sufficiency of revenues to cover expenses. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. 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 its water, waste water and Redwood Sanitary Sewer District operations. These funds are presented separately as major funds in the proprietary fund financial statements.

*Internal service funds* are generally used to accumulate and allocate internally the costs of the City's central services. The City has established an internal service fund with the following divisions – fleet, support services (encompassing information technology, property management, engineering, and community development management), administration (encompassing management, legal, finance, and human resources) and insurance (encompassing general insurance, benefits administration and workers compensation). Because the internal service fund activities predominantly benefit governmental rather than business-type functions, their assets and liabilities have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 42-44 of this report.

***Fiduciary Funds*** - The City is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that, due to a trust arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

### 3. Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46-65 of this report.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

##### Analysis of Net Position

The City's assets exceeded liabilities by \$280,028,308 at June 30, 2012. By far, the largest portion of the City's net position (84%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City's net investment in capital assets after depreciation increased \$0.64M or 0.3% from June 30, 2011. The City's major capital assets are investments in infrastructure – the water treatment plant and distribution system, the wastewater treatment plant and collection system, and the street and sidewalk system. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

##### CITY OF GRANTS PASS'S Net Position at June 30, 2012

	<i>In thousands</i>					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 39,662	\$ 38,370	\$ 13,254	\$ 12,361	\$ 52,916	\$ 50,731
Capital Assets	155,533	153,153	93,067	94,806	248,600	247,959
Total Assets	<u>\$ 195,195</u>	<u>\$ 191,523</u>	<u>\$ 106,321</u>	<u>\$ 107,167</u>	<u>\$ 301,516</u>	<u>\$ 298,690</u>
Current and Other Liabilities	\$ 5,310	\$ 4,948	\$ 1,832	\$ 2,111	\$ 7,142	\$ 7,059
Long-Term Liabilities	8,788	9,511	5,557	6,324	14,345	15,835
Total Liabilities	<u>14,098</u>	<u>14,459</u>	<u>7,389</u>	<u>8,435</u>	<u>21,487</u>	<u>22,894</u>
Net Position:						
Invested in Capital Assets, Net of Related Debt	148,516	146,191	86,785	87,380	235,301	233,571
Restricted	10,316	5,392	-	-	10,316	5,392
Unrestricted	22,264	25,481	12,147	11,352	34,411	36,833
Total Net Position	<u>\$ 181,096</u>	<u>\$ 177,064</u>	<u>\$ 98,932</u>	<u>\$ 98,732</u>	<u>\$ 280,028</u>	<u>\$ 275,796</u>

Net assets of \$10.3M or 3.68% of the total represent resources that are subject to external restrictions on how they may be used. This represents an increase of \$4.9M in the City's restricted net assets from June 30, 2011. The remaining balance of \$34.4M may be used to meet the government's ongoing obligations to its citizens and creditors.

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, the City's overall net position increased \$4.2M from the prior

fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business type activities.

### Analysis of Change Net Position

CITY OF GRANTS PASS - CHANGES IN NET POSITION						
<i>(In thousands of dollars)</i>						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>REVENUES:</b>						
Program Revenues:						
Charges for Services	\$ 4,685	\$ 4,801	\$ 9,806	\$ 9,379	\$ 14,491	\$ 14,180
Operating Grants & Contributions	1,582	1,238	336	955	1,918	2,193
General Revenues:						
Taxes	20,174	19,517	-	-	20,174	19,517
Intergovernmental	4,901	3,160	300	345	5,201	3,505
Other	972	680	515	665	1,487	1,345
Total Revenues	<u>32,314</u>	<u>29,396</u>	<u>10,957</u>	<u>11,344</u>	<u>43,271</u>	<u>40,740</u>
<b>EXPENSES:</b>						
Public Safety	20,258	15,766	-	-	20,258	15,766
Transportation	1,891	1,588	-	-	1,891	1,588
Building	586	548	-	-	586	548
Parks	1,942	1,679	-	-	1,942	1,679
Development	2,300	1,611	-	-	2,300	1,611
General Government	753	252	-	-	753	252
Solid Waste	439	265	-	-	439	265
Water	-	-	4,096	3,945	4,096	3,945
Sewer	-	-	6,485	5,474	6,485	5,474
Interest	283	350	-	-	283	350
Total Expenses	<u>28,452</u>	<u>22,059</u>	<u>10,581</u>	<u>9,419</u>	<u>39,033</u>	<u>31,478</u>
Change in Net Position before Transfers	3,862	7,337	- - - 376	- - - 1,925	- 4,238	9,262
Transfers	170	153	(170)	(153)	-	-
Change in Net Position	4,032	7,490	206	1,772	4,238	9,262
Net Position - Beginning	<u>177,064</u>	<u>169,574</u>	<u>98,732</u>	<u>96,960</u>	<u>275,796</u>	<u>266,534</u>
Prior Period Adjustment			(6)		(6)	
Net Position - Ending	<u>\$ 181,096</u>	<u>\$ 177,064</u>	<u>\$ 98,932</u>	<u>\$ 98,732</u>	<u>\$ 280,028</u>	<u>\$ 275,796</u>

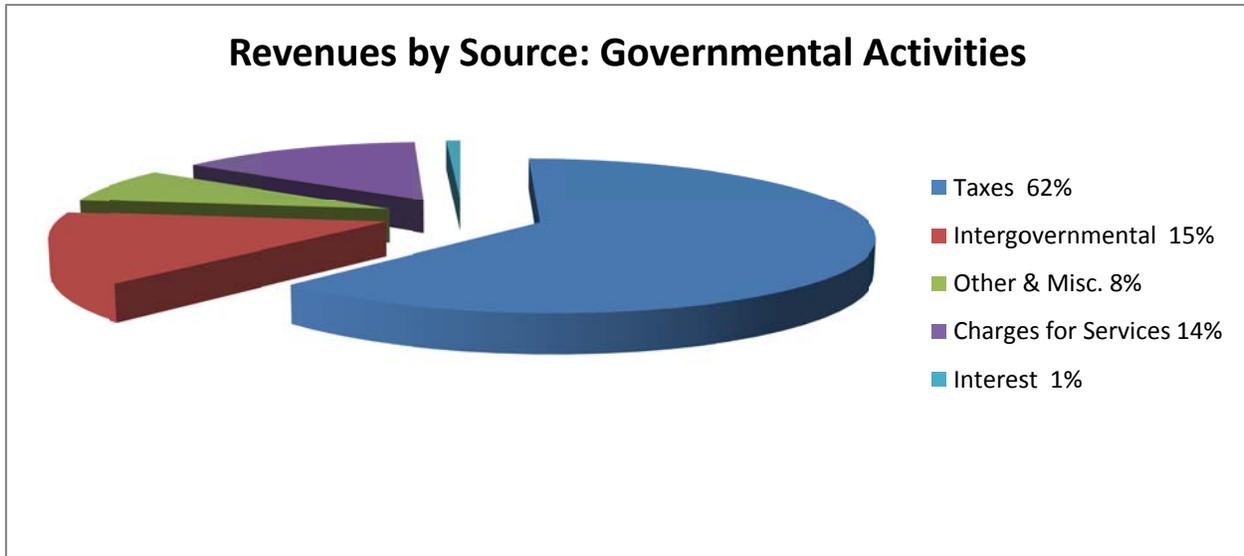
The statement of activities is a full accounting of all short-term and long-term expense accruals and differs significantly from budgetary statements or even the statement of revenues, expenditures, and changes in fund balances. For example, the statement of activities factors in program allocations for capital asset depreciation, long-term liability accruals and related expense allocations, and also integrates internal service fund expenses throughout the programs.

The City's total revenues were \$43.3M, of which a significant portion, 46.6%, came from taxes, while 33.5% relates to charges for services, including user fees and licenses and permits. Operating Grants & Contributions decreased during the year primarily as a result of lower levels of overall development activity reducing capital contributions. Certain expenses such as long-term liability expense accruals and capital asset depreciation are allocated to departments based on the size of the department as a percentage of budgetary expenditures.

**Governmental Activities.** The 2.3% increase in net assets, or approximately \$4.0M, was a result of the City's capital and infrastructure improvement projects in addition to the annual debt service payment. The

Transportation Capital Projects Fund, the Land and Buildings Capital Projects Fund, and the General Fund together added approximately \$3.6M of new capital assets (before considering depreciation). Long-term liabilities were reduced by approximately \$0.7M during the year as a result of regularly scheduled debt payments on the Public Safety Facilities General Obligation Bonds.

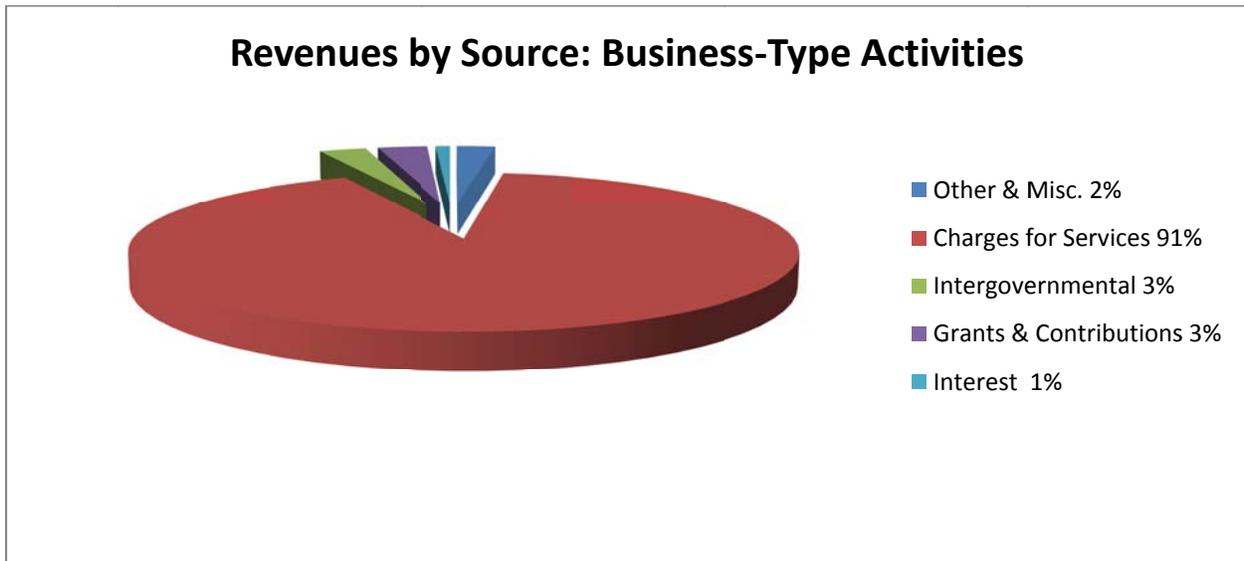
Capital Asset activity primarily consisted of transportation infrastructure projects. Right-of-Way totaling approximately 344,000 square feet and valued at \$2.0M was added to the system in addition to \$499,000 in concrete sidewalks and \$362,000 in street overlays. Other capital projects undertaken in FY'12 included the Riverside Park Gazebo replacement, Computer Aided Dispatch replacement, and Hillcrest Fire Station seismic retrofit.



Total tax revenue increased 3.4% in FY'12 generating approximately \$0.66M more in revenues than in FY'11. Franchise fees accounted for \$0.29M of this increased revenue, a result of private utility rate changes. Property taxes and business taxes increased a modest \$0.18M and \$0.17M respectively from the previous year. Taxable assessed values for FY'12 increased 1.2% from the previous year. This assessed value increase of \$30M was mostly due to small increases from new residential and commercial construction. In general, charges for services revenue was relatively flat compared to the previous year for governmental activities.

Governmental expenses increased by \$6.39M. The majority of that, \$5.11M was due to the functional allocation of fixed assets. This is why Public Safety, which comprises 71.3% of the functional allocation, saw an increase in expenses of \$4.49M. A portion of that increase was also due to the addition of three police officers and the general roll up of other operating expenses for both governmental and internal service funds, especially in the areas of personnel and utilities.

**Business-type Activities.** The business-type activities experienced a small 0.2% increase, or \$0.2M, in net assets. The Water Fund added \$0.8M in capital assets (before depreciation), largely a result of 3,729 linear feet in underground water lines and commencement of the backwash pump redundancy project. The wastewater fund on the other hand saw a minimal change in total cost basis of capital assets due to limited project and development activities in the year. The Wastewater Fund did add \$0.3M of new assets through the addition of 1,555 linear feet of line, 9 manholes and 1 cleanout.



Charges for services accounted for 91% of the revenues in the City's business type activities. As the current economy continues to hold back development, growth in accounts has remained flat. The increase of \$0.43M in charges for service over the prior fiscal year can be largely attributed to the Cost of Living Index applied to the water and sewer rates each January along with a 5% increase to City Wastewater rates implemented last year. It should also be noted, again due to the current economy, the lack of development has contributed to a continued decline in capital asset contributions from developments.

Water operational expenses increased 5.9%, or \$231,289, largely as a result of roll up expenses in personnel and utilities as well as some additional expenditures related to beginning master capital improvement plan updates. In wastewater operational expenses increased significantly, 24.1% or \$1,063,564. Approximately one third of this was due to an accounting adjustment for the retirement of \$310,000 in fixed assets. Additionally, due to large repairs on several pieces of equipment, fleet maintenance charges were up \$79,000. Of the remaining balance, the largest factor is an increase in general, administrative and engineering category along with a significant amount of work that was done on the Wastewater collection system master plan in the year.

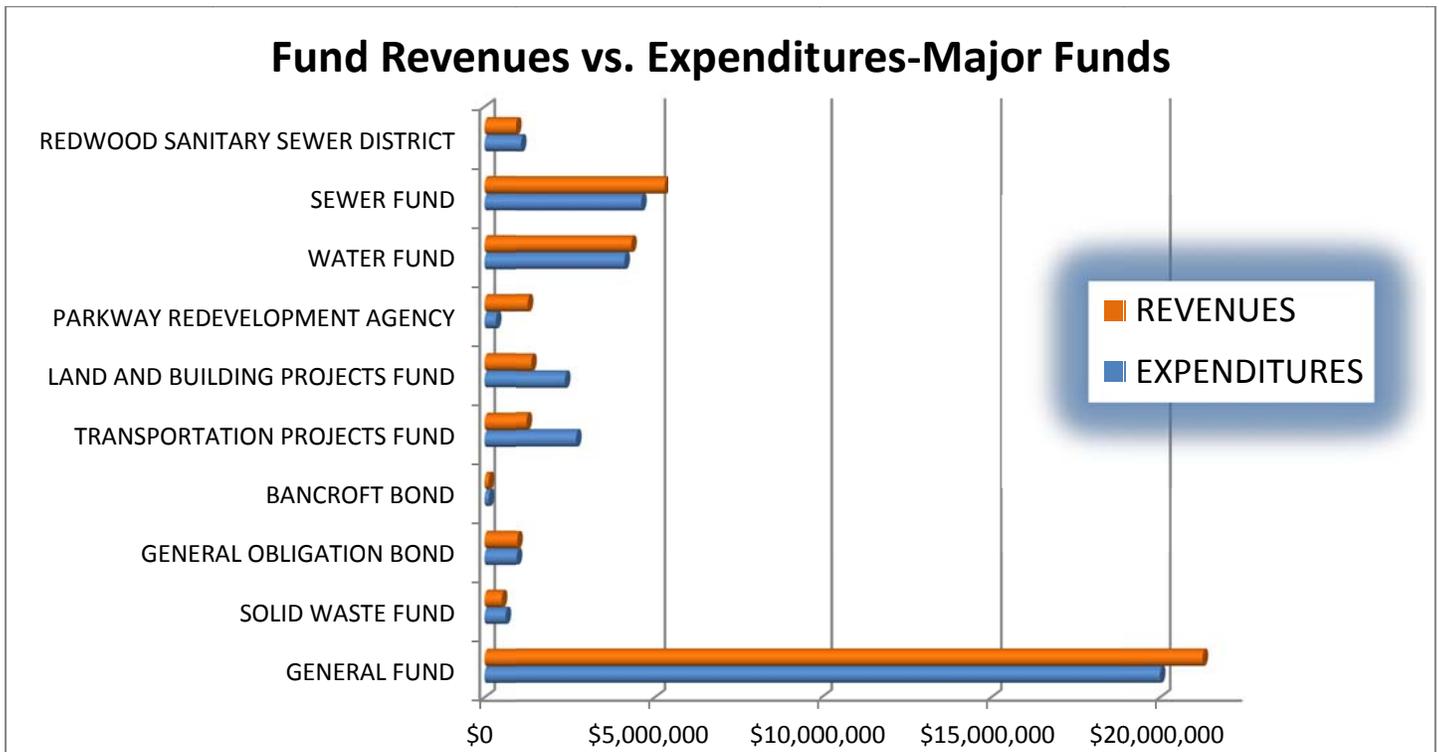
**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal and budgetary requirements.

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's

financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balances which has not yet been limited to use for a particular purpose by either an external party, the City itself, or the City Manager or Finance Director as established by Council Resolution 5813.

At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$29,737,219, an increase of \$1,986,073 in comparison with the prior year. Approximately 28% of this amount (\$8,416,116) constitutes unassigned fund balance which is available for spending at the government's discretion.



The General Fund is the chief operating fund of the City. It ended the year with a GAAP balance of \$12.8 million, an increase of \$1.2M for the year. The increase in the fund balance was due to slightly higher revenue than budgeted (nearly 2% over budget) for the year along with expenditures significantly under budget for the year in Public Safety and other departments. The unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$12,069,442. The ending budgetary fund balance for the General Fund was closer to \$10.9M, with the difference being an interfund loan due from the Lands and Buildings Fund and the Parkway Redevelopment Agency. The budgetary fund balance represents approximately 45% of total general fund expenditures for FY'13, slightly above the 30% to 40% financial policy guidelines. As revenue growth is not expected to exceed expenditure growth in the short-term, some of this fund balance excess compared to financial policies may need to be carried over for use in future fiscal years.

Other major governmental funds and their respective changes in fund balance are shown in the table below:

**Schedule of Other Major Governmental Fund Balances  
As of June 30, 2012 and 2011**

	2012	2011	Change
Bancroft Bond Fund	\$ (1,119,701)	\$ (1,220,513)	\$ 100,812
General Obligation Bond Fund	106,004	92,265	13,739
Transportation Projects Fund	7,993,959	7,918,120	75,839
Solid Waste	2,639,093	2,874,424	(235,331)
Lands & Buildings Project Fund	2,562,824	2,687,074	(124,250)
Parkway Redevelopment Agency	1,525,627	549,388	976,239
Total Fund Balances	<u>\$ 13,707,806</u>	<u>\$ 12,900,758</u>	<u>\$ 807,048</u>

The Bancroft Bond fund provides assessment loans to citizens that don't want to pay for their entire portion of local improvement district assessments upon completion. The Bancroft Bond fund balance increased during the year due to principal and interest repayments on loans. Internal loans have been used to provide resources to the Bancroft Bond Fund, because individual Local Improvement Districts (LID) have been insufficient in dollar value to warrant public borrowing.

The increase in the Parkway Redevelopment Agency fund balance was a result of the City returning unused project funds in anticipation of the sunset of the Agency. The Solid Waste Fund saw a decrease in its fund balance partially as a result of having to renew a landfill pollution liability insurance policy for a period of 10 years. The decrease in the Lands & Buildings Project Fund relates to spending on projects, one of the largest of which was the City's new Computer Aided Dispatch system.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**Schedule of Major Business-type Unrestricted Net Assets**

**As of June 30, 2012 and 2011**

	2012	2011	Change
Water Fund	\$ 3,626,272	\$ 3,683,200	\$ (56,928)
Sewer Fund	4,209,293	3,542,963	666,330
Redwood Sanitary Sewer Service District	974,117	1,119,666	(145,549)
Total Unrestricted Net Assets	<u>\$ 8,809,682</u>	<u>\$ 8,345,829</u>	<u>\$ 463,853</u>

The unrestricted net position for the operating segment of the Water Fund at the end of the fiscal year was \$3.6M and was \$4.2M for the Sewer Fund. Generally the utility funds maintain a contingency balance in the operating fund of close to 25% of annual expenditures and the rest of available funds are transferred to the utility's capital project fund for use in the completion of infrastructure projects. The unrestricted net position amounts shown above are primarily the operating fund contingency plus funds available to complete infrastructure projects.

The Redwood Sanitary Sewer Service District (RSSSD) ended the year with a \$0.9M unrestricted fund balance, about \$0.2M lower than FY'11. Principal payments on the District's long-term debt have been well in excess of operating income, leading to less of the fund balance to be unrestricted and available for operations or capital projects. The District Board, which includes the City Council and City Mayor, also voted in FY'12 to change the billing rates to exactly the same rate structure as the City Wastewater Utility rates along with instituting a pumping zone charge for the Redwood area. This will have an effect of a small increase to District revenues for Fiscal 2013, however the RSSSD may have to take a loan from the City of \$50,000 to \$70,000 per year for each of the next four years to maintain operations until annual bonded debt service payments cease in four years.

### General Fund Budgetary Highlights

*Original budget compared to final budget.* During FY12 there was no need for any significant amendments to change either the original estimated revenues or original budgeted appropriations. However, events occurred that were not specifically anticipated at the time of budget hearings necessitating a small transfer of appropriations. The City of Grants Pass transferred \$39,550 from General Fund contingency to cover an unexpected adjustment to the City Manager contract.

*Final budget compared to actual results.* Overall revenues came in 1.71% above budget. The largest factor was prior year property taxes which came in well above estimates. A side effect of the current economy and resulting foreclosures is that the foreclosing financial institution pays off the back taxes which was not anticipated at the time the budget was created. The largest differences between estimated revenues and actual revenues were as follows.

<u>Revenue Source</u>	<u>Estimated revenues</u>	<u>Actual revenues</u>	<u>Differences</u>
Taxes	\$18,039,850	\$18,490,749	\$450,899
Charges for Services	\$350,300	\$245,688	(\$104,612)
Miscellaneous	\$175,750	\$72,143	(\$103,607)

The shortfall in the charges for services was a result of service and annexation charge revenues that were deferred to future periods when they are collected. In miscellaneous revenues \$63,000 was budgeted for the potential recognition of forfeiture revenues and related expenditures which did not occur.

The budgetary balance for the General Fund, which includes all General Fund programs except restricted resources from the Building and Tourism departments, was \$10,446,859. This equates to approximately 45% of expenditures for Fiscal 2013 and is slightly above the City's financial policy range of 30% to 40% of annual expenditures. General Fund departments with the largest budgetary savings during the year by dollar amount included Public Safety, Planning, and the General Fund's General Program Operations. Public Safety was by far the largest contributor to expenditure savings in dollar amounts compared to

budget as it is the largest department in the General Fund. General Fund operating departments were overall 6.6% under the expenditure budget for the year, due largely to personnel vacancies and the City securing a rate hold for health insurance benefits for the 2012 calendar year. Public Safety expenditures in FY'12 were also 6.6% under budget, again due largely to savings in personnel budgets.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** At the end of 2012, the City had invested \$248,600,585 in a broad range of capital assets, including land, equipment, buildings, and vehicles, as reflected in the following table which represents a net increase (additions, deductions and depreciation) of \$0.64 million. The following table reconciles the change in capital assets. Additions include assets acquired or under construction at year-end. Reductions are for the disposition of assets and depreciation.

	<u>Changes in Capital Assets (In Millions)</u>					
	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Beginning Balance	153.15	148.04	94.81	94.84	247.96	242.88
Additions	9.35	11.58	1.07	3.76	10.42	15.34
Retirement/Other	(4.66)	(4.27)	(0.36)	(1.40)	(5.02)	(5.67)
Depreciation	(2.31)	(2.20)	(2.45)	(2.39)	(4.76)	(4.59)
Ending Balance	155.53	153.15	93.07	94.81	248.60	247.96

Major additions to Governmental Activities assets for the year were generated by Transportation projects. Right-of-Way totaling approximately 344,000 square feet and valued at \$2.0M was added to the system as well as \$500,000 in concrete sidewalks and \$360,000 in street overlays. The Rogue River Highway pedestrian improvements from Parkdale to Cloverlawn project added \$2.7M in permanent additions. In the Lands & Buildings fund, Public Safety communication infrastructure projects such as the Computer Aided Dispatch project added \$265,000 and the Riverside Park Restroom Upgrades added \$163,000. In the Business-type activities, underground infrastructure included 1,605 linear feet of underground sewer lines valued at \$215,000 and 3,729 linear feet of underground water lines valued at \$322,000. Utility specific projects included work on the water filtration plant backwash redundancy pump and the Woodson Drive Reservoir 3 upgrades.

Additional information on the City's capital assets can be found in Note 5 on pages 57-58 of this report.

**Long-Term Debt.** At year-end the City had bonds, contracts and notes outstanding that totaled \$12.55M. Of this amount, \$12.50M is debt backed by the full faith and credit of the government. Debt outstanding and accrued long-term landfill post-closure and other land related environmental liabilities were as follows at year-end:

<b>Outstanding Debt at Year End</b>		
(in millions)		
	2012	2011
<b>Governmental:</b>		
General obligation	\$ 6.21	\$ 6.89
Post-Closure / environmental care costs	2.13	2.39
Notes and Contract payable	0.05	0.07
Sub Total	8.39	9.35
<b>Business-type Activities:</b>		
Bonds payable	5.95	7.04
Unamortized Premium / Discount	0.34	0.39
Notes and Contracts Payable	-	-
Sub Total	6.29	7.43
<b>Total</b>	<b>\$ 14.68</b>	<b>\$ 16.78</b>

Decreases to outstanding debt above for the last year were the result of regular annual debt service payments and no additional debt issuance.

The City maintains a bond rating of "Aa3" with Moody's for its General Obligation debt and an "AA-" rating with Standard & Poor's for its Full Faith and Credit debt issue. Detailed charts about the City's debt are presented in Note 7 of the financial statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of total real market value of the taxable property within its boundaries (ORS 287A.050). The current debt limit for the City is \$82,201,274, which is significantly in excess of the City's outstanding general obligation debt.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following economic factors currently affect the City and were considered in developing the 2012-2013 budget.

- The City's General Fund is dependent on property taxes. With a continued lag in construction, and assessed value approaching real market value, the key factors used to build the property tax estimates for FY13 included a 0.25% decrease in assessed value on existing properties offset by a modest new construction estimate. The property tax revenue budget uses a 93.5% collection rate for the current year levy and this year includes some one-time property tax revenue from expected Redevelopment Agency tax turnover. The total estimated increase in property tax revenues is a budget of an additional \$354,000 in property tax revenues for the General Fund.
- The Council, wishing to maintain service levels in our growing community, placed before the voters a three-year Public Safety levy renewal in 2010 at a \$1.79/\$1,000 assessed value. The measure was approved by a large voting margin and provided funding for the fiscal years of FY'12 through FY'14. Public Safety has the dedicated resources through Fiscal 2014 to maintain the current level of service. The rate approved by voters was the same local option levy rate that funded Public Safety in FY'10 to FY'11.

- Other General Fund revenue trends and assumptions include:
  - In the near-term, consumption of utilities is expected to stay relatively flat so franchise tax budget revenue changes are based merely on anticipated utility rate changes.
  - State revenue sharing amounts in total are not expected to have significant changes in the near-term as these are a percentage of the alcohol tax revenues paid in to the State and amounts do not typically fluctuate a great deal from year to year unless Cities have significant population changes.
- Lack of construction has dramatically reduced SDC revenues, impacting funds available for capital projects in coming years.
- Personnel expenses continue to put pressure on budgets as health insurance premiums are expected to continue to grow at the average of close to 10% per year seen over the last decade. An insurance committee composed of labor representatives, the City's agent of record, and management, continues to look at ways to lower these costs or limit premium increases in future years through modifications to plans.
- All four bargaining units will be in negotiations for wages at a minimum, and three of the four will be negotiating for the full contract terms. Budgets generally assume inflation rates of 2% for wages and certain other operational costs.
- Retirement rates also continue to be a factor at this time. The economic downturn has continued to put pressure on retirement funding and initial estimates are that PERS rates will increase close to 5% of gross payroll starting July 1, 2013. While the State's PERS system changes rates every two years based on its actuarial funding status, the City changes internally billed rates annually to prepare for future increases through a PERS reserve (a component of the Insurance Services Fund). Approximately \$1.6M has been set aside as of June 30, 2012 to help prepare for future PERS rate increases.

### **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 additional information please contact the Finance Department at the City of Grants Pass at (541) 450-6020, 101 N.W. "A" Street, Grants Pass, Oregon, 97526.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

**NATURAL. ROGUE RIVER. LEGENDS.**



© City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF NET POSITION  
JUNE 30, 2012**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Josephine County City of Grants Pass Solid Waste Agency
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 35,765,783	\$ 8,017,232	\$ 43,783,015	\$ 1,589,586
Receivables, net	4,143,598	1,514,460	5,658,058	20,918
Prepaid Items	629,778	3,754	633,532	-
Internal Balances	(3,337,345)	3,337,345	-	-
Restricted Assets:				
Cash and Cash Equivalents	1,722,642	129,730	1,852,372	-
Receivables, net	737,225	251,112	988,337	-
Capital Assets not being depreciated	72,239,450	2,580,841	74,820,291	-
Capital Assets, net of Accumulated Depreciation	83,293,658	90,486,636	173,780,294	-
<b>Total Assets</b>	<b>195,194,789</b>	<b>106,321,110</b>	<b>301,515,899</b>	<b>1,610,504</b>
<b>LIABILITIES</b>				
Accounts Payable and Other Current Liabilities	873,367	291,369	1,164,736	9,968
Accrued Payroll	1,315,935	735,214	2,051,149	-
Unearned Revenue	-	-	-	-
Retainage Payable	250,000	6,271	256,271	-
Customer Deposits	-	73,752	73,752	-
Noncurrent Liabilities				
Due Within One Year	2,871,354	725,000	3,596,354	-
Due in More than One Year	8,787,752	5,557,577	14,345,329	-
<b>Total Liabilities</b>	<b>14,098,408</b>	<b>7,389,183</b>	<b>21,487,591</b>	<b>9,968</b>
<b>NET POSITION</b>				
Invested in Capital Assets, net of related debt	148,515,608	86,784,900	235,300,508	-
Restricted for				
Transportation	1,586,819	-	1,586,819	-
Lands & Building Capital	432,068	-	432,068	-
Solid Waste	12,281	-	12,281	-
System Development	4,363,921	-	4,363,921	-
CDBG/HUD	1,880,960	-	1,880,960	-
Building & Safety	367,632	-	367,632	-
Tourism/Recreation/TRT Approved	31,813	-	31,813	-
Debt Service	106,004	-	106,004	-
Committee on Public Art	12,889	-	12,889	-
Parkway Redevelopment Agency Projects	1,522,769	-	1,522,769	-
Unrestricted	22,263,617	12,147,027	34,410,644	1,600,536
<b>Total Net Position</b>	<b>\$ 181,096,381</b>	<b>\$ 98,931,927</b>	<b>\$ 280,028,308</b>	<b>\$ 1,600,536</b>

The accompanying notes are an integral part of this statement.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government</b>				
Governmental Activities				
Public Safety	\$ 20,258,332	\$ 371,124	\$ 393,696	\$ 273,191
Transportation	1,890,095	1,570,789	614,181	-
Building	586,034	317,104	-	-
Parks	1,942,127	27,403	4,000	-
Development	2,299,728	197,306	296,744	-
General Government	753,414	1,854,686	-	-
Solid Waste	439,330	346,523	-	-
Interest	283,013	-	-	-
Total Governmental Activities	<u>28,452,073</u>	<u>4,684,935</u>	<u>1,308,621</u>	<u>273,191</u>
Business-Type Activities				
Water	4,095,785	4,112,911	252,019	-
Sewer	6,485,441	5,693,126	83,539	-
Total Business-Type Activities	<u>10,581,226</u>	<u>9,806,037</u>	<u>335,558</u>	<u>-</u>
Total Primary Government	<u>\$ 39,033,299</u>	<u>\$ 14,490,972</u>	<u>\$ 1,644,179</u>	<u>\$ 273,191</u>
<b>Component Unit</b>				
Josephine County-City of Grants				
Pass Solid Waste Agency	<u>\$ 149,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

				Component Unit
				Josephine County City of Grants Pass Solid Waste Agency
	\$ (19,220,321)	\$ -	\$ (19,220,321)	\$ \$ -
	294,875	-	294,875	-
	(268,930)	-	(268,930)	-
	(1,910,724)	-	(1,910,724)	-
	(1,805,678)	-	(1,805,678)	-
	1,101,272	-	1,101,272	-
	(92,807)	-	(92,807)	-
	(283,013)	-	(283,013)	-
	<u>(22,185,326)</u>	<u>-</u>	<u>(22,185,326)</u>	<u>-</u>
	-	269,145	269,145	-
	<u>-</u>	<u>(708,776)</u>	<u>(708,776)</u>	<u>-</u>
	<u>-</u>	<u>(439,631)</u>	<u>(439,631)</u>	<u>-</u>
	<u>(22,185,326)</u>	<u>(439,631)</u>	<u>(22,624,957)</u>	<u>-</u>
	-	-	-	(149,096)
General Revenues				
Taxes:				
Property	15,516,394	-	15,516,394	-
Business/E911	458,798	-	458,798	-
Franchise	3,247,038	-	3,247,038	-
Transient Room	951,487	-	951,487	-
Intergovernmental-unrestricted	4,901,496	300,162	5,201,658	238,661
Interest	269,265	92,838	362,103	9,722
Trust Receipts - unrestricted	379,510	1,090	380,600	-
SDC Receipts	-	265,351	265,351	-
Industrial Payments	16,377	-	16,377	-
Miscellaneous	307,538	156,325	463,863	72,971
Transfers	170,085	(170,085)	-	-
Total General Revenues and Transfers	<u>26,217,988</u>	<u>645,681</u>	<u>26,863,669</u>	<u>321,354</u>
Change in Net Position	4,032,662	206,050	4,238,712	172,258
Net Position - Beginning	<u>177,063,719</u>	<u>98,731,855</u>	<u>275,795,574</u>	<u>1,428,278</u>
Prior Period Adjustment		(5,978)	(5,978)	
Net Position - Ending	<u>\$ 181,096,381</u>	<u>\$ 98,931,927</u>	<u>\$ 280,028,308</u>	<u>\$ \$ 1,600,536</u>

The accompanying notes are an integral part of this statement.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012

	SPECIAL REVENUE		DEBT SERVICE	
	GENERAL	SOLID WASTE	GEN OBLIGATION BOND	BANCROFT BOND
<b>ASSETS:</b>				
Cash and Investments	\$ 9,736,668	\$ 1,276,610	\$ 79,179	\$ 185,140
Receivables:				
Taxes	1,983,376	-	99,090	-
Intergovernmental	121,030	-	-	-
Accounts, net	318,931	19,702	14,100	-
Accrued Interest	10,392	-	-	42,091
Notes and Contracts	-	20,918	-	-
Grants	132,689	-	-	-
Assessment Liens	-	-	-	690,784
Due from Other Funds	1,830,000	1,346,200	-	-
Prepaid Items	294,528	-	-	-
Restricted Assets				
Cash and Cash Equivalents	-	-	-	-
Notes and Taxes Receivable	-	-	-	-
Accrued Interest Receivable	-	-	-	-
Total Assets	\$ 14,427,614	\$ 2,663,430	\$ 192,369	\$ 918,015
<b>LIABILITIES</b>				
Accounts Payable	280,862	23,997	-	-
Salaries, Withholdings and Taxes Payable	459,374	340	-	-
Accrued Interest Payable	-	-	-	731
Due to Other Funds	-	-	-	1,346,200
Deferred Revenue	933,152	-	86,365	690,785
Retainage Payable	-	-	-	-
Total Liabilities	1,673,388	24,337	86,365	2,037,716
<b>FUND BALANCES (DEFICITS)</b>				
<i>Nonspendable:</i>	\$ 294,528	\$ -	\$ -	\$ -
<i>Restricted for:</i>				
Transportation	-	-	-	-
Lands & Building Capital	-	-	-	-
Solid Waste	-	12,281	-	-
System Development	-	-	-	-
CDBG/HUD	-	-	-	-
Building & Safety	367,632	-	-	-
Tourism/Recreation/TRT Approved	9,735	-	-	-
Debt Service	-	-	106,004	-
Committee on Public Art	12,889	-	-	-
Parkway Redevelopment Agency Projects	-	-	-	-
<i>Committed to:</i>				
Transportation	-	-	-	-
Lands & Building Capital	-	-	-	-
<i>Assigned to:</i>				
Public Safety	2,533,625	-	-	-
Solid Waste	-	112,481	-	-
Storm Water	-	-	-	-
Capital Projects	-	2,514,331	-	-
<i>Unassigned:</i>	9,535,817	-	-	(1,119,701)
Total Fund Balances	12,754,226	2,639,093	106,004	(1,119,701)
Total Liabilities and Fund Balances	\$ 14,427,614	\$ 2,663,430	\$ 192,369	\$ 918,015

The accompanying notes are an integral part of this statement.

TRANSPORTATION PROJECTS	LAND AND BUILDING PROJECTS	PARKWAY REDEVELOPMENT	TOTAL NON-MAJOR	TOTAL GOVERNMENTAL
\$ 7,470,807	\$ 3,750,669	\$ 1,262,569	\$ 2,910,022	\$ 26,671,664
-	-	-	-	2,082,466
-	-	-	164,005	285,035
-	19,475	-	109,846	482,054
12,911	-	18,094	608	84,096
54,783	-	42,573	171,990	290,264
61,736	25,459	-	-	219,884
-	-	-	-	690,784
-	-	-	-	3,176,200
-	-	250,000	-	544,528
774,687	387,131	250,000	310,824	1,722,642
595,283	73,671	-	32,965	701,919
16,076	11,189	-	8,041	35,306
<u>\$ 8,986,283</u>	<u>\$ 4,267,594</u>	<u>\$ 1,823,236</u>	<u>\$ 3,708,301</u>	<u>\$ 36,986,842</u>
91,291	51,099	2,224	66,728	516,201
968	-	-	15,227	475,909
-	-	2,811	-	3,542
-	1,580,000	250,000	146,205	3,322,405
650,065	73,671	42,574	204,954	2,681,566
250,000	-	-	-	250,000
<u>992,324</u>	<u>1,704,770</u>	<u>297,609</u>	<u>433,114</u>	<u>7,249,623</u>
\$ -	\$ -	\$ 250,000	\$ -	\$ 544,528
1,586,819	-	-	-	1,586,819
-	432,068	-	-	432,068
-	-	-	-	12,281
3,826,029	-	-	537,892	4,363,921
-	-	-	1,880,960	1,880,960
-	-	-	-	367,632
-	-	-	22,078	31,813
-	-	-	-	106,004
-	-	-	-	12,889
2,838	244,304	1,275,627	-	1,522,769
821,899	-	-	685,008	1,506,907
-	285,989	-	-	285,989
-	-	-	-	2,533,625
-	-	-	-	112,481
-	-	-	149,249	149,249
1,756,374	1,600,463	-	-	5,871,168
-	-	-	-	8,416,116
<u>7,993,959</u>	<u>2,562,824</u>	<u>1,525,627</u>	<u>3,275,187</u>	<u>29,737,219</u>
<u>\$ 8,986,283</u>	<u>\$ 4,267,594</u>	<u>\$ 1,823,236</u>	<u>\$ 3,708,301</u>	<u>\$ 36,986,842</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO STATEMENT OF NET ASSETS  
 JUNE 30, 2012

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

Fund Balances	\$	29,737,219
---------------	----	------------

The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, 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.

Net Capital Assets		152,759,758
--------------------	--	-------------

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.

General Obligation Bonds	\$	(6,210,000)	
Post Closure Costs		(2,132,864)	
Environmental Liability		-	
Notes and Contracts Payable		(159,415)	
Net Adjustment		(8,502,279)	(8,502,279)

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.

Accrued Vacation and Sick Leave		(1,994,439)
GASB45-OPEB		(1,162,388)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Deferred Revenue		2,681,566
------------------	--	-----------

Internal service funds are used by the City to account for the fleet operations, support services, administrative service and insurance services that are provided to the other departments and agencies on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.

Internal Service Fund Net Assets		7,576,944
----------------------------------	--	-----------

Total Net Assets	\$	181,096,381
------------------	----	-------------

The accompanying notes are an integral part of this statement.

**NATURAL. ROGUE RIVER. LEGENDS.**



© City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2012**

	<u>SPECIAL REVENUE</u>		<u>DEBT SERVICE</u>	
	<u>GENERAL</u>	<u>SOLID WASTE</u>	<u>GEN OBLIGATION BOND</u>	<u>BANCROFT BOND</u>
<b>REVENUES:</b>				
Taxes	\$ 18,490,749	\$ -	\$ 979,776	\$ -
Licenses and Permits	247,280	2,830	-	-
Intergovernmental	1,793,463	11,000	-	-
Charges for Services	245,688	343,693	-	-
Fines and Forfeitures	301,478	-	-	-
Special Assessments	-	-	-	117,109
Interest on Investments	86,474	15,834	63	1,274
Trust Receipts	-	-	-	-
Industrial and Other Loans	-	-	-	-
Miscellaneous Revenues	72,143	15,600	14,100	-
Total Revenues	<u>21,237,275</u>	<u>388,957</u>	<u>993,939</u>	<u>118,383</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	15,888,900	-	-	-
Transportation	-	-	-	-
Building	481,216	-	-	-
Parks	1,708,105	-	-	-
Development	1,422,603	-	-	-
General Government	491,449	-	-	17,571
Solid Waste	-	365,668	-	-
Capital Outlay	-	234,620	-	-
Debt Service	-	-	980,200	-
Total Expenditures	<u>19,992,273</u>	<u>600,288</u>	<u>980,200</u>	<u>17,571</u>
Excess of Revenues Over, (Under)				
Expenditures	<u>1,245,002</u>	<u>(211,331)</u>	<u>13,739</u>	<u>100,812</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	7,131	-	-	-
Transfers In	873,809	-	-	-
Transfer Out	(895,015)	(24,000)	-	-
Total Other Financing Sources, (Uses)	<u>(14,075)</u>	<u>(24,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,230,927	(235,331)	13,739	100,812
Beginning Fund Balance	<u>11,523,299</u>	<u>2,874,424</u>	<u>92,265</u>	<u>(1,220,513)</u>
Ending Fund Balance (Deficit)	<u>\$ 12,754,226</u>	<u>\$ 2,639,093</u>	<u>\$ 106,004</u>	<u>\$ (1,119,701)</u>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS				
TRANSPORTATION PROJECTS	LAND AND BUILDING PROJECTS	PARKWAY REDEVELOPMENT	TOTAL NON-MAJOR	TOTAL GOVERNMENTAL
\$ -	\$ -	\$ -	\$ 951,487	\$ 20,422,012
-	-	-	8,506	258,616
614,181	1,027,060	914,458	2,041,613	6,401,775
544,000	98,862	-	851,615	2,083,858
-	-	-	-	301,478
-	-	-	-	117,109
54,074	34,854	8,158	28,609	229,340
2,712	-	376,798	-	379,510
-	-	-	16,377	16,377
51,115	240,484	-	2,675	396,117
<u>1,266,082</u>	<u>1,401,260</u>	<u>1,299,414</u>	<u>3,900,882</u>	<u>30,606,192</u>
-	-	-	-	15,888,900
-	-	-	1,528,315	1,528,315
-	-	-	-	481,216
-	-	-	-	1,708,105
-	-	312,862	73,320	1,808,785
-	-	-	-	509,020
-	-	-	-	365,668
2,706,401	2,381,017	-	24,691	5,346,729
-	-	10,313	-	990,513
<u>2,706,401</u>	<u>2,381,017</u>	<u>323,175</u>	<u>1,626,326</u>	<u>28,627,251</u>
<u>(1,440,319)</u>	<u>(979,757)</u>	<u>976,239</u>	<u>2,274,556</u>	<u>1,978,941</u>
-	-	-	-	7,131
1,526,158	855,507	35,975	15,000	3,306,449
(10,000)	-	(35,975)	(2,341,458)	(3,306,448)
<u>1,516,158</u>	<u>855,507</u>	<u>-</u>	<u>(2,326,458)</u>	<u>7,132</u>
75,839	(124,250)	976,239	(51,902)	1,986,073
<u>7,918,120</u>	<u>2,687,074</u>	<u>549,388</u>	<u>3,327,089</u>	<u>27,751,146</u>
<u>\$ 7,993,959</u>	<u>\$ 2,562,824</u>	<u>\$ 1,525,627</u>	<u>\$ 3,275,187</u>	<u>\$ 29,737,219</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - GOVERNMENTAL FUNDS - TO STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2012

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures \$ 1,986,073

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

Capitalized Expenditures	\$ 1,666,863	
Capital Contributions	1,962,649	
Depreciation Expense	<u>(2,193,886)</u>	
Net Adjustment		1,435,626

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

Compensated Absences	\$ (228,697)	
GASB45-OPEB	(299,762)	
General Obligation Bond Payments	685,000	
Post Closure Costs	31,366	
Environmental Liability	228,900	
Loan Proceeds	-	
Contractual Liability	(114,415)	
Notes and Contracts Payable	<u>22,500</u>	
Net Adjustment		324,892

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

Property Taxes	\$ (248,295)	
Special Assessments	(66,178)	
Misc Notes and Grants	<u>(151,169)</u>	
Net Adjustment		(465,642)

Internal service funds are used by the City to account for the fleet operations, support services, administrative service and insurance services that are provided to the other departments and agencies 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 Assets		<u>751,713</u>
Change in Net Assets		<u><u>\$ 4,032,662</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2012**

	WATER FUND	SEWER FUND	REDWOOD SANITARY SEWER SERVICE DISTRICT	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>ASSETS:</b>					
Current Assets					
Cash and Investments	\$ 3,412,638	\$ 3,831,238	\$ 773,356	\$ 8,017,232	\$ 9,094,119
Prepaid Items	3,754	-	-	3,754	85,250
Accounts Receivable	651,199	619,663	134,752	1,405,614	9,015
Notes Receivable	747	22,623	82,138	105,508	-
Interest Receivable	-	2,233	1,105	3,338	-
Due From Other Funds	-	-	-	-	146,205
Restricted Assets					
Cash and Investments	46,618	83,112	-	129,730	-
Accrued Interest and Accounts Receivable	21,589	20,842	-	42,431	-
Notes	98,213	110,468	-	208,681	-
Total Current Assets	<u>4,234,758</u>	<u>4,690,179</u>	<u>991,351</u>	<u>9,916,288</u>	<u>9,334,589</u>
Capital Assets					
Capital Assets, Net	51,276,094	32,908,488	8,882,895	93,067,477	2,773,350
Total Capital Assets	<u>51,276,094</u>	<u>32,908,488</u>	<u>8,882,895</u>	<u>93,067,477</u>	<u>2,773,350</u>
Total assets	<u>55,510,852</u>	<u>37,598,667</u>	<u>9,874,246</u>	<u>102,983,765</u>	<u>12,107,939</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	179,330	81,990	12,447	273,767	353,624
Salaries, Withholdings and Taxes Payable	349,133	385,781	300	735,214	840,026
Accrued Interest Payable	-	13,115	4,487	17,602	-
Bonds, Notes Payable Within One Year	-	330,000	395,000	725,000	-
Customer Deposits Payable-Restricted Assets	73,752	-	-	73,752	-
Contractor Retainage Payable-Restricted Assets	6,271	-	-	6,271	-
Total Current Liabilities	<u>608,486</u>	<u>810,886</u>	<u>412,234</u>	<u>1,831,606</u>	<u>1,193,650</u>
Long-Term Liabilities					
Full Faith & Credit Bonds Payable	-	4,212,139	1,345,438	5,557,577	-
Total Long-Term Liabilities	<u>-</u>	<u>4,212,139</u>	<u>1,345,438</u>	<u>5,557,577</u>	<u>-</u>
Total Liabilities	<u>608,486</u>	<u>5,023,025</u>	<u>1,757,672</u>	<u>7,389,183</u>	<u>1,193,650</u>
<b>NET POSITION</b>					
Net invested in capital assets	51,276,094	28,366,349	7,142,457	86,784,900	2,773,350
Unrestricted	<u>3,626,272</u>	<u>4,209,293</u>	<u>974,117</u>	<u>8,809,682</u>	<u>8,140,939</u>
Total Net Position	<u>54,902,366</u>	<u>32,575,642</u>	<u>8,116,574</u>	<u>95,594,582</u>	<u>\$ 10,914,289</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprises funds over time.				<u>3,337,345</u>	
Net position of business-type activites (page 32)				<u>\$ 98,931,927</u>	

The accompanying notes are an integral part of this statement.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2012

	WATER FUND	SEWER FUND	REDWOOD SANITARY SEWER SERVICE DISTRICT	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 4,112,911	\$ 4,743,668	\$ 949,458	\$ 9,806,037	\$ 7,712,854
Special assessments	-	-	-	-	-
Trust receipts	266	824	-	1,090	-
Miscellaneous	52,509	57,326	-	109,835	85,462
Total Operating Revenue	<u>4,165,686</u>	<u>4,801,818</u>	<u>949,458</u>	<u>9,916,962</u>	<u>7,798,316</u>
<b>OPERATING EXPENSES</b>					
Salaries, Wages, and Benefits	1,315,218	1,412,412	6,681	2,734,311	4,079,885
Operating Supplies	384,934	326,354	59,055	770,343	498,936
Repairs and Maintenance	62,430	143,255	27,291	232,976	183,517
Utilities	330,130	462,795	31,351	824,276	147,707
Professional Services	419,291	365,997	336,046	1,121,334	684,192
General, Administrative and Engineering	678,399	1,536,783	205,575	2,420,757	1,459,725
Depreciation and Amortization	982,119	1,230,272	190,639	2,403,030	115,394
Total Operating Expenses	<u>4,172,521</u>	<u>5,477,868</u>	<u>856,638</u>	<u>10,507,027</u>	<u>7,169,356</u>
Total Operating Income (Loss)	<u>(6,835)</u>	<u>(676,050)</u>	<u>92,820</u>	<u>(590,065)</u>	<u>628,960</u>
<b>NONOPERATING INCOME (LOSS)</b>					
Gain (loss) on disposal of capital assets	9,991	-	-	9,991	33,899
SDC Receipts	98,420	166,931	-	265,351	-
Intergovernmental	-	264,249	-	264,249	117,446
Interest Income	32,249	36,083	6,920	75,252	57,511
Interest Expense	(6,253)	(171,356)	(62,780)	(240,389)	-
Total Nonoperating Income (Expense)	<u>134,407</u>	<u>295,907</u>	<u>(55,860)</u>	<u>374,454</u>	<u>208,856</u>
Capital Contribution	252,019	83,539	-	335,558	-
Income (Loss) Before Transfers	<u>379,591</u>	<u>(296,604)</u>	<u>36,960</u>	<u>119,947</u>	<u>837,816</u>
<b>TRANSFERS</b>					
Transfers In	502,801	905,046	-	1,407,847	245,000
Transfers Out	(752,801)	(900,046)	-	(1,652,847)	-
Total Transfers	<u>(250,000)</u>	<u>5,000</u>	<u>-</u>	<u>(245,000)</u>	<u>245,000</u>
Change in Net Position	129,591	(291,604)	36,960	(125,053)	1,082,816
Net Position-Beginning	<u>54,772,775</u>	<u>32,873,224</u>	<u>8,079,614</u>		<u>9,831,473</u>
Prior Period Adjustment		(5,978)			
Net Position-Ending	<u>\$ 54,902,366</u>	<u>\$ 32,575,642</u>	<u>\$ 8,116,574</u>		<u>\$ 10,914,289</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.				<u>331,103</u>	
Changes in net position of business-type activities (page 34)				<u>\$ 206,050</u>	

The accompanying notes are an integral part of this statement.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2012

	WATER FUND	SEWER FUND	REDWOOD SANITARY SEWER SERVICE DISTRICT	TOTAL	INTERNAL SERVICE FUNDS
<b>Cash Flows From Operating Activities:</b>					
Cash Received from Customers	\$ 4,092,324	\$ 4,741,823	\$ 947,220	\$ 9,781,367	\$ 7,788,302
Cash Paid to Suppliers	(1,889,971)	(2,837,300)	(654,511)	(5,381,782)	(3,014,681)
Cash Paid to Employees	(1,248,275)	(1,370,099)	(6,381)	(2,624,755)	(4,005,504)
Net cash provided (used) by operating activities	<u>954,078</u>	<u>534,424</u>	<u>286,328</u>	<u>1,774,830</u>	<u>768,117</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers In	502,801	905,046	-	1,407,847	245,000
Transfers Out	(752,801)	(900,046)	-	(1,652,847)	-
Intergovernmental and Taxes	-	264,249	-	-	151,345
SDC Receipts	98,420	166,931	-	265,351	-
Decrease (Increase) in Notes Receivable	15,123	26,168	227	41,518	-
Net cash provided (used) by noncapital financing activities	<u>(136,457)</u>	<u>462,348</u>	<u>227</u>	<u>61,869</u>	<u>396,345</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Principal Payments on Bonds	(390,000)	(320,000)	(385,000)	(1,095,000)	-
Interest Paid on Bonds and Contracts	(6,253)	(171,356)	(62,780)	(240,389)	-
Acquisition and Construction of Capital Assets	(526,617)	137,180	11,852	(377,585)	(1,059,566)
Disposition of Property	9,991	-	-	9,991	-
Net cash provided (used) by capital financing activities	<u>(912,879)</u>	<u>(354,176)</u>	<u>(435,928)</u>	<u>(1,702,983)</u>	<u>(1,059,566)</u>
<b>Cash flows from investing activities</b>					
Interest on Investments	32,249	36,083	6,920	75,252	57,511
Net increase (decrease) in cash and investments	(63,009)	678,679	(142,453)	473,217	162,407
Cash and investments, beginning of year	3,522,265	3,241,649	915,809	7,679,723	8,931,712
Cash and investments, end of year	<u>\$ 3,459,256</u>	<u>\$ 3,920,328</u>	<u>\$ 773,356</u>	<u>\$ 8,152,940</u>	<u>\$ 9,094,119</u>
Composition of cash and investments, end of year					
Current cash and investments	3,412,638	3,831,238	773,356	8,017,232	9,094,119
Restricted cash and investments	46,618	83,112	-	129,730	-
Total cash and investments	<u>3,459,256</u>	<u>3,914,350</u>	<u>773,356</u>	<u>8,146,962</u>	<u>9,094,119</u>
<b>Reconciliation of Operating Income (Loss) to net cash provided by (used for) operating activities:</b>					
Operating Income (Loss)	(6,835)	(676,050)	92,820	(590,065)	628,960
Depreciation and Amortization	982,119	1,230,272	190,639	2,403,030	115,394
(Increase) Decrease in Receivables/Prepays	(73,362)	(59,995)	(2,238)	(135,595)	(10,014)
Increase (Decrease) in Payables	(14,787)	(2,116)	4,807	(12,096)	(40,604)
Increase (Decrease) in Payroll Liabilities	66,943	42,313	300	109,556	74,381
Net Cash Provided by (Used for) Operating Activities	<u>\$ 954,078</u>	<u>\$ 534,424</u>	<u>\$ 286,328</u>	<u>\$ 1,774,830</u>	<u>\$ 768,117</u>
Noncash Capital Transactions					
Developer Installed Public Utility Improvements	252,019	83,539	-	335,558	-

The accompanying notes are an integral part of this statement.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012

---

AGENCY FUND

**ASSETS:**

Cash and Investments	\$	3,716,504
Receivables:		
Accounts, net		<u>-</u>
Total assets	\$	<u><u>3,716,504</u></u>

**LIABILITIES**

Liabilities:		
Accounts payable	\$	21,629
Building Permit Suspense		20,392
Contractor Escrow Payable		-
Miscellaneous Trust Liabilities		3,674,483
Water Deposits		-
Deposit Suspense		<u>-</u>
Total liabilities	\$	<u><u>3,716,504</u></u>

The accompanying notes are an integral part of this statement.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Grants Pass, Oregon, have been prepared in conformity with accounting principles generally accepted in the United State 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 Grants Pass is a municipal corporation governed by an elected mayor and eight-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. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City. As of June 30, 2012, the City had two blended component units requiring disclosure. The blended component units have a June 30 year end. There is one discretely presented component unit.

The City reports the following blended component units:

Parkway Redevelopment Agency ("The Agency") – The Agency is governed by a board comprised of the City Council and the Mayor of Grants Pass.

Redwood Sanitary Sewer Service District ("The Service District") – The Service District is governed by a board comprised of the City Council and the Mayor of Grants Pass.

The City reports the following discretely presented component unit:

Josephine County-City of Grants Pass Solid Waste Agency ("The Solid Waste Agency") – The Solid Waste Agency is governed by a board comprised of representatives of each government, not more than one of which shall be an elected member of each governing board. The City appoints 3 of the 6 board members (not a voting majority) and the City has managerial responsibilities. By agreement, the City has managing jurisdiction and shall report the Agency as a component unit for audit and budgetary purposes.

Complete financial statements for each of these component units may be obtained at the City's Administrative offices located at the following address:

City of Grants Pass  
101 N.W. "A" Street  
Grants Pass, Oregon 97526

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. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary fund, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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. 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.

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 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 60 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 are recorded only when payment is due.

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.

Solid Waste Fund – This fund accounts for the municipal portions of franchise management for the two solid waste franchises in the City. The principal revenue is charges for services.

General Obligation Bonds - This fund accounts for the property tax collections and debt service payments of general obligation bonds.

Bancroft Bond Fund – This fund accounts for funds received from property owners to satisfy assessments against their property.

Transportation Projects Fund – This fund accounts for well-maintained street and drainage systems in addition to new street and sidewalk construction and major maintenance such as street overlays and seals. The principal revenue sources are utility fees, gas tax, and system development charges.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Land and Building Projects Fund – This fund accounts for the purchase of property, construction of buildings and major repair and replacement projects for the City's park land and facilities. The principal revenue sources are intergovernmental revenue, general obligation bonds and system development charges.

Parkway Redevelopment Agency Fund – This fund accounts for the general administration of the Agency and for the acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas. The primary funding sources were property tax revenue and proceeds from the issuance of bonds.

The government reports the following major proprietary funds:

Sewer Fund – This fund accounts for the operations of the Sewer Fund which is financed primarily through user charges to the general public.

Water Fund - This fund accounts for the revenues and expenses of the City's water utility. The primary revenue source is fees for service.

Redwood Sanitary Sewer Service District - This fund accounts for sanitation infrastructure to properties within the boundaries of the District. The principal revenue source is user charges.

Additionally, the government reports the following funds:

Internal Service Funds - The internal service funds account for the fleet operations, support services, administrative services and insurance services that are provided to the other departments and agencies on a cost reimbursement basis.

Fiduciary Fund (Agency Fund) – This fund accounts for the City's monies held for others and the City's role is purely custodial. This includes pass-through grants, deposits, donations for organizations and funds collected for other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 enterprise funds, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds 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.

When both restricted and unrestricted resources are available for the same purpose, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

### **BUDGETS**

The City, the Agency, the Service District and the Solid Waste Agency budget 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. Levels of control established by the resolution for the General, Capital Projects, Proprietary and Internal Service Funds are by department. The levels of control established by the resolution for the Solid Waste Fund are field operations, general program operations, capital projects and other expenditures. Expenditure budgets are appropriated at the following object levels for each of the remaining funds, personnel services, materials and services, capital outlay, interfund transactions, debt service and operating contingency.

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

Budget amounts presented herein are as originally adopted or as amended by the City Council. There were three transfers of appropriations. Budget appropriations lapse at year end.

The City, the Agency, the District, the Service District and the Solid Waste Agency budgets are on the modified accrual basis of accounting. Budgeted intergovernmental revenues between the Agency, the District and the City are accounted for as transfers on a GAAP basis.

The City also utilized encumbrances as a method of controlling budgeted appropriations and line item budget control. Encumbrances, which are purchase commitments to acquire goods or services yet to be received, are recognized as charges against budgeted appropriations during the year. At year end, any outstanding encumbrances are canceled and the charges against budgeted appropriations for these encumbrances are reversed. Encumbrances are not recognized as expenditures for budgetary or generally accepted accounting principles purposes in these basic financial statements.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2012 with the exception of Environmental Waste Fees in the Solid Waste Fund. This program is a pass through account for Environmental Program Fees charged by the local haulers. Per the local IGA 100% of fees received are transferred to the Solid Waste Agency.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **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.

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

#### **Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and investments."

#### **Receivables and Payables**

Activity between funds that are representative of lending and borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to \ from other funds.". Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not expendable available financial resources.

Property taxes are levied as of July 1 on property assessed as of January 1<sup>st</sup>. The tax levy is due November 15, with an optional payment method of 1/3 due November 15, 1/3 due January 15, and 1/3 due March 15. Taxes paid in full before November 15 are provided a 3 percent 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.

Notes and contracts receivable are recorded at par. Interest assessed is recorded as revenue when the payment becomes due.

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.

#### **Restricted Assets**

Certain assets in various governmental funds are classified as restricted assets because their use is completely restricted for the repayment of outstanding bonds, system expansion, construction projects or other legal requirements.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Capital assets**

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

Major outlays for capital assets and improvements are capitalized when projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is calculated using the straight line method. The estimated useful lives of capital assets are as follows:

Buildings	20-50 years
Supply and distribution systems, including utility plant	20-75 years
Equipment	5-20 years

### **Capitalized Interest**

Interest is capitalized on capital assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the year ended June 30, 2012, no interest was capitalized on capital assets.

### **Grants**

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

### **Compensated absences**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City has a policy to pay a percentage of unpaid sick leave upon retirement or termination of employment in good standing, only after 10 years of continuous service by the employee. All vacation and sick pay is accrued when incurred in the government-wide, and proprietary financial statements. A liability for these amounts is not reported in governmental funds in accordance with Governmental Accounting Standards Board Statement No. 16 Accounting for Compensated Absences, unless the compensated absences have matured (due to resignation or retirement).

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **Workers' Compensation Insurance**

The City is self-insured for workers' compensation. Premiums are paid to the Insurance Service Fund from operating divisions and are available to pay claims, claims reserves and administrative costs of the program. Estimated claims of \$95,020 have been accrued as a liability of the fund and are included in accounts payable.

### **Fund Equity/Net Assets**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are classified in the following three categories.

Invested in capital assets, net of related debt – consists of 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 – consists of external constraints placed on net asset 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 assets – consists of all other net assets that are not included in the other categories previously mentioned.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary fund types deposit monies into a common cash and investment pool of the City. The 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 unrestricted cash and cash equivalents and restricted cash and cash equivalents are grouped together for purposes of the statement of cash flows.

### FUND EQUITY

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.

### FUND EQUITY

- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. This authority has been given by Council Resolution to the City Manager and Finance Director.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

By resolution the governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

## 2. CASH AND INVESTMENTS

Cash and Investments at June 30, 2012 (recorded at fair value) consisted of:

Deposits with Financial Institutions:

Petty Cash	\$	1,850
Demand Deposits		21,798,618
Investments		29,141,009
Total	\$	<u>50,941,477</u>

Unrestricted	\$	43,783,015
Restricted		1,852,372
Fiduciary Fund		3,716,504
Discreetly Presented Component Unit		1,589,586
Total	\$	<u>50,941,477</u>

### INVESTMENTS

No more than the stated percentage of the overall portfolio will be invested in each of the following categories of securities:

U.S. Treasury Obligations	85%
Local Government Investment Pool	75%
Certificates of Deposit (CD)	50%
Bankers' Acceptances (BA's)	25%
Repurchase Transactions	25%
US Agency Notes	75%
A-1/P-1 Rated Commercial Paper	25%

There were no known violations of legal or contractual provisions for investments.

As of June 30, 2012, the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
US Government Securities	\$ 7,998,229	\$ -	\$ 1,001,374	\$ 6,996,855
State Treasurer's investment pool	21,142,780	21,142,780	-	-
Total	\$ 29,141,009	\$ 21,142,780	\$ 1,001,374	\$ 6,996,855

## **2. CASH AND INVESTMENTS**

Investments are valued at fair value as required by GASB 31. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. As of June 30, 2012 the fair value of the position in the LGIP is 100.08% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The fund is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds entrusted to the Office of the State Treasurer.

### **Interest Rate Risk**

In general, the City's portfolio shall be managed by purchasing securities and holding them until their specified maturity date. However, under certain market conditions, when it becomes advantageous, the Investment Officer may sell securities prior to their maturity date and reinvest the proceeds in higher yielding instruments.

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the Oregon Short-Term Fund Board (OSFTB). The City's policy is that 100% of all operating funds shall mature within 36 months.

The City limits investment maturities as follows for operating funds:

Within one business day	15% minimum
Under 180 days	45% minimum
Under 360 days	70% minimum

100% of all operating funds shall mature within 36 months, and only those funds reserved for debt services reserves may be invested at maturities greater than 36 months. The weighted average maturity of the entire portfolio shall be no more than 18 months.

### **Credit Risk**

Neither the Oregon Revised Statutes nor the City's investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies. The City's investments in U.S. Government Agencies were rated AA+ by Standard & Poor's and AAA by Moody's Investor Service. The State Pool is unrated.

Oregon Revised Statutes require bankers' acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

## **2. CASH AND INVESTMENTS**

Deposits consist of bank demand deposits. The carrying amount of deposits is \$21,798,618. The total bank balance per the bank statements is \$22,809,378. Of these deposits, \$6,008,200 is covered by federal depository insurance and the remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and City Policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer.

### **Concentration of Credit Risk**

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2012 the City was in compliance with all percentage restrictions.

Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized.

## **3. ASSESSMENTS RECEIVABLE**

Assessments receivable represent the uncollected amounts levied against benefited properties for the costs of local improvements. Since the assessments are liens against the properties, an allowance for uncollectible amounts is not deemed necessary. Assessments are generally payable over a period of ten to twenty years and bear interest at 5.75% to 8.00%. At June 30, 2012, the City's delinquent assessments receivable totaled \$77,625.

## **4. NOTES AND CONTRACTS RECEIVABLE**

Notes and Contracts Receivable consisted of the following at June 30, 2012:

CDBG - HUD Loans Receivable	\$ 154,772
Other Notes & Contract Receivables	1,040,998
	<hr/>
	\$ 1,195,770
	<hr/> <hr/>

## 5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2012 are as follows:

	GOVERNMENTAL ACTIVITIES CAPITAL ASSETS			
	June 30, 2011	Additions	Disposals	June 30, 2012
Capital Assets, not being depreciated				
Land	\$ 66,863,598	\$ 2,005,610	\$ -	\$ 68,869,208
Construction in Progress	6,959,302	771,693	4,360,753	3,370,242
Total, not being depreciated	73,822,900	2,777,303	4,360,753	72,239,450
Buildings	11,281,791	178,689	-	11,460,480
Improvements	9,673,594	2,823,599	-	12,497,193
Machinery & Equipment	7,725,427	1,608,238	299,675	9,033,990
Infrastructure	78,110,584	1,961,678	-	80,072,262
Total, being depreciated	106,791,396	6,572,204	299,675	113,063,925
Less Accumulated Depreciation				
Buildings	2,833,411	307,468	-	3,140,879
Improvements	3,878,523	457,390	-	4,335,913
Machinery & Equipment	4,388,645	542,802	274,530	4,656,917
Infrastructure	16,360,409	1,276,149	-	17,636,558
Total Accumulated Depreciation	27,460,988	2,583,809	274,530	29,770,267
Total Capital Assets being Depreciated, net	79,330,408	3,988,395	25,145	83,293,658
Governmental Activities Capital Assets, net	\$ 153,153,308	\$ 6,765,698	\$ 4,385,898	\$ 155,533,108

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

	Governmental Funds
Public Safety	\$ 1,841,806
Transportation	177,159
Building	55,782
Parks	198,000
Development	209,670
General Government	59,005
Solid Waste	42,387
	\$ 2,583,809

## 5. CAPITAL ASSETS

	BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS			
	June 30, 2011	Additions	Disposals	June 30, 2012
Capital Assets, not being depreciated				
Land	\$ 853,812	\$ -	\$ -	\$ 853,812
Construction in Progress	1,585,320	493,712	352,003	1,727,029
Total, not being depreciated	2,439,132	493,712	352,003	2,580,841
Buildings	6,817,031	-	-	6,817,031
Improvements	1,936,222	-	-	1,936,222
Machinery & Equipment	13,233,477	46,789	11,852	13,268,414
Infrastructure	108,094,439	536,498	-	108,630,937
Total, being depreciated	130,081,169	583,287	11,852	130,652,604
Less Accumulated Depreciation				
Buildings	2,418,295	183,632	-	2,601,927
Improvements	975,207	87,528	-	1,062,735
Machinery & Equipment	4,646,025	541,992	11,852	5,176,165
Infrastructure	29,674,474	1,650,667	-	31,325,141
Total Accumulated Depreciation	37,714,001	2,463,819	11,852	40,165,968
Total Capital Assets being Depreciated, net	92,367,168	(1,880,532)	-	90,486,636
Business-Type Activities Capital Assets, net	\$ 94,806,300	\$ (1,386,820)	\$ 352,003	\$ 93,067,477

## 6. INTERFUND RECEIVABLE/ PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2012 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,830,000	\$ -
Solid Waste Fund	1,346,200	-
Bancroft Bond Fund	-	1,346,200
Land and Building Projects	-	1,580,000
Nonmajor governmental Funds	-	396,205
Internal Service Funds	146,205	-
Total Funds	\$ 3,322,405	\$ 3,322,405

In FY'07, the City used an interfund loan from the General fund to purchase property for future park use. This loan is to be paid back through the sale of City owned property held in the Lands and Building Fund, of which \$870,000 was paid back during FY'08 after a property sale. The Bancroft Bond Fund has made internal borrowings totaling \$1,540,000 from the Solid Waste Capital Projects Fund for local improvement projects. The variation in the individual project costs subject to bonding together with timing elements made internal borrowing more cost effective than public financing. The repayment of the Bancroft Bond Fund borrowing will depend on the amounts and timing of payments made on assessment loans owed to the fund. During FY'12 \$103,800 was available from assessment loan payments and paid to the Solid Waste Fund. During FY'09, the Parkway Redevelopment Agency borrowed \$2,700,000 from a combination of the General Fund and the Transportation Capital Project Fund in order to complete the remaining projects in the Agency's 20-year voter approved plan. This loan is expected to be paid back to the City based on the progress of the Agency's remaining capital projects and will be fully paid back no later than three years from the date of the loan. During FY'10 \$2,450,000 was repaid leaving a balance of \$250,000.

## 6. INTERFUND RECEIVABLE/ PAYABLE AND TRANSFERS

	Transfers In	Transfers Out
General Fund	\$ 818,809	\$ 840,015
Solid Waste Capital Projects	-	24,000
Transportation Capital Projects	1,526,158	10,000
Lands & Buildings Capital Projects	855,506	-
Water Fund	-	250,000
Sewer Fund	50,000	45,000
Equipment Replacement Fund	245,000	-
Nonmajor governmental Funds	15,000	2,341,458
Total Funds	\$ 3,510,473	\$ 3,510,473

The allocation of Transient Room Tax receipts, a special revenue fund, to general governmental operating activities accounts for the majority (\$935,300) of the monies transferred into the General Fund. The largest segment of General Fund transfers out represent funding of \$604,115 appropriated for Lands & Building Capital Projects. Transportation Projects received \$751,909 from Street Utility fees and the State Gas Tax Fund, and \$200,000 from the Water Fund.

## 7. LONG-TERM DEBT

Bonds outstanding consist of Public Safety General Obligation Bonds and 2009 Refunding General Obligation Bonds. The Public Safety Bonds were issued June 20, 2007, at the original amount of \$9,820,000. In 2009 the City issued refunding bonds, to fully refund their 1998 Water Revenue Bonds and two Oregon DEQ loans. The total amount of the 2009 refunding were \$8,815,000. The refunding bonds resulted in a net present value savings of \$731,273.

GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2012-2013	\$ 740,000	\$ 267,800	\$ 725,000	\$ 218,513
2013-2014	800,000	238,200	745,000	196,763
2014-2015	865,000	206,200	775,000	166,963
2015-2016	930,000	171,600	790,000	143,713
2016-2017	1,010,000	125,100	375,000	116,063
2017-2022	1,865,000	105,400	2,075,000	345,989
2022-2027	-	-	460,000	18,400
Premium/Discount			337,577	
	\$ 6,210,000	\$ 1,114,300	\$ 6,282,577	\$ 1,206,404

Purpose	Interest Rates	Amount
Governmental General Obligation Bonds	4%	6,210,000
Business-Type Revenue Bonds	3.0 - 4.0%	6,282,577

## 7. LONG-TERM DEBT

### Unbonded Long-Term Debt

Contracts payable in the Governmental funds consist of installment contracts related to property purchased by the City. The contracts mature at various dates through 2014.

Notes and contracts payable consist of the following:

Purpose	Interest Rates	Amount
Governmental Contracts Payable	4.50%	\$ 45,000
		\$ 45,000

Future maturities of principal and interest on notes and contracts payable are as follows:

#### NOTES & CONTRACTS PAYABLE

##### GOVERNMENTAL ACTIVITIES

YEAR	PRINCIPAL	INTEREST
2012-2013	22,500	2,107
2013-2014	22,500	1,012
2014-2015	-	-
2015-2016	-	-
2016-2021	-	-
2021-2026	-	-
	<u>\$ 45,000</u>	<u>\$ 3,119</u>

Long-Term Debt activity for the year ended June 30, 2012, is as follows:

#### CHANGES IN LONG-TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 6,895,000	\$ -	\$ 685,000	\$ 6,210,000	\$ 740,000
Post-Closure Care Costs	2,164,230	-	31,366	2,132,864	-
River Road Liability	228,900	-	228,900	-	-
Notes and Contracts Payable	67,500	-	22,500	45,000	22,500
Governmental activities Long-Term Debt	<u>\$ 9,355,630</u>	<u>\$ -</u>	<u>\$ 967,766</u>	<u>\$ 8,387,864</u>	<u>\$ 762,500</u>
Business-type Activities:					
Revenue Bonds Payable	\$ 7,040,000	\$ -	\$ 1,095,000	\$ 5,945,000	\$ 725,000
Less Unamortized Discount	386,516	-	48,939	337,577	-
Business-type Activities Long-Term Debt	<u>\$ 7,426,516</u>	<u>\$ -</u>	<u>\$ 1,143,939</u>	<u>\$ 6,282,577</u>	<u>\$ 725,000</u>

Post-Closure Care Costs are covered by a policy with Chartis Specialty Insurance Company. As all current expenses are paid by Chartis, the City does not report any amount of the liability as due within one year.

## **8. 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. The Insurance Services Fund is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements and purchasing other specified insurance policies. Interfund premiums are based on the insured funds' claims experiences and exposure (number of staff/payroll).

The City is self-insured for workers' compensation claims. The activities of the workers' compensation program are accounted for in the Insurance Services Fund. The City carries stop-loss coverage for amounts over \$500,000, to a maximum of \$1,000,000. The City estimates losses based on actual claims and accident history. The claims liability of \$95,020 reported in the Insurance Services Fund at June 30, 2012 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of that loss can be reasonably estimated. The \$95,020 is considered to be due within the next year and is classified as such on the Statement of Net Assets.

Year				
Ending	Beginning	Changes in	Payments	
June 30,	of Year	Estimates	of Claims	End of year
2011	26,886	92,515	24,381	95,020
2010	39,480	30,063	42,657	26,886
2009	75,823	(5,059)	31,284	39,480

## **9. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM**

Plan Description – Substantially all City employees are participants in the State of Oregon Public Employees Retirement System (OPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after five years of continuous service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory retirement age is 70. Retirement benefits are payable in lump sum or monthly amounts using several payment options. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by Oregon Revised Statutes, Chapter 238. OPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The stand-alone report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

Funding Policy – Plan members are required to contribute 6% of their annual covered salary. The City is required by ORS 238.225 to contribute at an actuarially determined rate; the rate effective July 1, 2011 is 17.58% of salary covered under the plan for Tier 1 and Tier 2 employees and 12.08% and 14.79% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). The contribution requirement of plan members and their employers are established under ORS Chapter 238, and may be amended by an act of the Oregon legislature.

**9. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM**

Annual Pension Cost – For the fiscal years ending June 30, 2012, 2011, and 2010, the City's annual pension cost of \$2,150,273, \$1,556,372, and \$1,537,071, respectively, was equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. Because all OPERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are equivalent to the annual pension cost. Significant actuarial assumptions used in the valuation include (a) a rate of return of 8.0% per year, net of investment and administrative expenses (assumed earnings rate for purposes of Tier One guaranteed interest credit); (b) wage growth of 4.25% per year, excluding merit or longevity increases; (c) projected post-retirement benefit increases of 2.0% per year; (d) demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the members of OPERS; (e) consumer price inflation of 3.5% per year; and (f) future interest credits of 8.5% for Tier One and 8.0% for Tier Two. Unfunded actuarial liability is amortized as a level percentage of covered payroll over a thirty-year period on an open basis.

GASB Statement No. 27 disclosures are based on the actuarial assumptions and methods contained in the December 31, 2010 Actuarial Valuation of the PERS plan. The Actuarial Value of Assets is equal to Market Value. Liabilities and contributions are calculated using the Entry Age Actuarial Cost Method. The Unfunded Actuarial Liability is amortized as a level percentage of covered payroll over an open thirty year period.

Schedule of Funding Progress

Valuation Date	AVA	AAL	UAAL	Funded Percent	Covered Payroll	UAAL/ Payroll
12/31/2009	45,516,785	58,455,182	(12,938,397)	78%	11,981,543	108%
12/31/2010	49,311,239	61,438,085	(12,126,846)	80%	12,714,676	95%
12/31/2011	48,845,349	63,743,090	(14,897,741)	77%	13,468,530	111%

**10. DEFERRED COMPENSATION**

The City offers its employees optional deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of participants and their beneficiaries. Monies accumulated by the City under its deferred compensation plans have been deposited with various financial institutions. The City has adopted GASB Statement 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The City has little administrative involvement and does not perform the investing functions for this plan, therefore, this plan is not shown in the City's financial statements.

## **11. OTHER POSTRETIREMENT BENEFITS**

### **Plan Description**

Explicit Employer Benefits – The City provides postretirement health care benefits, as per labor contracts and the Personnel Rules and Regulations, for retirees. The benefit varies depending upon date of employment. The City pays 100 percent of the medical insurance premium for four years following the retirement of an employee, or until the employee dies, reaches age 65, or enters employment where insurance is provided. The employee must be eligible and receiving Oregon Public Employees Retirement Systems (OPERS) benefits. Employees hired after January 1, 2001 and covered under the Grants Pass Police Association labor contract and the Teamsters Local Union #223 are eligible for 50% City paid medical insurance benefits for only six months following retirement. Like wise members of the International Association of Firefighters, Local 3564 hired after October 5, 2002 have the same reduced benefit. Under Oregon law, retirees retain the right to continue their health insurance benefits under the City's group plan, with not distinction made for costs or services available. Thus once the City's financial obligation ends, a retiree may elect to continue the group benefit coverage at his own expense. The City finances these expenses as they are incurred in the respective fund where the retiree had worked. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Implicit Employer Benefits – The City operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The City's post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the City's implicit employer contribution. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and (2) actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. There is no separate audited GAAP basis audited financial statements for this OPEB plan.

Funding Policy – The benefits from this program are paid either by the employer as described above or by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the City to fund these benefits in advance.

Annual Pension Cost and Net Pension Obligation - The City's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

## 11. OTHER POST RETIREMENT BENEFITS

	2012	2011	2010
Annual required contribution	\$ 765,607	\$ 750,057	\$ 706,257
Interest on net pension obligation	54,835	39,019	18,186
Adjustment to annual required contribution	(93,163)	(61,205)	(28,526)
	<u>727,279</u>	<u>727,871</u>	<u>695,917</u>
Annual pension cost			
Contributions made	(244,828)	(224,086)	(232,958)
	<u>482,451</u>	<u>503,785</u>	<u>462,959</u>
Increase in net pension obligation			
NPO (Asset) at beginning of year	1,370,869	867,084	404,125
	<u>\$ 1,853,320</u>	<u>\$ 1,370,869</u>	<u>\$ 867,084</u>
NPO (Asset) at end of year			
Percentage of APC contributed	<u>33.7%</u>	<u>30.8%</u>	<u>33.5%</u>

\$1,162,388 of the NPO is allocated to the governmental funds and as such does not show in the budgetary statements. The balance of \$690,932 is reflected in the proprietary fund budgetary statements.

Actuarial Methods and Assumptions – Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. The annual required contribution (ARC) for the current year was determined as part of the August 1, 2009 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 30 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4.5% compounded annually and a payroll growth rate of 3.75%; (b) a 30% assumption of participants who elect self-pay retiree medical coverage and an 80% assumption of participants who elect coverage upon retirement are also assumed to elect spouse coverage until the spouse reaches 65; (c) medical costs would increase at 10 percent inflation for the current year, grading down .5% a year to an annual rate of 5 percent. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates and withdrawal rates, are the same as those used by Oregon PERS.

Funding Status and Funding Progress – As of June 30, 2012, the plan was 0% funded. The actuarial accrued liability for benefits was \$5,459,740, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,459,740.

Valuation Date	Schedule of Funding Progress					
	AVA	AAL	UAAL	Funded Percent	Covered Payroll	UAAL/ Payroll
8/1/2006	-	-	-	0%	-	0%
8/1/2008	-	4,571,871	4,571,871	0%	12,392,685	37%
8/1/2010	-	5,459,740	5,459,740	0%	12,246,635	45%

## 12. FUND BALANCE DEFICITS AND OVEREXPENDITURES

The Bancroft Bond Fund has a deficit GAAP fund balance of \$1,119,701. The City anticipates that the deficit balance will be liquidated by transfers from other funds and future loan payment revenues from assessment loans.

### **13. LANDFILL/CLOSURE AND POSTCLOSURE CARE COSTS**

The Merlin Landfill is a municipal solid waste landfill regulated by Federal regulations, 40 CFR 258, Subpart F and the State of Oregon statutes contained in ORS 340-094. The Landfill is maintained under the specific terms of an Oregon Solid Waste Disposal Site Closure Permit No. 159, with an expiration date of June 30, 2017. In July 2001, the City purchased insurance for closure and post-closure costs. State laws and regulations required the City to place a final cover on its Merlin landfill site after it stopped accepting trash in December 2000. This cap was completed during the fiscal year ended June 30, 2002. The Remedial Investigation and Risk Assessment reports have been completed and approved by the Oregon Department of Environmental Quality (DEQ). The City received a Record of Decision (ROD) from the DEQ on January 3, 2006 that guides the City in the remedial actions necessary to mitigate the risk due to the groundwater contamination. The current value of post closure care costs is \$2,132,864. This is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

### **14. 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 tax and many fee increases and new bond issues.

### **15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

At June 30, 2012, the City had entered into several capital construction projects with various vendors. The outstanding commitments for these projects at June 30, 2012 are \$201,575.

### **16. COMPENSATED ABSENCES**

Changes in governmental compensated absences are as follows:

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2012</u>	<u>Amount Due within one year</u>
Vacation and Sick Leave Payable	\$ 1,765,742	\$ 942,139	\$ (713,442)	\$ 1,994,439	\$ 1,994,439

Compensated absences are assumed to be used on a first in first out basis and are generally liquidated by the general fund or other operating funds. An estimate has been made to determine balances which are considered due within one year.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Individual Major Governmental Fund Statements

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2012**

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Taxes	\$ 18,039,850	\$ 18,039,850	\$ 18,490,749	\$ 450,899
Licenses and Permits	218,400	218,400	247,280	28,880
Intergovernmental	1,738,551	1,738,551	1,793,463	54,912
Charges for Services	350,300	350,300	245,688	(104,612)
Fines and Forfeitures	287,500	287,500	301,478	13,978
Interest on Investments	69,850	69,850	86,474	16,624
Miscellaneous	175,750	175,750	72,143	(103,607)
Total Revenues	<u>20,880,201</u>	<u>20,880,201</u>	<u>21,237,275</u>	<u>357,074</u>
<b>EXPENDITURES:</b>				
Mayor and Council	226,473	226,473 (1)	188,591	37,882
Public Safety Field Services	12,985,980	12,985,980 (1)	12,048,434	937,546
Public Safety Support Services	3,706,699	3,706,699 (1)	3,491,486	215,213
Crisis Support Services	42,071	42,071 (1)	40,267	1,804
Street Lighting	311,000	311,000 (1)	308,713	2,287
Park Maintenance Services	1,498,530	1,498,530 (1)	1,472,701	25,829
Aquatic Services	120,192	120,192 (1)	99,790	20,402
Recreation Services	137,439	137,439 (1)	135,614	1,825
Planning Services	687,004	687,004 (1)	625,444	61,560
Building and Safety Services	509,943	509,943 (1)	481,216	28,727
Economic Development	170,049	170,049 (1)	170,049	-
Downtown Development	342,364	342,364 (1)	339,712	2,652
Tourism Promotion	297,522	297,522 (1)	287,398	10,124
General Program Operations	324,640	364,190 (1)	302,858	61,332
Contingency	1,050,000	1,010,450 (1)	-	1,010,450
Total Expenditures	<u>22,409,906</u>	<u>22,409,906</u>	<u>19,992,273</u>	<u>2,417,633</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,529,705)</u>	<u>(1,529,705)</u>	<u>1,245,002</u>	<u>2,774,707</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	873,800	873,800	873,809	9
Sale of Assets	4,100	4,100	7,131	3,031
Transfers Out	(897,000)	(897,000) (1)	(895,015)	1,985
Total other financing uses	<u>(19,100)</u>	<u>(19,100)</u>	<u>(14,075)</u>	<u>5,025</u>
Net Change in Fund Balance	(1,548,805)	(1,548,805)	1,230,927	2,779,732
Beginning Fund Balance	<u>8,687,567</u>	<u>8,687,567</u>	<u>9,693,299</u>	<u>1,005,732</u>
Ending Fund Balance	<u>\$ 7,138,762</u>	<u>\$ 7,138,762</u>	<u>\$ 10,924,226</u>	<u>\$ 3,785,464</u>
Reconciliation to GAAP Fund Balance				
Interfund Loans			1,830,000	
Total GAAP Fund Balance			<u>\$ 12,754,226</u>	
(1) Appropriation Level				

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2012**

	<u>SOLID WASTE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Licenses and Permits	\$ 2,500	\$ 2,500	\$ 2,830	\$ 330
Intergovernmental	11,000	11,000	11,000	-
Charges for Services	354,985	354,985	343,693	(11,292)
Interest on Investments	22,700	22,700	15,834	(6,866)
Miscellaneous Revenue	15,600	15,600	119,400	103,800
Total Revenues	<u>406,785</u>	<u>406,785</u>	<u>492,757</u>	<u>85,972</u>
<b>EXPENDITURES:</b>				
Environmental Waste Fees	218,300	218,300 (1)	238,661	(20,361)
Field Operations	25,137	25,137 (1)	16,856	8,281
Post-closure	124,260	124,260 (1)	98,605	25,655
General Program Operations	14,939	14,939 (1)	11,546	3,393
Capital Outlay	1,204,016	1,204,016 (1)	234,620	969,396
Contingency	116,774	116,774 (1)	-	116,774
Total Expenditures	<u>1,703,426</u>	<u>1,703,426</u>	<u>600,288</u>	<u>1,103,138</u>
Excess of Revenues Over (Under) Expenditures	(1,296,641)	(1,296,641)	(107,531)	1,189,110
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,000	5,000	-	(5,000)
Transfers Out	(29,000)	(29,000)	(24,000)	5,000
Total Other Financing Sources (Uses)	<u>(24,000)</u>	<u>(24,000)</u>	<u>(24,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,320,641)	(1,320,641)	(131,531)	1,189,110
Beginning Fund Balance	<u>1,320,641</u>	<u>1,320,641</u>	<u>1,424,424</u>	<u>103,783</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,292,893</u>	<u>\$ 1,292,893</u>
Reconciliation to GAAP Equity				
Interfund Loan			<u>1,346,200</u>	
GAAP Equity			<u>\$ 2,639,093</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The budgetary basis for required supplementary information is the same as GAAP, except for interfund loans which are accounted for as "other financing sources" for budgetary purposes and is considered loans for GAAP.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

Combining, Individual Fund, and Other Financial Schedules

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

	<u>GENERAL OBLIGATION BOND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Taxes	\$ 980,200	\$ 980,200	\$ 979,776	\$ (424)
Interest on Investments	100	100	63	(37)
Miscellaneous Revenue	-	-	14,100	14,100
Total Revenues	<u>980,300</u>	<u>980,300</u>	<u>993,939</u>	<u>13,639</u>
<b>EXPENDITURES:</b>				
Debt Service	980,200	980,200 (1)	980,200	-
Contingency	-	- (1)	-	-
Total Expenditures	<u>980,200</u>	<u>980,200</u>	<u>980,200</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>100</u>	<u>100</u>	<u>13,739</u>	<u>13,639</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Proceeds	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	- (1)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	100	100	13,739	13,639
Beginning Fund Balance	66,570	66,570	92,265	25,695
Ending Fund Balance	<u>\$ 66,670</u>	<u>\$ 66,670</u>	<u>\$ 106,004</u>	<u>\$ 39,334</u>

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

	<u>BANCROFT BOND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Special Assessments	\$ 160,000	\$ 160,000	\$ 117,109	\$ (42,891)
Interest on Investments	-	-	1,274	1,274
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>118,383</u>	<u>(41,617)</u>
<b>EXPENDITURES:</b>				
Materials and Services	56,200	56,200 (1)	17,571	38,629
Debt Service	103,800	103,800 (1)	103,800	-
Contingency	-	- (1)	-	-
Total Expenditures	<u>160,000</u>	<u>160,000</u>	<u>121,371</u>	<u>38,629</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(2,988)</u>	<u>(2,988)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Proceeds	500,000	500,000	-	(500,000)
Transfers Out	<u>(500,000)</u>	<u>(500,000) (1)</u>	<u>-</u>	<u>500,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(2,988)	(2,988)
Beginning Fund Balance	-	-	229,487	229,487
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,499</u>	<u>\$ 226,499</u>
Reconciliation to GAAP Equity				
Interfund Loan			<u>(1,346,200)</u>	
GAAP Equity			<u>\$ (1,119,701)</u>	

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

<u>TRANSPORTATION PROJECTS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 633,924	\$ 633,924	\$ 614,181	\$ (19,743)
Charges for Services	91,000	91,000	544,000	453,000
Interest on Investments	45,300	45,300	54,074	8,774
Trust Receipts	2,000	2,000	2,712	712
Miscellaneous Revenues	-	-	51,115	51,115
Total Revenues	<u>772,224</u>	<u>772,224</u>	<u>1,266,082</u>	<u>493,858</u>
<b>EXPENDITURES:</b>				
Capital Outlay	<u>8,208,356</u>	<u>8,208,356</u>	(1) 2,706,401	<u>5,501,955</u>
Total Expenditures	<u>8,208,356</u>	<u>8,208,356</u>	<u>2,706,401</u>	<u>5,501,955</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,436,132)</u>	<u>(7,436,132)</u>	<u>(1,440,319)</u>	<u>5,995,813</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,246,658	2,246,658	1,526,158	(720,500)
Transfers Out	<u>(189,000)</u>	<u>(189,000)</u>	(1) (10,000)	<u>179,000</u>
Total Other Financing Sources (Uses)	<u>2,057,658</u>	<u>2,057,658</u>	<u>1,516,158</u>	<u>(541,500)</u>
Net Change in Fund Balance	(5,378,474)	(5,378,474)	75,839	5,454,313
Beginning Fund Balance	<u>5,378,474</u>	<u>5,378,474</u>	<u>7,918,120</u>	<u>2,539,646</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,993,959</u>	<u>\$ 7,993,959</u>
Reconciliation to GAAP Equity				

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

<u>LAND AND BUILDING PROJECTS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Intergovernmental	\$ 2,239,024	\$ 2,239,024	\$ 1,027,060	\$ (1,211,964)
Charges for Services	141,510	141,510	98,862	(42,648)
Interest on Investments	17,205	17,205	34,854	17,649
Miscellaneous	117,000	117,000	240,484	123,484
Total Revenues	<u>2,514,739</u>	<u>2,514,739</u>	<u>1,401,260</u>	<u>(1,113,479)</u>
<b>EXPENDITURES:</b>				
Capital Outlay	<u>8,292,970</u>	<u>8,292,970</u> (1)	<u>2,381,017</u>	<u>5,911,953</u>
Total expenditures	<u>8,292,970</u>	<u>8,292,970</u>	<u>2,381,017</u>	<u>5,911,953</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,778,231)</u>	<u>(5,778,231)</u>	<u>(979,757)</u>	<u>4,798,474</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,072,400	1,072,400	855,507	(216,893)
Sale of Assets	925,000	925,000	-	(925,000)
Transfers Out	<u>(500)</u>	<u>(500)</u> (1)	<u>-</u>	<u>500</u>
Total Other Financing Sources (Uses)	<u>1,996,900</u>	<u>1,996,900</u>	<u>855,507</u>	<u>(1,141,393)</u>
Net Change in Fund Balance	(3,781,331)	(3,781,331)	(124,250)	3,657,081
Beginning Fund Balance	<u>3,781,331</u>	<u>3,781,331</u>	<u>4,267,074</u>	<u>485,743</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,142,824</u>	<u>\$ 4,142,824</u>
Reconciliation to GAAP Fund Balance				
Interfund Loans			<u>(1,580,000)</u>	
Total GAAP Fund Balance			<u>\$ 2,562,824</u>	

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

PARKWAY REDEVELOPMENT AGENCY

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Intergovernmental	\$ 450,000	\$ 450,000	\$ 914,458	\$ 464,458
Interest on Investments	7,407	7,407	8,158	751
Trust Receipts	94,587	94,587	376,798	282,211
Total revenues	551,994	551,994	1,299,414	747,420
<b>EXPENDITURES:</b>				
Materials and Services	31,500	31,500 (1)	19,870	11,630
Capital Outlay	905,395	905,395 (1)	292,992	612,403
Tax Turnover	-	- (1)	-	-
Debt Service				
Principal	250,000	250,000 (1)	-	250,000
Interest	15,000	15,000 (1)	10,313	4,687
Contingency	-	- (1)	-	-
Total Expenditures	1,201,895	1,201,895	323,175	878,720
Excess of Revenues Over (Under) Expenditures	(649,901)	(649,901)	976,239	(131,300)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	327,255	327,255	35,975	(291,280)
Sale of Assets	-	-	-	-
Transfers Out	(327,255)	(327,255) (1)	(35,975)	291,280
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(649,901)	(649,901)	976,239	1,626,140
Beginning Fund Balance	649,901	649,901	799,388	149,487
Ending Fund Balance	\$ -	\$ -	\$ 1,775,627	\$ 1,775,627
Reconciliation to GAAP Fund Balance				
Interfund Loans			(250,000)	
Total GAAP Fund Balance			\$ 1,525,627	

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	SPECIAL REVENUE FUNDS					TOTAL NONMAJOR FUNDS
	TRANSIENT ROOM TAX FUND	STREET UTILITY FUND	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	HOUSING & ECONOMIC DEVELOPMENT FUND	STORM WATER & OPEN SPACE FUND	
<b>ASSETS</b>						
Cash and Investments	\$ 22,078	\$ 485,504	\$ 941,994	\$ 938,364	\$ 522,082	\$ 2,910,022
Receivables						
Intergovernmental	-	164,005	-	-	-	164,005
Accounts, net	-	109,846	-	-	-	109,846
Notes	-	-	154,773	17,217	-	171,990
Accrued Interest	-	-	-	608	-	608
Restricted Assets						
Cash and Cash Equivalents	-	-	-	-	310,824	310,824
Notes and Taxes Receivable	-	-	-	-	32,965	32,965
Accrued Interest Receivable	-	-	-	-	8,041	8,041
Total Assets	<u>\$ 22,078</u>	<u>\$ 759,355</u>	<u>\$ 1,096,767</u>	<u>\$ 956,189</u>	<u>\$ 873,912</u>	<u>\$ 3,708,301</u>
<b>LIABILITIES</b>						
Liabilities:						
Accounts Payable	-	59,120	7	-	7,601	66,728
Salaries, withholdings and taxes payable	-	15,227	-	-	-	15,227
Due To Other Funds	-	-	-	-	146,205	146,205
Deferred Revenue	-	-	154,772	17,217	32,965	204,954
Total Liabilities	<u>-</u>	<u>74,347</u>	<u>154,779</u>	<u>17,217</u>	<u>186,771</u>	<u>433,114</u>
<b>FUND BALANCES</b>						
<i>Nonspendable:</i>	-	-	-	-	-	-
<i>Restricted for:</i>						
System Development	-	-	-	-	537,892	537,892
CDBG/HUD	-	-	941,988	938,972	-	1,880,960
Tourism/Recreation/TRT Approved	22,078	-	-	-	-	22,078
<i>Committed to:</i>	-	685,008	-	-	-	685,008
<i>Assigned to:</i>	-	-	-	-	149,249	149,249
Total fund balances	<u>22,078</u>	<u>685,008</u>	<u>941,988</u>	<u>938,972</u>	<u>687,141</u>	<u>3,275,187</u>
Total liabilities and fund balances	<u>\$ 22,078</u>	<u>\$ 759,355</u>	<u>\$ 1,096,767</u>	<u>\$ 956,189</u>	<u>\$ 873,912</u>	<u>\$ 3,708,301</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2012

	SPECIAL REVENUE FUNDS					
	TRANSIENT ROOM TAX FUND	STREET UTILITY FUND	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	HOUSING & ECONOMIC DEVELOPMENT FUND	STORM WATER & OPEN SPACE FUND	TOTAL
<b>REVENUES:</b>						
Taxes	\$ 951,487	\$ -	\$ -	\$ -	\$ -	\$ 951,487
Licenses and Permits	-	8,506	-	-	-	8,506
Intergovernmental	-	1,969,640	71,973	-	-	2,041,613
Charges for Services	-	828,670	-	-	22,945	851,615
Interest on Investments	800	3,463	9,294	7,237	7,815	28,609
Industrial and Other Loans	-	-	10,490	5,887	-	16,377
Miscellaneous Revenues	-	2,675	-	-	-	2,675
Total Revenues	<u>952,287</u>	<u>2,812,954</u>	<u>91,757</u>	<u>13,124</u>	<u>30,760</u>	<u>3,900,882</u>
<b>EXPENDITURES:</b>						
Development	16,515	-	8,958	47,847	-	73,320
Field Operations	-	1,528,315	-	-	-	1,528,315
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	24,691	24,691
Total Expenditures	<u>16,515</u>	<u>1,528,315</u>	<u>8,958</u>	<u>47,847</u>	<u>24,691</u>	<u>1,626,326</u>
Excess of Revenues Over, (Under) Expenditures	<u>935,772</u>	<u>1,284,639</u>	<u>82,799</u>	<u>(34,723)</u>	<u>6,069</u>	<u>2,274,556</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	15,000	15,000
Sale of Assets	-	-	-	-	-	-
Transfers Out	<u>(935,300)</u>	<u>(1,326,158)</u>	<u>(75,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(2,341,458)</u>
Total Other Financing Source:	<u>(935,300)</u>	<u>(1,326,158)</u>	<u>(75,000)</u>	<u>(5,000)</u>	<u>15,000</u>	<u>(2,326,458)</u>
Net Change in Fund Balance	472	(41,519)	7,799	(39,723)	21,069	(51,902)
Beginning Fund Balance	<u>21,606</u>	<u>726,527</u>	<u>934,189</u>	<u>978,695</u>	<u>666,072</u>	<u>3,327,089</u>
Ending Fund Balance	<u>\$ 22,078</u>	<u>\$ 685,008</u>	<u>\$ 941,988</u>	<u>\$ 938,972</u>	<u>\$ 687,141</u>	<u>\$ 3,275,187</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

TRANSIENT ROOM TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Taxes	\$ 986,815	\$ 986,815	\$ 951,487	\$ (35,328)
Interest	-	-	800	800
Total Revenues	<u>986,815</u>	<u>986,815</u>	<u>952,287</u>	<u>(34,528)</u>
<b>EXPENDITURES:</b>				
Materials and Services	16,515	16,515 (1)	16,515	-
Contingency	<u>35,000</u>	<u>35,000</u>	-	<u>35,000</u>
Total Expenditures	<u>51,515</u>	<u>51,515</u>	<u>16,515</u>	<u>35,000</u>
Excess of Revenues Over (Under) Expenditures	<u>935,300</u>	<u>935,300</u>	<u>935,772</u>	<u>472</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(935,300)</u>	<u>(935,300) (1)</u>	<u>(935,300)</u>	-
Total Other Financing Sources (Uses)	<u>(935,300)</u>	<u>(935,300)</u>	<u>(935,300)</u>	<u>-</u>
Net Change in Fund Balance	-	-	472	472
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>21,606</u>	<u>21,606</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,078</u>	<u>\$ 22,078</u>

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

	<u>STREET UTILITY FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Licenses and permits	\$ 7,000	\$ 7,000	\$ 8,506	\$ 1,506
Intergovernmental	2,032,310	2,032,310	1,969,640	(62,670)
Charges for services	781,500	781,500	828,670	47,170
Interest on investments	1,680	1,680	3,463	1,783
Trust Receipts	-	-	-	-
Miscellaneous	1,000	1,000	2,675	1,675
Total Revenues	<u>2,823,490</u>	<u>2,823,490</u>	<u>2,812,954</u>	<u>(10,536)</u>
<b>EXPENDITURES:</b>				
Street and drainage services	1,218,104	1,218,104 (1)	1,097,912	120,192
Support services	53,311	53,311 (1)	53,307	4
General operations	442,071	442,071 (1)	377,096	64,975
Contingency	437,558	437,558 (1)	-	437,558
Total Expenditures	<u>2,151,044</u>	<u>2,151,044</u>	<u>1,528,315</u>	<u>622,729</u>
Excess of Revenues Over (Under) Expenditures	<u>672,446</u>	<u>672,446</u>	<u>1,284,639</u>	<u>612,193</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Asset	100	100	-	(100)
Transfers Out	<u>(1,366,158)</u>	<u>(1,366,158) (1)</u>	<u>(1,326,158)</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>(1,366,058)</u>	<u>(1,366,058)</u>	<u>(1,326,158)</u>	<u>39,900</u>
Net Change in Fund Balance	(693,612)	(693,612)	(41,519)	652,093
Beginning Fund Balance	<u>693,612</u>	<u>693,612</u>	<u>726,527</u>	<u>32,915</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 685,008</u>	<u>\$ 685,008</u>

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

<u>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Intergovernmental	\$ 900,000	\$ 900,000	\$ 71,973	\$ (828,027)
Interest on Investments	8,670	8,670	9,294	624
Loan Repayments	13,400	13,400	10,490	(2,910)
Contributions	-	-	-	-
Total Revenues	<u>922,070</u>	<u>922,070</u>	<u>91,757</u>	<u>(830,313)</u>
<b>EXPENDITURES:</b>				
Materials and Services	25,400	25,400 (1)	8,958	16,442
Capital Outlay	900,000	900,000 (1)	-	900,000
Contingencies	863,151	863,151 (1)	-	863,151
Total Expenditures	<u>1,788,551</u>	<u>1,788,551</u>	<u>8,958</u>	<u>1,779,593</u>
Excess of Revenues Over (Under) Expenditures	<u>(866,481)</u>	<u>(866,481)</u>	<u>82,799</u>	<u>949,280</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(75,000)</u>	<u>(75,000) (1)</u>	<u>(75,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net Change in Fund Balance	(941,481)	(941,481)	7,799	949,280
Beginning Fund Balance	<u>941,481</u>	<u>941,481</u>	<u>934,189</u>	<u>(7,292)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 941,988</u>	<u>\$ 941,988</u>

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2012

HOUSING AND ECONOMIC DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Interest on Investments	\$ 6,445	\$ 6,445	\$ 7,237	\$ 792
Industrial and Other Loan Payments	9,110	9,110	5,887	(3,223)
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>15,555</u>	<u>15,555</u>	<u>13,124</u>	<u>(2,431)</u>
<b>EXPENDITURES:</b>				
Materials and Services	250,000	250,000 (1)	47,847	202,153
Contingencies	740,293	740,293 (1)	-	740,293
Total Expenditures	<u>990,293</u>	<u>990,293</u>	<u>47,847</u>	<u>942,446</u>
Excess of Revenues Over (Under) Expenditures	<u>(974,738)</u>	<u>(974,738)</u>	<u>(34,723)</u>	<u>940,015</u>
<b>OTHER FINANCING USES:</b>				
Transfers Out	(5,000)	(5,000) (1)	(5,000)	-
Total Other Financing Uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balance	(979,738)	(979,738)	(39,723)	940,015
Beginning Fund Balance	<u>979,738</u>	<u>979,738</u>	<u>978,695</u>	<u>(1,043)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 938,972</u>	<u>\$ 938,972</u>

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET- BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

	<u>STORM WATER AND OPEN SPACE</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Charges for Services	\$ 43,890	\$ 43,890	\$ 22,945	\$ (20,945)
Interest on Investments	4,460	4,460	7,815	3,355
Miscellaneous	-	-	-	-
Total Revenues	<u>48,350</u>	<u>48,350</u>	<u>30,760</u>	<u>(17,590)</u>
<b>EXPENDITURES:</b>				
Stormwater Maintenance	-	-	-	-
Customer Services	-	-	-	-
General Program Operations	-	-	-	-
Capital Outlay	771,354	771,354 (1)	24,691	746,663
Debt Service	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	<u>771,354</u>	<u>771,354</u>	<u>24,691</u>	<u>746,663</u>
Excess of Revenues Over (Under) Expenditures	<u>(723,004)</u>	<u>(723,004)</u>	<u>6,069</u>	<u>729,073</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	15,000	15,000	15,000	-
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	(708,004)	(708,004)	21,069	729,073
Beginning Fund Balance	<u>718,567</u>	<u>718,567</u>	<u>812,277</u>	<u>93,710</u>
Ending Fund Balance	<u>\$ 10,563</u>	<u>\$ 10,563</u>	<u>\$ 833,346</u>	<u>\$ 822,783</u>
Reconciliation to GAAP Equity				
Interfund Loans			<u>(146,205)</u>	
GAAP Equity			<u>\$ 687,141</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2012**

	<u>WATER FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Charges for Services	\$ 4,197,400	\$ 4,197,400	\$ 4,128,886	\$ (68,514)
SDC Receipts	187,484	187,484	98,420	(89,064)
Interest on Investments	27,000	27,000	32,249	5,249
Trust Receipts	10,000	10,000	266	(9,734)
Miscellaneous Revenues	36,520	36,520	52,509	15,989
Total Revenues	<u>4,458,404</u>	<u>4,458,404</u>	<u>4,312,330</u>	<u>(146,074)</u>
<b>EXPENDITURES:</b>				
Treatment Services	1,589,962	1,589,962	( 1,432,237	157,725
Distribution Services	1,232,734	1,232,734	( 1,014,313	218,421
Customer Services	380,547	380,547	( 352,297	28,250
General Operations	350,195	350,195	( 298,328	51,867
Debt Service				
Principal	390,000	390,000	( 390,000	-
Interest	7,800	7,800	( 6,253	1,547
Capital Outlay	1,834,915	2,019,915	( 619,846	1,400,069
Contingency	1,006,110	1,017,937	( -	1,017,937
Total Expenditures	<u>6,792,263</u>	<u>6,989,090</u>	<u>4,113,274</u>	<u>2,875,816</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,333,859)</u>	<u>(2,530,686)</u>	<u>199,056</u>	<u>2,729,742</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Assets	-	-	9,991	9,991
Transfers In	317,801	502,801	502,801	-
Transfers Out	(567,801)	(752,801)	( 752,801)	-
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(240,009)</u>	<u>9,991</u>
Net Change in Fund Balance	(2,583,859)	(2,780,686)	(40,953)	2,739,733
Beginning Fund Balance	<u>2,583,859</u>	<u>2,780,686</u>	<u>3,568,326</u>	<u>787,640</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,527,373</u>	<u>\$ 3,527,373</u>
Reconciliation to Net Position				
Capital Assets, net			51,276,094	
Notes Payable			(61)	
Deferred Revenue			<u>98,960</u>	
Total Net Position			<u>\$ 54,902,366</u>	

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET - BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

<u>SEWER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Charges for Services	\$ 4,830,100	\$ 4,830,100	\$ 4,769,836	\$ (60,264)
SDC Receipts	152,720	152,720	166,931	14,211
Intergovernmental	285,000	285,000	264,249	(20,751)
Interest on Investments	11,500	11,500	36,083	24,583
Trust Receipts	1,000	1,000	824	(176)
Miscellaneous	52,000	52,000	57,326	5,326
Total Revenues	<u>5,332,320</u>	<u>5,332,320</u>	<u>5,295,249</u>	<u>(37,071)</u>
<b>EXPENDITURES:</b>				
Treatment Services	1,704,989	1,704,989 (1)	1,658,256	46,733
Jo-Gro	626,897	626,897 (1)	605,322	21,575
Collection Services	696,656	696,656 (1)	610,535	86,121
Customer Services	270,283	270,283 (1)	255,016	15,267
General Operations	367,881	367,881 (1)	333,480	34,401
Debt service:				
Principal	320,000	320,000 (1)	320,000	-
Interest	171,712	171,712 (1)	171,356	356
Capital Outlay	2,852,814	2,852,814 (1)	647,808	2,205,006
Contingency	1,150,825	1,150,825 (1)	-	1,150,825
Total Expenditures	<u>8,162,057</u>	<u>8,162,057</u>	<u>4,601,773</u>	<u>3,560,284</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,829,737)</u>	<u>(2,829,737)</u>	<u>693,476</u>	<u>3,523,213</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	945,046	945,046	905,046	(40,000)
Transfers Out	(900,046)	(900,046) (1)	(900,046)	-
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>45,000</u>	<u>5,000</u>	<u>(40,000)</u>
Net Change in Fund Balance	(2,784,737)	(2,784,737)	698,476	3,483,213
Beginning Fund Balance	<u>2,674,204</u>	<u>2,674,204</u>	<u>3,377,726</u>	<u>703,522</u>
Ending Fund Balance	<u>\$ (110,533)</u>	<u>\$ (110,533)</u>	<u>\$ 4,076,202</u>	<u>\$ 4,186,735</u>
Reconciliation to Net Position				
Capital Assets, net			32,908,488	
Deferred Revenue			133,091	
Full Faith & Credit Bonds Payable			<u>(4,542,139)</u>	
Total Net Position			<u>\$ 32,575,642</u>	
(1) Appropriation Level				

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2012**

<u>REDWOOD SANITARY SEWER DISTRICT</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Charges for Services	\$ 1,030,250	\$ 1,030,250	\$ 949,685	\$ (80,565)
Interest on Investments	1,700	1,700	6,920	5,220
Total Revenues	<u>1,031,950</u>	<u>1,031,950</u>	<u>956,605</u>	<u>(75,345)</u>
<b>EXPENDITURES:</b>				
Collection	87,650	87,650 (1)	31,924	55,726
Pump and Conveyance System	360,681	360,681 (1)	340,077	20,604
Customer Services	99,478	99,478 (1)	99,314	164
General Program Operations	103,433	103,433 (1)	74,098	29,335
Capital Outlay	747,386	747,386 (1)	108,734	638,652
Debt service:				
Principal	385,000	385,000 (1)	385,000	-
Interest	63,400	63,400 (1)	62,780	620
Contingency	131,511	131,511 (1)	-	131,511
Total Expenditures	<u>1,978,539</u>	<u>1,978,539</u>	<u>1,101,927</u>	<u>876,612</u>
Excess of Revenues Over (Under) Expenditures	<u>(946,589)</u>	<u>(946,589)</u>	<u>(145,322)</u>	<u>(951,957)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	65,000	65,000	-	(65,000)
Transfers Out	(70,000)	(70,000) (1)	-	70,000
Total Other Financing Sources	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	(951,589)	(951,589)	(145,322)	806,267
Beginning Fund Balance	<u>996,795</u>	<u>996,795</u>	<u>1,037,301</u>	<u>40,506</u>
Ending Fund Balance	<u>\$ 45,206</u>	<u>\$ 45,206</u>	<u>\$ 891,979</u>	<u>\$ 846,773</u>
Reconciliation to Net Position				
Capital Assets, net			8,882,895	
Deferred Revenue			82,138	
Full Faith & Credit Bonds Payable			<u>(1,740,438)</u>	
Total Net Position			<u>\$ 8,116,574</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2012**

	FLEET OPERATIONS FUND	SUPPORT SERVICES FUND	ADMINISTRATIVE SERVICES FUND	INSURANCE SERVICES FUND	TOTAL
<b>ASSETS</b>					
Current assets:					
Cash and Investments	\$ 3,629,909	\$ 879,645	\$ 1,057,968	\$ 3,526,597	\$ 9,094,119
Prepaid Items	-	20,803	34,447	30,000	85,250
Receivables					
Accounts, net	-	5,366	3,649	-	9,015
Accrued interest	-	-	-	-	-
Due from other funds	-	-	-	146,205	146,205
Total current assets	<u>3,629,909</u>	<u>905,814</u>	<u>1,096,064</u>	<u>3,702,802</u>	<u>9,334,589</u>
Capital assets, net	<u>2,316,171</u>	<u>433,121</u>	<u>24,058</u>	<u>-</u>	<u>2,773,350</u>
Total assets	<u>5,946,080</u>	<u>1,338,935</u>	<u>1,120,122</u>	<u>3,702,802</u>	<u>12,107,939</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	15,145	30,147	86,692	126,620	258,604
Salaries, withholdings and taxes payable	73,228	355,396	405,762	5,640	840,026
Pending Claims	-	-	-	95,020	95,020
Total Current Liabilities	<u>88,373</u>	<u>385,543</u>	<u>492,454</u>	<u>227,280</u>	<u>1,193,650</u>
Total Liabilities	<u>88,373</u>	<u>385,543</u>	<u>492,454</u>	<u>227,280</u>	<u>1,193,650</u>
<b>NET POSITION</b>					
Net invested in capital assets	2,316,171	433,121	24,058	-	2,773,350
Unrestricted	<u>3,541,536</u>	<u>520,271</u>	<u>603,610</u>	<u>3,475,522</u>	<u>8,140,939</u>
Total Net Position	<u>\$ 5,857,707</u>	<u>\$ 953,392</u>	<u>\$ 627,668</u>	<u>\$ 3,475,522</u>	<u>\$ 10,914,289</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2012

	FLEET OPERATIONS FUND	SUPPORT SERVICES FUND	ADMINISTRATIVE SERVICES FUND	INSURANCE SERVICES FUND	TOTAL
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 1,328,527	\$ 2,726,599	\$ 2,920,860	\$ 736,868	\$ 7,712,854
Miscellaneous	20,633	44,975	4,456	15,398	85,462
Total Operating Revenues	<u>1,349,160</u>	<u>2,771,574</u>	<u>2,925,316</u>	<u>752,266</u>	<u>7,798,316</u>
<b>OPERATING EXPENSES:</b>					
Salaries, Wages, and Benefits	306,593	1,775,578	1,944,318	53,396	4,079,885
Operating Supplies	372,451	60,192	60,296	5,997	498,936
Repairs and Maintenance	39,180	133,980	10,357	-	183,517
Utilities	1,737	136,250	9,720	-	147,707
Professional Services	972	117,452	507,597	58,171	684,192
General, Administrative and Engineering	(73,170)	707,531	359,001	466,363	1,459,725
Depreciation	144,789	41,591	(70,986)	-	115,394
Total Operating Expenses	<u>792,552</u>	<u>2,972,574</u>	<u>2,820,303</u>	<u>583,927</u>	<u>7,169,356</u>
Total Operating Income (Loss)	556,608	(201,000)	105,013	168,339	628,960
<b>NONOPERATING INCOME (LOSS)</b>					
Gain (Loss) on the Sale of Assets	33,899	-	-	-	33,899
Intergovernmental	104,523	523	11,045	1,355	117,446
Interest Income	21,813	5,759	6,731	23,208	57,511
Total nonoperating income (expense)	<u>160,235</u>	<u>6,282</u>	<u>17,776</u>	<u>24,563</u>	<u>208,856</u>
Income, (Loss) Before Operating Transfers	716,843	(194,718)	122,789	192,902	837,816
<b>TRANSFERS</b>					
Transfers In	245,000	-	-	-	245,000
Total Transfers	<u>245,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,000</u>
Change in Net Position	961,843	(194,718)	122,789	192,902	1,082,816
Beginning Net Position	4,895,864	1,148,110	504,879	3,282,620	9,831,473
Ending Net Position	<u>\$ 5,857,707</u>	<u>\$ 953,392</u>	<u>\$ 627,668</u>	<u>\$ 3,475,522</u>	<u>\$ 10,914,289</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2012

	FLEET OPERATIONS FUND	SUPPORT SERVICES FUND	ADMINISTRATIVE SERVICES FUND	INSURANCE SERVICES FUND	TOTAL
<b>Cash Flows From Operating Activities:</b>					
Cash Received from Customers	1,350,093	2,814,346	2,891,597	732,266	7,788,302
Cash Paid to Suppliers	(347,711)	(1,188,899)	(967,437)	(510,634)	(3,014,681)
Cash Paid to Employees	(301,691)	(1,716,893)	(1,935,281)	(51,639)	(4,005,504)
Net cash provided (used) by operating activities	<u>700,691</u>	<u>(91,446)</u>	<u>(11,121)</u>	<u>169,993</u>	<u>768,117</u>
Increase, (Decrease) in Due to Other Funds					-
<b>Cash Flows From Noncapital Financing Activities</b>					
Intergovernmental Revenue	104,523	523	11,045	1,355	117,446
Gain (Loss) on the Sale of Assets	33,899	-	-	-	33,899
Transfers In	245,000	-	-	-	245,000
Net cash provided (used) by noncapital financing	<u>383,422</u>	<u>523</u>	<u>11,045</u>	<u>1,355</u>	<u>396,345</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(1,075,127)	(50,846)	66,407	-	(1,059,566)
Net cash provided (used) by capital financing act	<u>(1,075,127)</u>	<u>(50,846)</u>	<u>66,407</u>	<u>-</u>	<u>(1,059,566)</u>
<b>Cash flows from investing activities</b>					
Interest on Investments	21,813	5,759	6,731	23,208	57,511
Net increase (decrease) in cash and investments	30,799	(136,010)	73,062	194,556	162,407
Cash and investments, beginning of year	3,599,110	1,015,655	984,906	3,332,041	8,931,712
Cash and investments, end of year	<u>3,629,909</u>	<u>879,645</u>	<u>1,057,968</u>	<u>3,526,597</u>	<u>9,094,119</u>
<b>Reconciliation of Operating Income to</b>					
<b>Net Cash Provided by Operating Activities</b>					
Operating Income	556,608	(201,000)	105,013	168,339	628,960
Depreciation and Amortization	144,789	41,591	(70,986)	-	115,394
(Increase) Decrease in Receivables	933	42,772	(33,719)	(20,000)	(10,014)
Increase (Decrease) in Payables	(6,541)	(33,494)	(20,466)	19,897	(40,604)
Increase (Decrease) in Payroll Liabilities	4,902	58,685	9,037	1,757	74,381
Net Cash Provided by Operating Activities	<u>700,691</u>	<u>(91,446)</u>	<u>(11,121)</u>	<u>169,993</u>	<u>768,117</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2012**

<u>FLEET OPERATIONS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Intergovernmental	\$ 410,000	\$ 410,000	\$ 104,523	\$ (305,477)
Charges for Services	1,321,664	1,321,664	1,328,527	6,863
Interest on Investments	21,000	21,000	21,813	813
Miscellaneous	12,500	12,500	20,633	8,133
Total Revenues	<u>1,765,164</u>	<u>1,765,164</u>	<u>1,475,496</u>	<u>(289,668)</u>
<b>EXPENDITURES:</b>				
Garage Operations	864,638	864,638 (1)	806,913	57,725
Equipment Replacement Operations	1,629,835	1,629,835 (1)	915,977	713,858
Contingency	457,492	457,492 (1)	-	457,492
Total Expenditures	<u>2,951,965</u>	<u>2,951,965</u>	<u>1,722,890</u>	<u>1,229,075</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,186,801)</u>	<u>(1,186,801)</u>	<u>(247,394)</u>	<u>939,407</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	245,000	245,000	245,000	-
Sale of Assets	-	-	33,899	33,899
Total Other Financing Sources	<u>245,000</u>	<u>245,000</u>	<u>278,899</u>	<u>33,899</u>
Net Change in Fund Balance	(941,801)	(941,801)	31,505	973,306
Beginning Fund Balance	<u>3,361,345</u>	<u>3,361,345</u>	<u>3,510,031</u>	<u>148,686</u>
Ending Fund Balance	<u>\$ 2,419,544</u>	<u>\$ 2,419,544</u>	<u>\$ 3,541,536</u>	<u>\$ 1,121,992</u>
Reconciliation to Net Position				
Capital Assets, net			<u>2,316,171</u>	
Total Net Position			<u>\$ 5,857,707</u>	

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET - BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

	<u>SUPPORT SERVICES FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 523	\$ 523
Charges for Services	2,892,908	2,892,908	2,726,599	(166,309)
Interest on Investments	2,500	2,500	5,759	3,259
Miscellaneous Revenues	21,246	21,246	44,975	23,729
Total Revenues	<u>2,916,654</u>	<u>2,916,654</u>	<u>2,777,856</u>	<u>(138,798)</u>
<b>EXPENDITURES:</b>				
Property Management	637,042	637,042 (1)	625,929	11,113
Engineering Services	847,575	847,575 (1)	813,232	34,343
Community Development Management	1,004,083	1,047,293 (1)	982,542	64,751
Information Technology	625,690	625,690	560,127	65,563
Contingency	327,020	309,760 (1)	-	309,760
Total expenditures	<u>3,441,410</u>	<u>3,467,360</u>	<u>2,981,830</u>	<u>485,530</u>
Excess of Revenues Over (Under) Expenditures	<u>(524,756)</u>	<u>(550,706)</u>	<u>(203,974)</u>	<u>346,732</u>
Net Change in Fund Balance	(524,756)	(550,706)	(203,974)	346,732
Beginning Fund Balance	<u>541,426</u>	<u>567,376</u>	<u>724,245</u>	<u>156,869</u>
Ending Fund Balance	<u>\$ 16,670</u>	<u>\$ 16,670</u>	<u>\$ 520,271</u>	<u>\$ 503,601</u>
Reconciliation to Net Position				
Interfund Loans			-	
Capital Assets, net			<u>433,121</u>	
Total Net Position			<u>\$ 953,392</u>	

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET - BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

<u>ADMINISTRATIVE SERVICES FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Intergovernmental	\$ 9,200	\$ 9,200	\$ 11,045	\$ 1,845
Charges for Services	3,163,380	3,163,380	2,920,860	(242,520)
Interest on Investments	6,000	6,000	6,731	731
Miscellaneous Revenues	1,000	1,000	4,456	3,456
Total Revenues	<u>3,179,580</u>	<u>3,179,580</u>	<u>2,943,092</u>	<u>(236,488)</u>
<b>EXPENDITURES:</b>				
Management Services	760,133	760,133 (1)	622,751	137,382
Legal Services	351,585	351,585 (1)	258,685	92,900
Finance Services	1,377,964	1,377,964 (1)	1,333,376	44,588
General Program Operations	277,832	277,832 (1)	211,768	66,064
Human Resources	437,554	437,554 (1)	398,302	39,252
Contingency	356,610	356,610 (1)	-	356,610
Total expenditures	<u>3,561,678</u>	<u>3,561,678</u>	<u>2,824,882</u>	<u>736,796</u>
Excess of Revenues Over (Under) Expenditures	<u>(382,098)</u>	<u>(382,098)</u>	<u>118,210</u>	<u>500,308</u>
Net Change in Fund Balance	(382,098)	(382,098)	118,210	500,308
Beginning Fund Balance	<u>382,098</u>	<u>382,098</u>	<u>485,400</u>	<u>103,302</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603,610</u>	<u>\$ 603,610</u>
Reconciliation to Net Position				
Capital Assets, net			<u>24,058</u>	
Total Net Position			<u>\$ 627,668</u>	

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET - BUDGETARY BASIS  
 For the Fiscal Year Ended June 30, 2012

	<u>INSURANCE SERVICES FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 1,355	\$ 1,355
Charges for Services	833,548	833,548	736,868	(96,680)
Interest on Investments	18,900	18,900	23,208	4,308
Miscellaneous	100,083	100,083	15,398	(84,685)
Total Revenues	<u>952,531</u>	<u>952,531</u>	<u>776,829</u>	<u>(175,702)</u>
<b>EXPENDITURES:</b>				
General Insurance Services	506,169	506,169 (1)	297,180	208,989
Benefits Administration	43,750	43,750 (1)	20,429	23,321
Workers' Compensation Insurance	403,511	403,511 (1)	266,318	137,193
Contingency	962,489	962,489 (1)	-	962,489
Total expenditures	<u>1,915,919</u>	<u>1,915,919</u>	<u>583,927</u>	<u>1,331,992</u>
Excess of Revenues Over (Under) Expenditure:	<u>(963,388)</u>	<u>(963,388)</u>	<u>192,902</u>	<u>1,156,290</u>
Net Change in Fund Balance	(963,388)	(963,388)	192,902	1,156,290
Beginning Fund Balance	<u>2,836,172</u>	<u>2,836,172</u>	<u>3,136,415</u>	<u>300,243</u>
Ending Fund Balance	<u>\$ 1,872,784</u>	<u>\$ 1,872,784</u>	<u>\$ 3,329,317</u>	<u>\$ 1,456,533</u>
Reconciliation to Net Position				
Interfund Loans			<u>146,205</u>	
Total Net Position			<u>\$ 3,475,522</u>	

(1) Appropriation Level

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND  
 For the Fiscal Year Ended June 30, 2012

---

	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2012</u>
<b>Assets</b>				
Cash and Investments	\$ 3,668,511	\$ 3,716,504	\$ 3,668,511	\$ 3,716,504
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 3,668,511</u>	<u>\$ 3,716,504</u>	<u>\$ 3,668,511</u>	<u>\$ 3,716,504</u>
<b>Liabilities</b>				
Due to Others	<u>\$ 3,668,511</u>	<u>\$ 3,716,504</u>	<u>\$ 3,668,511</u>	<u>\$ 3,716,504</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
 OF TAXES UNCOLLECTED  
 For the Fiscal Year Ended June 30, 2012

TAX YEAR	<u>GENERAL FUNDS</u>					BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/12
	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/11	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	
Current:						
2011-12	\$ 15,891,002	\$ 399,960	\$ 0	\$ 8,226	\$ 14,791,059	\$ 708,209
Prior Years:						
2010-11	696,863	0	(65,876)	17,463	227,836	420,614
2009-10	352,740	0	(7,466)	17,313	90,097	272,490
2008-09	159,976	0	1,198	24,329	123,442	62,061
2007-08	41,111	0	(10,845)	5,938	25,194	11,010
2006-07	8,975	0	(2,186)	934	2,062	5,661
Prior	6,318	0	(541)	1,034	2,400	4,411
Total Prior	1,265,983	0	(85,716)	67,011	471,031	776,247
Total All Funds	<u>\$ 17,156,985</u>	<u>\$ 399,960</u>	<u>\$ (85,716)</u>	<u>\$ 75,237</u>	<u>\$ 15,262,090</u>	<u>\$ 1,484,456</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 15,262,090
Accrual of Receivables:	
June 30, 2011	(227,473)
June 30, 2012	694,241
Miscellaneous Taxes	6,633
Total Revenue	<u>\$ 15,735,491</u>

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**STATISTICAL SECTION**

This part of the City of Grants Pass' comprehensive annual 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 government's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	96
<b>Revenue Capacity</b>	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	103
<b>Debt Capacity</b>	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	110
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographics and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	118
<b>Operating Information</b>	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	123

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

NET ASSETS BY COMPONENT

	For the last ten fiscal years (Unaudited)									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Net Invested in Capital Assets	\$ 61,446,389	\$ 70,817,161	\$ 41,109,766	\$ 94,714,953	\$ 109,719,868	\$ 129,195,607	\$ 133,844,008	\$ 138,145,695	\$ 146,190,808	\$ 149,278,108
Restricted for Capital Purposes	-	-	-	-	-	3,706,534	1,524,619	482,870	5,392,281	10,317,156
Unrestricted	15,919,809	18,056,168	57,569,142	20,457,257	37,053,641	26,433,560	28,878,112	30,945,320	25,480,630	21,501,117
<b>Total governmental activities net assets</b>	<b>\$ 77,366,198</b>	<b>\$ 88,873,329</b>	<b>\$ 98,678,908</b>	<b>\$ 115,172,210</b>	<b>\$ 146,773,509</b>	<b>\$ 159,335,701</b>	<b>\$ 164,246,739</b>	<b>\$ 169,573,885</b>	<b>\$ 177,063,719</b>	<b>\$ 181,096,381</b>
Business-Type Activities										
Net Invested in Capital Assets	\$ 61,220,836	\$ 62,607,143	\$ 66,870,761	\$ 71,185,429	\$ 76,870,093	\$ 82,828,074	\$ 84,254,981	\$ 86,290,233	\$ 87,379,784	\$ 86,784,900
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	7,128,214	8,969,442	11,226,231	11,829,156	13,009,932	11,255,966	11,529,197	10,670,206	11,352,071	12,147,027
<b>Total business-type activities net assets</b>	<b>\$ 68,349,050</b>	<b>\$ 71,576,585</b>	<b>\$ 78,096,992</b>	<b>\$ 83,014,585</b>	<b>\$ 89,880,025</b>	<b>\$ 94,084,040</b>	<b>\$ 95,784,178</b>	<b>\$ 96,960,439</b>	<b>\$ 98,731,855</b>	<b>\$ 98,931,927</b>
Primary government										
Net Invested in Capital Assets	\$ 122,667,225	\$ 133,424,304	\$ 107,980,527	\$ 165,900,382	\$ 186,589,961	\$ 212,023,742	\$ 218,098,989	\$ 224,435,928	\$ 233,570,592	\$ 236,063,008
Restricted for Capital Purposes	-	-	-	-	-	3,706,534	1,524,619	482,870	5,392,281	10,317,156
Unrestricted	23,048,023	27,025,610	68,795,373	32,286,413	50,063,573	37,689,465	40,407,309	41,615,526	36,832,701	33,648,144
<b>Total primary government net assets</b>	<b>\$ 145,715,248</b>	<b>\$ 160,449,914</b>	<b>\$ 176,775,900</b>	<b>\$ 198,186,795</b>	<b>\$ 236,653,534</b>	<b>\$ 253,419,741</b>	<b>\$ 260,030,917</b>	<b>\$ 266,534,324</b>	<b>\$ 275,795,574</b>	<b>\$ 280,028,308</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN NET ASSETS**

	For the last ten fiscal years (unaudited)									
Expenses	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Public Safety	\$ 6,861,932	\$ 8,967,348	\$ 11,308,389	\$ 8,505,477	\$ 13,897,740	\$ 12,104,326	\$ 15,715,693	\$ 16,622,773	\$ 15,765,649	\$ 20,258,332
Transportation	1,511,761	1,672,361	1,357,134	1,007,261	1,662,747	1,430,601	1,720,308	1,668,081	1,587,847	1,890,095
Building	644,421	862,341	1,110,231	765,541	1,178,647	910,259	806,483	496,906	547,455	586,034
Parks	1,139,412	361,174	1,518,671	1,135,134	1,666,934	1,450,608	2,063,311	1,714,511	1,679,201	1,942,127
Development	2,639,705	2,493,017	2,392,553	2,815,350	2,099,393	3,278,657	2,789,112	1,534,263	1,611,616	2,299,728
General Government	246,978	245,936	143,923	193,264	226,893	218,905	228,948	1,039,310	252,392	753,414
Solid Waste	325,399	378,738	2,050,240	(139,183)	787,168	1,474,560	178,512	284,876	264,647	439,330
Interest	149,460	364,393	173,982	339,344	212,221	445,088	504,102	657,027	350,140	283,013
<b>Total Governmental Activities Expenses</b>	<b>13,519,068</b>	<b>15,345,308</b>	<b>20,055,123</b>	<b>14,622,188</b>	<b>21,731,743</b>	<b>21,313,004</b>	<b>24,006,469</b>	<b>24,017,747</b>	<b>22,058,947</b>	<b>28,452,073</b>
<b>Business-Type Activities</b>										
Water	2,643,028	2,908,859	3,397,559	3,660,103	3,795,099	3,019,237	4,171,634	3,837,597	3,945,483	4,095,785
Sewer	3,394,601	3,606,999	5,015,385	4,544,046	4,673,214	5,617,811	5,486,284	5,567,558	5,474,335	6,485,441
Interest	416,330	547,767	***	***	***	***	***	***	***	***
<b>Total Business-Type Activities Expenses</b>	<b>6,453,959</b>	<b>7,063,625</b>	<b>8,412,944</b>	<b>8,204,149</b>	<b>8,468,313</b>	<b>8,637,048</b>	<b>9,657,918</b>	<b>9,405,155</b>	<b>9,419,818</b>	<b>10,581,226</b>
<b>Total Primary Government Expenses</b>	<b>\$ 19,973,027</b>	<b>\$ 22,408,933</b>	<b>\$ 28,468,067</b>	<b>\$ 22,826,337</b>	<b>\$ 30,200,056</b>	<b>\$ 29,950,052</b>	<b>\$ 33,664,387</b>	<b>\$ 33,422,902</b>	<b>\$ 31,478,765</b>	<b>\$ 39,033,299</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Service:	\$ 3,097,391	\$ 4,786,614	\$ 6,946,869	\$ 9,180,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	-	-	-	-	23,214,300	3,541,708	2,532,870	1,679,342	1,576,637	1,570,789
General Government	-	-	-	-	5,281,710	1,161,947	506,123	360,782	1,769,217	1,854,686
Other	-	-	-	-	2,127,083	1,938,835	1,396,315	1,923,164	1,455,580	1,259,460
Operating Grants and Contributions	59,361	274,952	377,726	2,239,659	142,581	184,284	256,481	2,189,745	1,237,791	1,308,621
Capital Grants					398,285		339,749	2,600	-	273,191
Dedicated Property Taxes	7,435,680	*	*	*	*	*	*	*	*	*
<b>Total Governmental Activities Revenues</b>	<b>10,592,432</b>	<b>5,061,566</b>	<b>7,324,595</b>	<b>11,419,907</b>	<b>31,163,959</b>	<b>6,826,774</b>	<b>5,031,538</b>	<b>6,155,633</b>	<b>6,039,225</b>	<b>6,266,747</b>
<b>Business-Type Activities</b>										
Charges for Service:	7,579,395	8,364,037	8,781,698	10,341,297	-	-	-	-	-	-
Water					5,052,827	4,461,350	4,312,938	4,041,855	3,941,619	4,112,911
Sewer					6,281,328	5,940,872	5,332,252	5,360,977	5,437,415	5,693,126
Operating Grants and Contributions	-	-	-	1,761,536	2,873,646	1,010,140	909,274	240,729	955,442	335,558
<b>Total Business-Type Activities Revenues</b>	<b>7,579,395</b>	<b>8,364,037</b>	<b>8,781,698</b>	<b>12,102,833</b>	<b>14,207,801</b>	<b>11,412,362</b>	<b>10,554,464</b>	<b>9,643,561</b>	<b>10,334,476</b>	<b>10,141,595</b>
<b>Total Primary Government Revenues</b>	<b>\$ 18,171,827</b>	<b>\$ 13,425,603</b>	<b>\$ 16,106,293</b>	<b>\$ 23,522,740</b>	<b>\$ 45,371,760</b>	<b>\$ 18,239,136</b>	<b>\$ 15,586,002</b>	<b>\$ 15,799,194</b>	<b>\$ 16,373,701</b>	<b>\$ 16,408,342</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (2,926,636)	\$ (10,283,742)	\$ (12,730,528)	\$ (3,202,281)	\$ 9,432,217	\$ (14,486,230)	\$ (18,974,931)	\$ (17,862,114)	\$ (16,019,722)	\$ (22,185,326)
Business-Type Activities	1,125,436	1,300,412	368,754	3,898,684	5,739,488	2,775,314	896,546	238,406	914,658	(439,631)
<b>Total Primary Government Net Expense</b>	<b>\$ (1,801,200)</b>	<b>\$ (8,983,330)</b>	<b>\$ (12,361,774)</b>	<b>\$ 696,403</b>	<b>\$ 15,171,704</b>	<b>\$ (11,710,916)</b>	<b>\$ (18,078,385)</b>	<b>\$ (17,623,708)</b>	<b>\$ (15,105,064)</b>	<b>\$ (22,624,957)</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN NET ASSETS (continued)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities										
Taxes	\$ 2,936,236	\$ 11,035,419	\$ 11,922,037	\$ 14,003,723	\$ 16,153,726	\$ 18,241,381	\$ 17,808,752	\$ 18,913,372	\$ 19,516,508	\$ 20,173,717
Licenses and Permits	58,381	**	**	**	**	**	**	**	**	**
Intergovernmental	4,264,905	3,636,796	3,805,599	3,727,927	3,551,395	5,071,345	3,928,465	3,359,165	3,160,079	4,901,496
Fines and Forfeitures	156,635	**	**	**	**	**	**	**	**	**
Special Assessments	893,573	**	**	**	**	**	**	**	**	**
Interest	421,389	307,318	535,698	914,546	1,459,814	1,856,733	896,915	550,250	424,147	269,265
Interest on Assessments	187,030	50,633	****	****	****	****	****	****	****	****
Trust Receipts	7,723	153,920	222,376	204,401	77,560	233,637	38,805	131,584	123,798	379,510
Contributions	6,450	6,168,301	5,520,142	****	****	****	****	****	****	****
Industrial Payments	68,572	100,441	36,716	29,835	69,068	7,151	24,446	13,163	33,619	16,377
Sale of Assets	460,857	171,194	****	****	****	****	****	****	****	****
Miscellaneous	395,065	76,351	51,624	749,580	735,071	1,985,656	799,012	152,842	98,405	307,538
Transfers	623,055	377,096	441,915	65,571	122,447	(347,481)	389,574	68,884	153,000	170,085
<b>Total Governmental Activities</b>	<b>\$ 10,479,871</b>	<b>\$ 22,077,469</b>	<b>\$ 22,536,107</b>	<b>\$ 19,695,583</b>	<b>\$ 22,169,081</b>	<b>\$ 27,048,422</b>	<b>\$ 23,885,969</b>	<b>\$ 23,189,260</b>	<b>\$ 23,509,556</b>	<b>\$ 26,217,988</b>
Business-Type Activities										
Taxes	\$ 867	\$ 380	\$ 146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	171,211	212,002	240,625	260,966	275,843	257,045	327,430	315,658	344,520	300,162
Special Assessments	12,252	**	**	**	**	**	**	**	**	**
Interest	132,832	107,273	168,727	361,315	559,754	407,972	225,424	145,702	102,804	92,838
Trust Receipts	39,559	113,339	91,044	176,422	100,445	67,968	522,714	467,982	424,177	266,441
Contributions	1,888,150	1,553,530	5,831,783	****	****	****	****	****	****	****
Sale of Assets	39,291	(70,560)	****	****	****	****	****	****	****	****
Miscellaneous	165,437	388,255	261,243	285,777	312,358	350,236	117,598	77,397	138,257	150,347
Transfers	(623,055)	(377,096)	(441,915)	(65,571)	(122,447)	347,481	(389,574)	(68,884)	(153,000)	(170,085)
<b>Total Business-Type Activities</b>	<b>\$ 1,826,544</b>	<b>\$ 1,927,123</b>	<b>\$ 6,151,653</b>	<b>\$ 1,018,909</b>	<b>\$ 1,125,953</b>	<b>\$ 1,430,702</b>	<b>\$ 803,592</b>	<b>\$ 937,855</b>	<b>\$ 856,758</b>	<b>\$ 639,703</b>
<b>Total Primary Government</b>	<b>\$ 12,306,415</b>	<b>\$ 24,004,592</b>	<b>\$ 28,687,760</b>	<b>\$ 20,714,492</b>	<b>\$ 23,295,034</b>	<b>\$ 28,479,124</b>	<b>\$ 24,689,561</b>	<b>\$ 24,127,115</b>	<b>\$ 24,366,314</b>	<b>\$ 26,857,691</b>
<b>Change in Net Assets</b>										
Governmental Activities	\$ 7,553,235	\$ 11,793,727	\$ 9,805,579	\$ 16,493,302	\$ 31,601,298	\$ 12,562,192	\$ 4,911,038	\$ 5,327,146	\$ 7,489,834	\$ 4,032,662
Business-Type Activities	2,951,980	3,227,535	6,520,407	4,917,593	6,865,441	4,206,016	1,700,138	1,176,261	1,771,416	200,072
<b>Total Primary Government</b>	<b>\$ 10,505,215</b>	<b>\$ 15,021,262</b>	<b>\$ 16,325,986</b>	<b>\$ 21,410,895</b>	<b>\$ 38,466,739</b>	<b>\$ 16,768,208</b>	<b>\$ 6,611,176</b>	<b>\$ 6,503,407</b>	<b>\$ 9,261,250</b>	<b>\$ 4,232,734</b>

\* Dedicated property taxes are reported in General Revenue under Taxes in 2004.

\*\* From 2004 forward this revenue is reported as Charges for Services in Program Revenues

\*\*\* From 2005 forward the interest expense is recorded in the activity in which it was expensed.

\*\*\*\* From 2005 forward the interest and interest on assessments is combined and the sale of assets is in miscellaneous.

\*\*\*\*\*From 2006 forward this revenue is reported as Charges for Services in Program Revenues.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**PROGRAM REVENUE BY FUNCTION**

For the last ten fiscal years  
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Program Revenues</b>										
Governmental Activities										
Public Safety *	\$ 6,335,774	\$ 792,525	\$ 529,560	\$ 484,070	\$ 343,114	\$ 488,697	\$ 873,106	\$ 766,545	\$ 684,010	\$ 1,038,011
Transportation	1,442,317	2,063,175	3,182,643	6,353,654	23,224,198	3,541,968	2,532,870	3,503,448	2,477,196	2,184,970
Building	909,784	1,155,723	1,394,747	1,241,980	903,800	835,566	335,550	317,067	348,445	317,104
Parks	15,814	36,387	19,550	827,167	4,750	452,763	134,809	27,095	27,278	31,403
Development	1,564,195	655,463	1,311,569	290,772	1,061,950	20,758	312,071	357,221	406,799	494,050
General Government	6,556	10,745	552,682	1,876,329	5,281,710	1,161,947	506,123	898,500	1,769,217	1,854,686
Solid Waste	317,992	347,548	333,844	345,935	344,437	325,075	337,009	285,757	326,280	346,523
Subtotal Governmental activities	10,592,432	5,061,566	7,324,595	11,419,907	31,163,959	6,826,774	5,031,538	6,155,633	6,039,225	6,266,747
Business- Type Activities										
Water	3,615,418	4,000,671	4,114,400	5,854,617	7,029,744	5,204,874	4,736,238	4,186,369	4,307,259	4,364,930
Sewer	3,963,977	4,363,366	4,667,298	6,248,216	7,178,057	6,207,488	5,818,226	5,457,192	6,027,217	5,776,665
Subtotal Business-Type Activities	7,579,395	8,364,037	8,781,698	12,102,833	14,207,801	11,412,362	10,554,464	9,643,561	10,334,476	10,141,595
Total Primary Government	\$ 18,171,827	\$ 13,425,603	\$ 16,106,293	\$ 23,522,740	\$ 45,371,760	\$ 18,239,136	\$ 15,586,002	\$ 15,799,194	\$ 16,373,701	\$ 16,408,342

\* In FY'03 Public Safety program revenue included Dedicated Property Taxes.  
From FY'04 forward Property Taxes are recorded in the General Revenues section of the Statement of Activities.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

FUND BALANCES, GOVERNMENTAL FUNDS

For the last ten fiscal years  
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,125	\$ 294,528
Restricted	-	-	-	-	-	-	-	-	549,511	390,256
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	2,315,067	2,533,625
Unassigned	-	-	-	-	-	-	-	-	8,657,596	9,535,817
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	2,727,493	2,423,670	3,019,923	4,438,485	5,581,614	7,482,929	7,736,946	10,197,778	-	-
<b>Total General Fund</b>	<b>2,727,493</b>	<b>2,423,670</b>	<b>3,019,923</b>	<b>4,438,485</b>	<b>5,581,614</b>	<b>7,482,929</b>	<b>7,736,946</b>	<b>10,197,778</b>	<b>11,523,299</b>	<b>12,754,226</b>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Restricted	-	-	-	-	-	-	-	-	8,097,389	9,926,900
Committed	-	-	-	-	-	-	-	-	2,061,453	1,792,896
Assigned	-	-	-	-	-	-	-	-	7,039,518	6,132,898
Unassigned	-	-	-	-	-	-	-	-	(1,220,513)	(1,119,701)
Reserved	945,262	(1,381,330)	(1,493,576)	(2,391,514)	(1,500,626)	3,706,534	1,584,732	551,807	-	-
Unreserved, reported in:										
Special Revenue Funds	5,240,358	5,637,517	5,767,543	5,645,630	5,728,115	5,692,914	5,668,343	6,026,470	-	-
Capital Projects Funds	5,160,440	7,573,454	8,942,175	7,810,238	20,735,290	12,204,633	12,788,348	10,803,433	-	-
Debt Service Funds	(1,916,214)	-	-	-	-	(1,386,260)	(1,782,901)	(1,360,828)	-	-
<b>Total All Governmental Funds</b>	<b>\$ 9,429,846</b>	<b>\$ 14,253,311</b>	<b>\$ 16,236,065</b>	<b>\$ 15,502,839</b>	<b>\$ 30,544,393</b>	<b>\$ 27,700,750</b>	<b>\$ 25,995,468</b>	<b>\$ 26,218,660</b>	<b>\$ 27,751,146</b>	<b>\$ 29,737,219</b>

\* Effective FY11 the fund balance categories changed per GASB 54.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

For the last ten fiscal years  
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 10,380,444	\$ 11,093,602	\$ 11,854,212	\$ 14,006,903	\$ 16,118,499	\$ 18,143,991	\$ 17,450,007	\$ 18,803,838	\$ 19,469,079	\$ 20,422,012
Licenses and Permits	734,950	898,559	1,076,622	1,020,253	711,524	492,375	286,445	274,049	276,619	258,616
Intergovernmental	4,256,934	3,844,673	4,128,652	5,387,371	4,045,054	5,225,029	4,312,300	5,733,089	4,322,842	6,401,775
Charges for Services	2,287,356	3,299,013	4,970,440	5,002,020	3,889,361	3,505,815	2,827,772	2,580,954	1,778,060	2,083,858
Fines and Forfeitures	156,635	164,852	163,055	200,322	233,887	253,766	237,776	300,528	306,097	301,478
Special Assessments	521,448	517,331	428,056	591,532	1,051,627	202,536	795,947	374,550	276,647	117,109
Interest	544,835	311,951	443,858	779,618	1,275,934	1,672,282	794,905	497,016	376,403	229,340
Other Revenues	376,610	369,895	473,826	103	277,830	1,299,891	229,240	330,241	187,278	792,004
<b>Total Revenues</b>	<b>\$ 19,259,212</b>	<b>\$ 20,499,876</b>	<b>\$ 23,538,721</b>	<b>\$ 27,549,794</b>	<b>\$ 27,603,716</b>	<b>\$ 30,795,685</b>	<b>\$ 26,934,392</b>	<b>\$ 28,894,265</b>	<b>\$ 26,993,025</b>	<b>\$ 30,606,192</b>
<b>Expenditures</b>										
General Governmental	\$ 160,190	\$ 110,938	\$ 113,413	\$ 238,166	\$ 190,691	\$ 237,401	\$ 549,079	\$ 1,953,637	\$ 243,351	\$ 365,668
Public Safety	7,629,926	8,536,933	9,129,171	10,350,614	11,826,804	12,596,250	14,008,746	14,737,717	15,074,699	15,888,900
Community Development	3,037,279	2,428,001	1,934,013	3,439,641	1,786,695	3,393,756	2,486,875	1,372,620	1,542,330	1,808,785
Debt Service										
Principal	403,861	481,496	462,466	669,499	714,972	1,328,521	1,466,960	1,110,305	1,035,000	694,528
Interest	165,631	152,928	173,982	149,304	225,289	467,588	462,106	674,031	372,640	295,985
Solid Waste	377,602	1,884,141	392,357	399,179	376,302	369,431	352,704	327,254	339,354	365,668
Capital Outlay	5,414,335	4,786,154	9,132,159	9,499,093	3,703,899	11,752,279	6,674,210	4,989,921	3,350,522	5,346,729
Transportation	949,597	996,651	1,084,732	1,240,225	1,405,089	1,529,698	1,526,810	1,545,768	1,527,138	1,528,315
Building	697,950	792,896	893,389	938,973	999,912	961,444	716,102	472,525	527,569	481,216
Parks	1,076,203	1,115,138	1,225,688	1,389,164	1,417,736	1,512,891	1,615,733	1,547,370	1,606,686	1,808,785
<b>Total Expenditures</b>	<b>\$ 19,912,574</b>	<b>\$ 21,285,276</b>	<b>\$ 24,541,370</b>	<b>\$ 28,313,858</b>	<b>\$ 22,647,389</b>	<b>\$ 34,149,259</b>	<b>\$ 29,859,325</b>	<b>\$ 28,731,148</b>	<b>\$ 25,619,289</b>	<b>\$ 28,584,579</b>

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)**

	For the last ten fiscal years (Unaudited)									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>										
Loan Proceeds	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 9,998,031	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of Assets	470,471	966,789	2,624,201	4,842	1,195	878,942	910,239	5,075	5,750	7,131
Operating Transfer In	4,325,468	3,064,292	3,801,142	4,109,259	3,331,276	2,760,935	8,302,583	4,152,451	3,532,156	3,306,449
Operating Transfers Out	(3,803,419)	(2,649,709)	(3,451,142)	(4,083,259)	(3,245,276)	(3,129,937)	(7,993,171)	(4,097,451)	(3,379,156)	(3,306,448)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 992,520</b>	<b>\$ 2,881,372</b>	<b>\$ 2,974,201</b>	<b>\$ 30,842</b>	<b>\$ 10,085,226</b>	<b>\$ 509,940</b>	<b>\$ 1,219,651</b>	<b>\$ 60,075</b>	<b>\$ 158,750</b>	<b>\$ 7,132</b>
<b>Net Change in Fund Balances</b>	<b>\$ 207,120</b>	<b>\$ 1,878,723</b>	<b>\$ 2,210,137</b>	<b>\$ 4,987,169</b>	<b>\$ 15,041,553</b>	<b>\$ (2,843,634)</b>	<b>\$ (1,705,282)</b>	<b>\$ 223,192</b>	<b>\$ 1,532,486</b>	<b>\$ 2,028,745</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>4.00%</b>	<b>4.31%</b>	<b>4.55%</b>	<b>5.22%</b>	<b>5.22%</b>	<b>8.72%</b>	<b>9.08%</b>	<b>8.13%</b>	<b>6.75%</b>	<b>4.45%</b>

Source: Annual financial statements of the City of Grants Pass

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS

---

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Property	Business	Franchise	Transient Room Tax	E911	Total
2003	\$ 7,438,564	\$ 257,322	\$ 1,761,362	\$ 923,195	\$ -	\$ 10,380,443
2004	8,047,184	265,026	1,869,265	912,507	-	11,093,982
2005	8,705,901	289,165	1,931,515	927,631	-	11,854,212
2006	10,556,145	307,492	2,140,490	1,002,776	-	14,006,903
2007	12,450,442	305,103	2,351,245	1,046,936	-	16,153,726
2008	14,411,920	320,413	2,484,617	1,024,431	-	18,241,381
2009	14,102,746	313,194	2,422,366	970,446	-	17,808,752
2010	15,198,417	299,697	2,364,958	940,765	-	18,803,837
2011	15,284,264	290,831	2,954,859	939,125	-	19,469,079
2012	15,764,689	289,609	3,247,038	951,487	169,189	20,422,012

Source: Annual financial statements and internal accounting reports of the City of Grants Pass

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS

---

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied by Assessor	Current Tax Collections	Current Tax Collections		Total Tax Collections	Total Collections		Uncollected Taxes as a Percentage of Current Levy
			as a Percentage of Current Levy	Delinquent Taxes Collected		as a Percentage of Current Levy	Uncollected Delinquent Taxes	
2003	6,252,061	5,851,379	94%	288,342	6,139,722	98%	404,297	6%
2004	6,804,725	6,386,298	94%	275,413	6,661,711	98%	377,548	6%
2005	7,427,728	6,943,714	93%	274,297	7,218,011	97%	399,011	5%
2006	9,171,224	8,639,674	94%	259,400	8,899,074	97%	409,395	4%
2007	11,019,070	10,326,444	94%	239,558	10,566,002	96%	525,089	5%
2008	12,892,015	12,159,160	94%	270,092	12,429,252	96%	650,461	5%
2009	14,204,620	13,285,125	94%	321,578	13,606,703	96%	925,990	7%
2010	15,247,413	14,177,029	93%	467,737	14,644,766	96%	1,165,775	8%
2011	15,698,562	14,666,467	93%	611,622	15,278,089	97%	1,265,983	8%
2012	15,891,002	14,791,059	93%	471,031	15,262,090	96%	1,484,456	9%

Source: Annual financial statements and internal accounting reports of the City of Grants Pass

\*does not include the Parkway Redevelopment Fund

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

CONSOLIDATED TAX RATES  
(Per \$1,000 of Assessed Value)

---

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Total	General Fund	Debt Service Fund
2003	4.98	4.98	-
2004	5.02	5.02	-
2005	5.02	5.02	-
2006	5.62	5.62	-
2007	5.62	5.62	-
2008	6.13	5.62	0.51
2009	6.12	5.62	0.50
2010	6.32	5.92	0.40
2011	6.33	5.92	0.41
2012	6.32	5.91	0.41

Source: Annual financial statements and internal accounting reports of the City of Grants Pass

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

CONSOLIDATED TAX LEVIES

---

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Total	General Fund	Bond Debt/Service Fund	Parkway Redevelopment Fund
2003	7,585,739	6,252,061	-	1,333,678
2004	8,188,825	6,804,725	-	1,384,100
2005	8,997,490	7,427,728	-	1,569,762
2006	9,852,219	8,171,224	-	1,680,995
2007	12,824,629	11,019,070	-	1,805,559
2008	14,851,145	11,767,092	1,124,923	1,959,130
2009	14,204,620	13,044,673	1,159,947	-
2010	15,247,413	14,285,977	961,436	-
2011	15,690,087	14,682,269	1,007,818	-
2012	15,877,288	14,860,497	1,016,791	-

Source: Josephine County

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

For the last ten fiscal years (Unaudited)

Fiscal Year Ended June 30,	Total Direct Tax Rate	Assessed Value					Real Market Value	Ratio AV/MV
		Real	Manufactured Structures	Personal	Utilities	Total		
2003	4.98	1,248,663,492	8,847,293	54,853,501	36,910,015	1,349,274,301	1,551,801,287	87%
2004	5.02	1,339,676,064	9,073,729	61,591,847	35,872,823	1,446,214,463	1,770,587,377	82%
2005	5.02	1,462,610,024	10,415,063	64,628,666	41,658,105	1,579,311,858	2,173,784,655	73%
2006	5.62	1,619,998,222	11,063,590	66,854,676	31,005,555	1,728,922,043	2,689,529,405	64%
2007	5.62	1,938,382,246	22,362,100	72,828,353	31,735,000	2,065,307,699	3,690,578,756	56%
2008	6.13	2,074,687,531	22,939,620	76,015,525	33,386,700	2,207,029,376	3,940,725,214	56%
2009	6.12	2,181,783,170	22,901,740	79,434,508	34,380,420	2,318,499,838	3,817,384,012	61%
2010	6.32	2,262,030,421	22,032,290	77,411,818	48,140,570	2,409,615,099	3,502,284,110	69%
2011	6.33	2,321,080,007	20,544,460	83,329,732	51,882,790	2,476,836,989	3,258,983,323	76%
2012	6.33	2,412,852,066	12,016,560	77,526,136	58,225,400	2,560,620,162	2,741,990,442	93%

Source: Josephine County

N/A - Not Available

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

(Per \$1,000 of Assessed Value)

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	General Fund	Debt Service Fund	Total (4)	Josephine County	School District No.7	Rogue Community College	Education Service District	4H Extension	Total	Measure 5 Total (2)
2003	4.98	-	4.98	0.93	7.06 (3)	0.51	0.35	0.05	14.28 (2)	11.54
2004	5.02	-	5.02	0.88	6.83 (3)	0.51	0.35	0.05	13.64 (2)	11.44
2005	5.02	-	5.02	0.85	7.16 (3)	0.51	0.35	0.05	13.94 (2)	11.44
2006	5.62	-	5.62	0.83	6.67 (3)	0.51	0.35	0.05	14.03 (2)	11.64
2007	5.62	-	5.62	0.81	6.48 (3)	0.51	0.35	0.05	13.82 (2)	11.64
2008	5.62	0.51	6.13	0.80	6.41 (3)	0.51	0.35	0.05	14.25 (2)	11.64
2009	5.62	0.50	6.12	0.79	6.21 (3)	0.51	0.35	0.05	14.03 (2)	11.65
2010	5.92	0.40	6.32	0.77	6.43 (3)	0.51	0.35	0.05	14.43 (2)	11.94
2011	5.92	0.41	6.33	0.76	5.92 (3)	0.51	0.35	0.05	13.92 (2)	11.94
2012	5.92	0.40	6.33	0.75	5.90 (3)	0.51	0.35	0.05	13.89 (2)	11.95

(1) Excludes Urban Renewal Agencies

(2) Rate limited due to effect of Measure 5

(3) Ballot Measure 50 approved by voters on May, 1997, recalculated taxing districts' levies into permanent tax rates.

Districts may levy local option levies or bond repayment levies in addition to the permanent rates with voter approval.

(4) While Josephine County assesses personal property tax, the City's property tax base is entirely real property and does not include persc

Source: Josephine County

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SPECIAL ASSESSMENT COLLECTIONS

---

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Assessments Outstanding Beginning of Year	Additional Assessments Made During Year	Assessments Collected During Year	Adjustments During Year	Assessments Outstanding End of Year	Ratio Collections to Outstanding Assessments During Year
2003	913,870	863,628	532,230	2,760	1,248,028	49.2%
2004	1,248,028	101,418	517,741	(82,271)	749,434	51.8%
2005*	749,434	566,527	457,152	12,609	871,418	52.5%
2006	871,418	1,563,448	561,900	-	1,872,966	30.0%
2007*	1,872,966	11,692	963,791	-	920,867	104.7%
2008	920,867	1,260,672	162,020	(2,895)	2,016,624	8.0%
2009	2,016,624	43,362	818,310	(11,500)	1,230,176	66.5%
2010	1,230,176	-	374,550	-	855,626	43.8%
2011	855,626	119,805	218,468	-	756,963	28.9%
2012	756,963	-	66,178	-	690,785	9.6%

Source: Internal accounting reports of the City of Grants Pass

\* Correction made to ending balance in 2005 and 2007. Additions by ordinance not included in Additional Assessments total.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

RATIO OF OUTSTANDING DEBT BY TYPE

For the last ten fiscal years  
(Unaudited)

Fiscal year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Urban Renewal Bonds	Notes Payable	General Obligation Bonds	Solid Waste Agency Loan	Water Bonds	2009 Refunding Bonds	SRF Loans			
2003	2,425,000	-	-	-	3,345,000	-	5,769,771	11,539,771	2.07%	482
2004	2,070,000	225,000	-	1,500,000	3,080,000	-	5,523,312	12,398,312	2.10%	491
2005	1,695,000	202,500	-	1,419,991	2,800,000	-	12,142,747	18,260,238	2.81%	710
2006	1,300,000	180,000	-	1,154,991	2,505,000	-	10,923,053	16,063,044	1.95%	519
2007	885,000	157,500	9,820,000	864,991	2,200,000	-	10,428,215	24,355,706	2.76%	774
2008	455,000	135,000	9,190,000	601,705	1,880,000	-	9,796,518	22,058,223	2.33%	679
2009	-	112,500	8,490,000	359,737	1,540,000	-	9,201,369	19,703,606	1.97%	611
2010	-	90,000	7,930,000	-	-	8,120,000	-	16,140,000	1.62%	486
2011	-	67,500	6,895,000	-	-	7,040,000	-	14,002,500	1.35%	421
2012	-	45,000	6,210,000	-	-	5,945,000	-	12,200,000	1.15%	353

Source: Internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND  
NET BONDED DEBT PER CAPITA**

For the last ten fiscal years (Unaudited)										
Fiscal Year Ended June 30,	Population	Assessed Value (In \$1,000)	Gross Bonded Debt (1)	Less Debt Payable from Enterprise Revenue (2)	Less Debt Payable from Nonenterprise Revenue (3)	Gross		Net Bonded Debt	Ratio of Net Bonded Debt per Dollar Assessed Value	
						Bonded Debt Payable from General Revenue	Less Debt Service Monies Available		Net Bonded Debt Value	Net Bonded Debt Per Capita
2003	23,870	1,349,274	5,770,000	3,345,000	2,425,000	-	-	-	0.00%	-
2004	24,470	1,446,214	5,150,000	3,080,000	2,070,000	-	-	-	0.00%	-
2005	25,423	1,579,312	4,495,000	2,800,000	1,695,000	-	-	-	0.00%	-
2006	30,930	1,728,922	3,805,000	2,505,000	1,300,000	-	-	-	0.00%	-
2007	31,740	2,065,308	3,085,000	2,200,000	885,000	9,820,000	-	9,820,000	0.47%	\$309
2008	32,290	2,207,029	2,335,000	1,880,000	455,000	9,190,000	-	9,190,000	0.42%	\$285
2009	33,225	2,318,500	1,540,000	1,540,000	-	8,490,000	60,113	8,429,887	0.36%	\$254
2010	33,225	2,409,615	8,120,000	8,120,000	-	7,930,000	68,937	7,861,063	0.33%	\$237
2011	34,533	2,476,837	7,040,000	7,040,000	-	6,895,000	92,265	6,802,735	0.27%	\$197
2012	34,660	2,560,620	5,945,000	5,945,000	-	6,210,000	106,004	6,103,996	0.24%	\$176

(1) Excludes General Obligation improvement bonds

(2) These amounts are being repaid by Enterprise revenue

(3) These amounts are being repaid by tax increment revenue

Source: Internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**LEGAL DEBT MARGIN INFORMATION**

For the last ten fiscal years  
(Unaudited)

**Legal Debt Margin Calculation for Fiscal Year 2012**

Total Real Market Value as of June 30, 2012					\$ 2,741,990,442
Less Non-Profit Housing				(1,947,980)	
				\$ 2,740,042,462	
Debt limit, 3% of total assessed value - ORS 287.004					\$ 82,201,274
Amount of debt applicable to debt limit					
Total bonded debt, including special assessment bonds and public safety general obligation bonds		\$ 12,155,000			
Less other deductions allowed by law					
Special assessment and revenue bonds	5,945,000				
Total deductions		5,945,000			
Total amount of debt applicable to debt limit			6,210,000		
Legal debt margin				\$ 75,991,274	

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	40,521,044	43,386,434	47,379,356	90,246,736	110,642,556	114,449,016	114,449,016	97,696,996	97,703,644	82,201,274
Total net debt applicable to limit	2,425,000	2,070,000	1,695,000	1,300,000	10,705,000	9,645,000	8,490,000	7,930,000	6,895,000	6,210,000
Legal debt margin	38,096,044	41,316,434	45,684,356	88,946,736	99,937,556	104,804,016	105,959,016	89,766,996	90,808,644	75,991,274
Total net debt applicable to the limit as a percentage of debt limit	5.98%	4.77%	3.58%	1.44%	9.68%	8.43%	7.42%	8.12%	7.06%	7.55%

\*Total Real Market Value as defined in ORS 308.207

Sources: Josephine County and annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

As of June 30, 2012

<u>Jurisdiction</u>	<u>Gross Property-Tax Backed Debt</u>	<u>Percentage Applicable to City of Grants Pass</u>	<u>Amount Applicable to City of Grants Pass</u>
Overlapping:			
Counties:			
Josephine	15,770,898	37.48%	5,910,933
School Districts:			
Grants Pass School District No. 7	3,830,000	81.79%	3,132,557
Three Rivers School District	42,300,000	5.27%	2,229,210
Community Colleges:			
Rogue Community College	19,410,000	9.99%	<u>1,939,059</u>
		<i>Sub-total Overlapping Debt</i>	13,211,759
Direct:			
City of Grants Pass Bonded Debt			6,210,000
City of Grants Pass Notes Payable			<u>45,000</u>
Total			<u><u>\$ 19,466,759</u></u>

Source: State of Oregon - Office of the Treasurer Debt Management Information System

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

RATIO OF ANNUAL GENERAL OBLIGATION BONDED DEBT SERVICE  
EXPENDITURES TO GENERAL EXPENDITURES

---

For the last ten fiscal years  
(Unaudited)

Year of Maturity	Principal	Interest	Total Debt Service	Total General Expenditures	Debt Service as a Percentage of General Expenditures
2003	-	-	-	19,892,574	N/A
2004	-	-	-	21,285,276	N/A
2005	-	-	-	24,541,370	N/A
2006	-	-	-	28,313,858	N/A
2007	-	-	-	22,647,389	N/A
2008	630,000	390,445	1,020,445	34,149,259	2.99%
2009	700,000	387,000	1,087,000	29,918,325	3.63%
2010	560,000	359,000	919,000	28,731,148	3.20%
2011	1,035,000	367,952	1,402,952	25,619,289	5.48%
2012	685,000	295,200	980,200	28,584,579	3.43%

Source: Annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUE BOND COVERAGE**  
**WATER BONDS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Gross Revenue (1)	Direct Operation Expenditures (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2003 (3)	3,730,443	1,809,437	1,921,006	255,000	157,200	412,200	4.66
2004 (3)	4,219,848	2,891,158	1,328,690	265,000	147,473	412,473	3.22
2005 (3)	4,385,147	3,376,904	1,008,243	280,000	134,895	414,895	2.43
2006 (3)	5,070,651	3,669,862	1,400,789	295,000	123,058	418,058	3.35
2007 (3)	5,412,155	3,777,173	1,634,982	305,000	111,430	416,430	3.93
2008 (3)	4,948,172	3,080,175	1,867,997	320,000	96,989	416,989	4.48
2009 (3)	4,760,706	4,160,585	600,121	340,000	82,836	422,836	1.42
2010 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2011 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2012 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Includes total operating revenue, interest income and taxes on a budgetary basis

(2) Includes total operating expenses, except for depreciation

(3) Includes revenues and expenses from Water Fund only

(4) In December 2009 the pledged revenue water bonds were refunded with a full faith and credit offering.

Source: Annual financial statements of the City of Grants Pass

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF BONDS AND BOND INTEREST TRANSACTIONS

For the year ended June 30, 2012

	Bond Transactions					Outstanding June 30, 2012
	Outstanding June 30, 2011	Issued	Called	Matured	Paid	
General Obligation Bonds						
2009 Full Faith & Credit Refunding	\$ 7,040,000	\$ -	\$ -	\$ 1,095,000	\$ 1,095,000	\$ 5,945,000
Amount Issued	\$ 8,815,000					
Interest Rates	2.0-4.0%					
Date of Issue	12/22/09					
Supported Bonds						
2007 Public Safety	6,895,000	-	-	685,000	685,000	6,210,000
Amount Issued	\$ 9,820,000					
Interest Rates	4%					
Date of Issue	06/20/07					
<b>Total Bonds</b>	<b>\$ 13,935,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,780,000</b>	<b>\$ 1,780,000</b>	<b>\$ 12,155,000</b>

	Interest Coupons			Outstanding June 30, 2012
	Outstanding June 30, 2011	Matured	Paid	
General Obligation Bonds				
Supported Bonds				
1992 A Water Refunding	\$ 4,616	\$ -	\$ -	\$ 4,616
Interest Rates	3.10-5.85%			
Date of Issue	4/01/92			
2007 Public Safety	-	295,200	295,200	-
Interest Rates	4%			
Date of Issue	6/20/07			
2009 Public Works Debt Refunding	-	242,913	242,913	-
Interest Rates	2.0-4.0%			
Date of Issue	12/22/09			
Bancroft Improvement Bonds				
Series of 1982	731	-	-	731
Interest Rates	9.75-15.00%			
Date of Issue	06/01/82			
Series of 1990	3,617	-	-	3,617
Interest Rates	7.00-15.00%			
Date of Issue	11/01/90			
<b>Total Bonds</b>	<b>\$ 8,964</b>	<b>\$ 538,113</b>	<b>\$ 538,113</b>	<b>\$ 8,964</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF FUTURE DEBT SERVICE**

For the Year Ended June 30, 2012

Year of Maturity	Governmental Activities				Proprietary Activities				Interagency	
	General Obligation Bond		Private Loan		General Obligation Bond		2009 Refunding		Internal	
	Public Safety Facilities		General Fund		Wastewater Fund		Redwood Sanitary Sewer		Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012-2013	\$ 740,000	\$ 267,800	\$ 22,500	\$ 2,121	\$ 330,000	\$ 162,813	\$ 395,000	\$ 55,700	\$ 250,000	\$ 7,500
2013-2014	800,000	238,200	22,500	1,109	340,000	152,913	405,000	43,850		
2014-2015	865,000	206,200			355,000	139,313	420,000	27,650		
2015-2016	930,000	171,600			360,000	128,663	430,000	15,050		
2016-2017	1,010,000	125,100			375,000	116,063				
2017-2018	1,095,000	74,600			385,000	101,063				
2018-2019	770,000	30,800			400,000	85,663				
2019-2020					415,000	69,663				
2020-2021					430,000	53,400				
2021-2022					445,000	36,200				
2022-2023					460,000	18,400				
2023-2024										
2024-2025										
2025-2026										
2026-2027										
2027-2028										
2028-2030										
	<u>\$ 6,210,000</u>	<u>\$ 1,114,300</u>	<u>\$ 45,000</u>	<u>\$ 3,230</u>	<u>\$ 4,295,000</u>	<u>\$ 1,064,154</u>	<u>\$ 1,650,000</u>	<u>\$ 142,250</u>	<u>\$ 250,000</u>	<u>\$ 7,500</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

PROPERTY VALUES, CONSTRUCTION VALUES AND BANK DEPOSITS

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (in \$1,000) (2)	Property Value (3)		
	Number of Units	Value	Number of Units	Value		Commercial	Residential	Nontaxable
2003	45	18,098,182	274	49,745,662	901,476	(4)	(4)	(4)
2004	31	4,991,043	463	77,950,022	959,242	(4)	(4)	(4)
2005	32	33,579,289	470	79,408,188	1,038,152	(4)	(4)	(4)
2006	17	19,666,915	508	80,933,576	1,030,196	(4)	(4)	(4)
2007	32	18,799,032	278	40,407,617	1,179,020	(4)	(4)	(4)
2008	17	9,751,549	185	27,184,422	1,120,845	(4)	(4)	(4)
2009	11	2,181,625	77	13,038,727	1,196,459	(4)	(4)	(4)
2010*	11	3,987,404	53	9,512,778	1,210,261	(4)	(4)	(4)
2011	10	14,161,168	39	4,678,107	1,165,441	(4)	(4)	(4)
2012	9	10,559,340	28	4,437,141	1,126,689	(4)	(4)	(4)

\*FY'10 Construction totals restated correctly using FY'11 report

- Source: (1) City Building Division  
(2) FDIC, Credit Union not included  
(3) City's value, per Josephine County  
(4) Information not currently available

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

DEMOGRAPHIC STATISTICS

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Population (1)	Personal Income* <i>(thousands of dollars)</i>	Per Capita Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (2)
2003	24,470	557,793,650	22,795	N/A	5,535	8.7%
2004	24,790	590,944,020	23,838	39.7	5,596	7.3%
2005	26,085	650,220,795	24,927	39.4	5,707	7.2%
2006	30,930	824,841,240	26,668	38.2	5,779	6.9%
2007	31,740	881,419,800	27,770	43.5	5,655	6.7%
2008	32,260	944,798,620	29,287	44.6	5,647	7.3%
2009	33,225	999,009,300	30,068	44.6	5,486	14.7%
2010	33,225	999,009,300	30,068	44.6	5,801	14.3%
2011	34,533	1,034,988,543	29,971	47.3	5,825	12.8%
2012	34,660	1,057,580,580	30,513	47.3	5,838	11.7%

N/A = Information not available

- Sources:
- (1) Portland State University Center of Population and Research, and the U.S. Census Bureau
  - (2) City of Grants Pass Economic Development Department & Bureau of Economic Analysis (BEA.gov)
  - (3) Grants Pass School District No. 7

\*\*Per Capita Income x Population

*Annual gathering of statistics is not done by the U.S. Census Bureau, the Bureau of Economic Analysis, or the Oregon Employment Department. Therefore, Per Capita Income and Unemployment are reported at the Josephine County level. We believe this is a statistically valid estimate.*

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**INSURANCE AND SURETY BONDS IN FORCE**

June 30, 2012  
(Unaudited)

<u>Company</u>	<u>Policy Number</u>	<u>Amount</u>	<u>Coverage</u>	<u>Policy Term</u>	<u>Premium</u>
City - County Insurance Services	10LGSP	\$ 2,000,000	Comprehensive general liability	7/01/2011 - 6/30/2012	\$ 181,006
City - County Insurance Services	10APDGSP	Various	Auto physical damage	7/01/2011 - 6/30/2012	19,973
City - County Insurance Services	10PGSP	5,000,000	Property insurance (includes	7/01/2011 - 6/30/2012	93,670
Western Surety	24781224	50,000	Public Official Bond Finance Director	6/22/2011 - 6/22/2012	175
Western Surety	24779104	50,000	Public Official Bond City Manager	6/17/2011 - 6/17/2012	175
Life Insurance Company of North America	SPS900303	30,000	Volunteer accident	7/01/2011 - 6/30/2012	568
Safety National Casualty	AGC4041961	1,000,000	Excess workers' compensation	7/01/2011 - 6/30/2012	40,149
Chartis Specialty Insurance Company	PLS1957953	10,000,000	Pollution Legal Liability	12/31/2011 - 12/31/2021	177,271
Chartis Specialty Insurance Company	EPP1957147	13,000,000	Solid waste-closure/post-	7/01/2001 - 7/01/2031	6,756,809
City - County Insurance Services	10LGSP	1,500,000	Auto Liability Coverage	7/01/2011 - 6/30/2012	23,408
Nat'l. Union Fire Ins. Co.	11ECGSP	200,000	Excess Crime	7/01/2011 - 6/30/2012	1,088
RSUI Indemnity	11EQGSP	5,000,000	Excess Earthquake	7/01/2011 - 6/30/2012	2,250

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**JOSEPHINE COUNTY PRINCIPAL EMPLOYERS**

Current Year and Ten Years Ago  
(Unaudited)

Employer	Type of Business	2012			2003		
		Approximate Employment	Rank	Percentage of Total County Employment	Approximate Employment	Rank	Percentage of Total County Employment
Three Rivers Community Hospital	* Health Care	700	1	2.27%	750	1	3.39%
Grants Pass School District No. 7	* Education	675	2	2.18%	650	5	2.94%
Three Rivers School District	Education	532	3	1.72%	670	4	3.03%
Wal-Mart	* Department Store	500	4	1.62%	330	7	1.49%
Fire Mountain Gems	* Catalog Sales	480	5	1.55%	225	9	1.02%
Diversified Collection Services	* Collections agency	358	6	1.16%	--		--
Rogue Community College	Education	351	7	1.14%	715	2	3.23%
Master Brand Cabinets	* Wood products manufacturing	350	8	1.13%	510	6	2.31%
Josephine County	* Government	295	9	0.95%	700	3	3.16%
City of Grants Pass	* Government	211	10	0.68%	--		--
Rogue Valley Door	* Wood products manufacturing			--	255	8	1.15%
Highland House Nursing Center	* Health Care			--	210	10	0.95%
Royale Gardens	* Health Care			--	210	10	0.95%
Total employees		4,452		14.41%	5,225		23.62%
	Total Employment	30,894			22,120		

\* Indicates businesses within the Grants Pass city limits.

*Note: The employment numbers are very fluid and therefore are approximate numbers based on the data available at time of request.*

Source: City of Grants Pass Economic Development Department

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**TEN LARGEST TAXPAYERS  
WITHIN CITY LIMITS**

Current Year and Ten Years Ago  
(Unaudited)

Name	Type of Business	2012			2003		
		City Assessed Value	Rank	Percentage of Total City Assessed Value	City Assessed Value	Rank	Percentage of Total City Assessed Value
Masterbrand Cabinets	Industrial	\$ 19,265,420	1	0.75%	\$ 5,760,190	10	0.43%
Charter	Utility	17,935,000	2	0.70%			
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	Commercial	17,357,120	3	0.68%	-		-
Pacificcorp (PP&L)	Utility	14,328,000	4	0.56%	7,038,700	7	0.52%
Grants Pass FMS LLC	Commercial	13,781,210	5	0.54%	-		-
Home Depot USA Inc	Commercial	11,114,070	6	0.43%			
Lynn-Ann Development LLC	Developer	11,432,607	7	0.45%	-		-
Avista Corp.	Utility	11,181,000	8	0.44%			
Johnson Trust, Carl D	Commercial	10,809,860	9	0.42%	7,186,030	5	0.53%
Congress Street Exchange Fund	Commercial	9,805,780	10	0.38%	-		-
QWEST Corporation	Utility				21,789,540	1	1.61%
Grant Kent Partners LP	Commercial				11,281,710	2	0.84%
Zak Realty	Commercial				10,581,537	3	0.78%
Jensen, Robert A & Shirley Y	Commercial				7,415,458	4	0.55%
Wal-Mart Stores Inc.	Commercial				7,120,444	6	0.53%
Hillebrand Children Riverwood Apts	Rental				6,328,184	8	0.47%
Marquis Suites	Sr Housing				5,941,473	9	0.44%
Total of top-ten taxpayers		<u>137,010,067</u>		<u>5.35%</u>	<u>84,683,076</u>		<u>6.27%</u>
Other Taxpayers		<u>2,423,610,095</u>		<u>94.65%</u>	<u>1,266,018,385</u>		<u>93.73%</u>
Source: Josephine County Assessor		<u>\$ 2,560,620,162</u>		<u>100.00%</u>	<u>\$ 1,350,701,461</u>		<u>100.00%</u>

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

OPERATING INDICATORS BY FUNCTION

		For the last nine fiscal years* (Unaudited)								
		2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Traffic stops	(1)		5,519	6,318	6,755	7,580	8,229	10,712	9,225	9,488
Warnings issued	(1)		3,870	4,232	4,340	5,278	7,699	7,813	6,671	7,627
Citations issued	(1)	5,469	5,180	4,416	4,119	4,082	1,915	2,425	2,146	2,825
Calls for service - Police Reactive**	(1)	28,209	25,562	27,703	29,950	29,316	27,429	39,647	50,634	50,058
Calls for service - Police Proactive**	(1)		15,424	13,232	15,104	15,424	14,658	17,341	19,719	19,391
Calls for service - Fire	(1)	3,426	3,190	3,126	3,591	3,698	3,659	3,742	3,949	4,001
Businesses inspected	(1)	557	249**	839	1295	1342	1470	1451	1,440	945
Business self-inspections	(1)	503	454**	614	607	67	48	57	69	78
Citizen Public Safety Academy attendance	(1)	52	50	40	29	28	26	25	21	25
Student Public Safety Academy attendance	(1)				30	27	25	27	8	17
Transportation										
Street overlays (square yards)	(4)	52,648	41289**	0***	30,369	21,700	27,283	26,628	28,931	71,416
Street overlays (tons of asphalt)	(4)	8,773	7506**	0***	7,228	2,411	n/a	13,588	4,881	7,935
Chip Seal	(4)	n/a	n/a	n/a	n/a	2,178	1,573	1,680	1,520	1,050
Signage additions	(4)	141	279**	177	121	91	131	59	51	84
Signage replacements	(4)	135	189**	352	265	185	505	364	75	553
Miles of restriping	(4)	13.14	7.34**	12.3	20	25	26.5	25	27	19

Sources:

(1) City Public Safety Department  
(4) City Public Works Department

(3) City Administrative Services Department  
(5) City Parks and Community Services Department

(2) City Community Development Department

Notes:

\*\* 2005 forward Calls for Service restated in FY09 per Public Safety audit of calls.

The Business Inspection numbers are from January 1 through August 31, 2005. In the Transportation section, the numbers are calculated from January 1 through October 11, 2005.

\*\*\*In FY'06 it was decided to postpone overlays until the next year to have additional funding for a major project on Washington Blvd.in FY'07.

*NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only nine years are reported.*

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**OPERATING INDICATORS BY FUNCTION (CONTINUED)**

		For the last nine fiscal years*								
		(Unaudited)								
		2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Building</b>										
Total Permits issued	(2)	5,154	5,606	5,334	3,804	2,857	1,225	1,130	1,403	1,316
New single family permits	(2)	325	361	362	234	166	75	58	25	26
New multi-family permits	(2)	59	44	54	20	6	1	1	7	1
New commercial permits	(2)	17	31	17	32	17	11	13	10	9
Total Inspections	(2)	14,024	15,507	17,043	12,366	10,609	6,409	3,988	4,207	3,447
<b>Parks</b>										
Swimming pool attendance	(5)	9,601	16,464	11,555	18,083	19,748	18,409	22,583	20,229	22,286
Rental of facilities	(5)	200	199	207	232	214	239	239	356	109
Number of games scheduled	(5)	1,387	1,458	1,727	1,575	1,563	1,916	1,752	1,489	697
<b>Development</b>										
Total land use applications	(2)	289	325	347	221	163	121	104	79	69
Subdivision final plats	(2)	20	29	20	22	7	6	5	2	1
Commercial site plan review	(2)	53	51	56	49	30	22	30	12	23
<b>Water</b>										
New connections	(3)	482	561	581	308	175	167	79	57	42
Number of consumers	(3)	9,158	9,521	10,038	10,413	10,545	10,533	10,614	10,659	10,606
Total water produced (1000s of gallons)	(4)	1,779,523	1,766,136	1,800,673	2,114,600	2,017,090	1,971,250	1,910,534	1,868,036	1,907,000
Total water billed (1000s of gallons)	(4)	n/a	n/a	n/a	n/a	n/a	1,780,787	1,559,451	1,808,217	1,745,282
Average daily production (gallons)	(4)	5,166,992	4,959,750	5,007,417	5,809,341	5,565,092	5,384,083	5,263,200	5,132,000	5,224,600
<b>Wastewater</b>										
Wastewater treated (1000s of gallons)	(4)	2,029,600	2,114,400	2,569,300	2,252,000	2,122,830	1,898,600	2,103,800	2,419,700	2,118,600
Sludge to co-compost (yards)	(4)	6,800	5,617	6,725	7,631	7,267	7,770	6,498	7,112	6,722
Greenwaste received (cubic yards)	(4)	37,495	43,961	37,081	37,764	38,807	37,869	36,032	35,743	38,902
Woodwaste received (cubic yards)	(4)	43,103	50,871	61,916	58,028	48,453	34,769	30,920	28,211	23,919
JO-GRO™ sales (cubic yards)	(4)	7,471	5,248	5,754	5,748	6,530	9,733	7,094	6,472	5,642

Sources:

(1) City Public Safety Department

(3) City Administrative Services Department

(2) City Community Development Department

(4) City Public Works Department

(5) City Parks and Community Services Department

*NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only nine years are reported.*

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CAPITAL ASSETS STATISTICS BY FUNCTION**

	For the last nine years. (Unaudited)									
		2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public Safety</b>										
Police stations	(1)	1	1	1	1	1	3	4	4	4
Sub-stations	(1)	1	1	1	1	1	0	0	0	0
Marked Patrol Units	(1)	9	9	10	11	11	11	11	11	11
Un-marked Patrol Units	(1)	n/a	n/a	n/a	11	11	11	11	11	11
K-9 units	(1)	2	2	2	2	2	2	2	2	2
Motorcycles	(1)	2	2	2	3	3	3	3	3	3
Specialty Vehicles	(1)	n/a	n/a	n/a	7	7	7	7	7	7
T3	(1)	n/a	n/a	n/a	1	1	2	2	2	2
Equipment Trailers	(1)	n/a	n/a	n/a	5	5	5	5	5	5
Fire stations	(1)	2	2	2	2	2	3	3	3	3
Pumpers	(1)	3	3	3	3	3	6	6	6	6
Ladder Trucks	(1)	1	1	1	1	1	1	1	1	1
Wildland Engine	(1)	1	1	1	1	1	1	1	1	1
<b>Transportation</b>										
Streets (miles)	(4)	102	105	106	131	145	162	166	167	167
Streetlights	(4)	1,452	1,460	1,517	1,537	1,550	1,788	1,790	1,795	1,796
City Owned	(4)	n/a	118	125	125	133	183	183	183	183
PP&L Owned	(4)	n/a	1,342	1,392	1,412	1,417	1,605	1,607	1,607	1,613
Traffic signals	(4)	6	7	7	8	9	9	9	9	12
<b>Parks</b>										
Number of parks-developed	(5)	13	14	15	15	21	17	24	24	24
Number of parks-undeveloped	(5)	n/a	n/a	n/a	n/a	n/a	15	8	8	8
Acreage of parks-developed	(5)	128	134	134	134	445	151.92	194.76	194.76	194.76
Acreage of parks-undeveloped	(5)	n/a	n/a	n/a	n/a	n/a	355.36	312.52	312.52	312.52
Swimming pools	(5)	1	1	1	1	1	1	1	1	1
Playgrounds	(5)	7	7	8	9	11	11	11	13	13
Baseball/softball fields	(5)	10	12	12	12	12	12	12	12	12
Soccer fields	(5)	4	4	5	6	5	5	5	5	5
Tennis courts	(5)	12	14	14	14	14	15	14	14	14
<b>Water</b>										
Water mains (miles)	(4)	153	172	175	180	184	186	187	187	187
Fire hydrants	(4)	1,295	1,359	1,472	1,489	1,569	1,602	1,608	1,620	1,623
Storage capacity (millions of gallons)	(4)	19.2	19.2	19	19	19	19	19	19	19
Reservoirs	(4)	8	8	8	8	8	8	8	8	8
<b>Wastewater</b>										
Sanitary sewers (miles)	(4)	153	166	167	168	170	170	170	170	170
Storm drains (miles)	(4)	36	101	103	104	105	105	105	105	105
Lift stations	(4)	2	2	2	2	2	2	2	2	2
Pumping Station (includes RSSSD)	(4)	3	3	3	3	3	3	3	3	3
Treatment capacity (millions of gallons)	(4)	4	4	4	6.4*	6.4*	6.4*	6.4*	6.4*	6.4*

\*The City Wastewater Plant's hydraulic capacity permit is for 4.0 MGD. Parametrix, consultant for the Wastewater Treatment Plant, conducted

Sources:

- (1) City Public Safety Department
- (2) City Community Development Department
- (3) City Administrative Services Department
- (4) City Public Works Department
- (5) City Parks and Community Services Department

NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only nine years are reported.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

WORKERS COMPENSATION FUND BALANCE & RESERVES

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Fund Balance	Loss Reserve	Total Fund Balance & Loss Reserve
2003	800,710	117,200	917,910
2004	622,507	120,959	743,466
2005	698,544	33,246	731,790
2006	596,412	56,713	653,125
2007	632,567	116,841	749,408
2008	775,676	79,755	855,431
2009	848,040	75,823	923,863
2010	987,599	39,480	1,027,079
2011	973,130	26,886	1,000,016
2012	905,850	95,020	1,000,870

Source: Internal accounting reports of the City of Grants Pass

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

MISCELLANEOUS STATISTICS

June 30, 2012  
(Unaudited)

Date of Incorporation - 1887

Form of government - Council/Manager

		2004	2005	2006	2007	2008	2009	2010	2011	2012
Area (in Acres)	(2)	5,856	6,166	7,026	7,026	7,026	7,026	7,026	7,026	7,026
Number of police and officers	(1)	40	41	43	44	44	41	46	46	46
Number of firefighters and officers	(1)	17	17	17	17	19	27	27	27	27
Employees (Permanent)										
Classified service	(3)	168	165	169	187.5	217	194	180	180	181
Exempt	(3)	9	9	9	9	10	10	27*	31	30

Sources:

(1) City Public Safety Department

(2) City Community Development Department

(3) City Administrative Services Department

\* In 2010 a compensation study was completed that resulted in the reclassification of multiple supervisors to exempt status.

NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only nine years are reported.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STAFF ALLOCATION BY ACTIVITY\***

As of June 30th (Unaudited)										
Department/Activity	2003	2004	2005	2006	2007	2008	2009*	2010	2011	2012
<b>Administration</b>										
Management	4.90	5.90	5.90	5.90	5.90	6.90	6.70	5.75	5.61	5.55
Information Technology	2.00	2.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Finance	13.00	13.00	14.00	15.00	15.00	16.00	15.00	13.00	13.00	13.50
Legal	0.80	0.80	0.80	0.80	0.75	0.75	1.34	1.34	0.05	0.05
Risk Insurance	0.30	0.30	0.30	0.30	0.30	0.30	0.41	0.41	0.32	0.55
Human Resources	-	-	-	-	-	2.00	2.50	2.50	2.38	2.86
Economic Development	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
Tourism Development	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Downtown	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>24.50</b>	<b>25.50</b>	<b>27.50</b>	<b>25.00</b>	<b>21.95</b>	<b>26.95</b>	<b>26.95</b>	<b>24.00</b>	<b>22.36</b>	<b>23.51</b>
<b>Community Development</b>										
Management	6.00	6.00	7.00	7.00	7.00	8.00	4.80	5.00	9.00	9.00
Engineering	8.00	8.00	8.00	9.20	9.00	10.00	8.50	6.50	4.50	4.50
Planning	6.00	7.00	7.00	9.00	8.00	11.00	5.00	4.00	3.00	3.00
Building & Safety	5.00	7.00	7.00	6.00	6.00	7.00	2.00	2.00	2.00	2.00
	<b>25.00</b>	<b>28.00</b>	<b>29.00</b>	<b>31.20</b>	<b>30.00</b>	<b>36.00</b>	<b>20.30</b>	<b>17.50</b>	<b>18.50</b>	<b>18.50</b>
<b>Parks and Community Services</b>										
Information Services	-	-	0.00	3.55	2.65	4.45	3.95	3.95	4.88	4.73
Park Maintenance	6.30	6.30	6.40	6.40	6.45	8.00	6.65	6.85	6.64	6.24
Property Management	1.20	1.20	1.00	1.05	0.90	1.25	1.30	1.30	2.06	1.86
Aquatics	0.25	0.25	0.30	0.35	0.30	0.30	0.30	0.10	0.40	0.40
Street Maintenance	7.45	6.45	7.50	6.60	0.00	0.00	0.00	0.00	0.00	0.00
Recreation	0.05	0.05	0.05	0.05	0.05	0.15	0.15	0.15	0.15	0.15
Garage Operations	0.40	0.40	0.35	0.55	0.40	3.30	3.05	3.05	2.13	2.84
Equipment Repair	0.35	0.35	0.40	0.45	0.55	0.60	0.70	0.70	0.47	0.61
Tourism Development	-	-	0.00	0.00	2.00	1.85	1.85	1.85	1.85	1.80
Downtown	-	-	0.00	0.00	1.00	1.45	1.45	1.45	1.55	1.50
	<b>16.00</b>	<b>15.00</b>	<b>16.00</b>	<b>19.00</b>	<b>14.30</b>	<b>21.35</b>	<b>19.40</b>	<b>19.40</b>	<b>20.13</b>	<b>20.13</b>
<b>Public Works</b>										
Water Treatment	5.40	5.40	5.40	5.17	4.39	5.94	6.46	6.46	6.46	6.46
Water Distribution	8.00	8.00	8.00	8.44	8.98	8.93	8.30	8.30	8.80	8.80
Wastewater Collection	4.00	4.00	4.00	4.44	5.98	5.94	5.16	5.16	5.66	5.66
Wastewater Treatment	8.25	8.25	8.75	8.84	8.73	8.88	7.41	9.91	9.41	7.71
JO-GRO™	3.35	3.35	3.85	3.91	3.91	4.05	4.11	2.61	3.11	3.81
Capital Projects	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Solid Waste	-	-	0.00	0.00	0.01	0.00	0.10	0.10	0.10	0.10
Storm Water	-	-	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00
Street Maintenance	-	-	0.00	0.00	6.70	6.76	7.56	7.56	7.56	6.56
	<b>30.00</b>	<b>30.00</b>	<b>31.00</b>	<b>31.80</b>	<b>39.70</b>	<b>41.65</b>	<b>40.10</b>	<b>41.10</b>	<b>42.10</b>	<b>40.10</b>
<b>Public Safety</b>										
Field Operations	54.50	52.50	54.50	59.00	60.00	68.00	67.75	73.50	76.50	77.75
Support Operations	27.00	26.00	26.00	28.00	26.00	31.00	25.60	29.10	29.00	27.00
Code Enforcement	-	-	-	1.00	3.05	2.05	1.00	0.00	0.00	0.00
	<b>81.50</b>	<b>78.50</b>	<b>80.50</b>	<b>88.00</b>	<b>89.05</b>	<b>101.05</b>	<b>94.35</b>	<b>102.60</b>	<b>105.50</b>	<b>104.75</b>
<b>Total</b>	<b>177.00</b>	<b>177.00</b>	<b>184.00</b>	<b>195.00</b>	<b>195.00</b>	<b>227.00</b>	<b>201.10</b>	<b>204.60</b>	<b>208.59</b>	<b>206.99</b>

\* Actual full-time positions reported through 2008. As of 2009 reporting FTE for all permanent positions.

This information is provided by the City's Human Resources Department.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**WATER UTILITY  
TEN LARGEST REVENUE SOURCES**

Customer (classification)	Current Year and Ten Years Ago (Unaudited)				2003			
	2012				2003			
	Annual Consumption Units (100 hcf)	Annual Revenue*	Rank	Percent of Total Revenue	Annual Consumption Units (100 hcf)	Annual Revenue*	Rank	Percent of Total Revenue
City of Grants Pass (public)	151,311	\$ 144,297	1	3.49%	67,471	\$ 95,239	1	2.93%
School District 7 (public)	77,896	66,571	2	1.61%	54,955	69,797	2	2.15%
Josephine County (public)	30,357	48,541	3	1.18%	34,178	59,434	3	1.83%
Spring Pointe/Spring Village (retirement)	41,308	47,025	4	1.14%	12,949	20,819	10	0.64%
Three Rivers Hospital (commercial)	44,200	39,963	5	0.97%	27,433	37,096	4	1.14%
Timber Products (commercial)	18,126	22,391	6	0.54%	27,133	25,422	7	0.78%
Holiday Builders (commercial)	11,404	14,624	7	0.35%				
Allen Ranch PUD (commercial)	12,005	13,955	8	0.34%				
Evergreen Federal (commercial)	8,638	12,598	9	0.31%				
Grants Pass Shopping Center (commercial)	6,084	12,532	10	0.30%				
Riverwood Apts. (multi-family)					19,869	30,052	5	0.93%
State of Oregon (Public)					20,018	28,352	6	0.87%
Grants Pass Shopping Center (commercial)					15,540	24,948	8	0.77%
Grants Pass Hardwoods (commercial)					27,618	22,185	9	0.68%
Sub-total	<u>401,329</u>	<u>422,497</u>		<u>10.23%</u>	<u>307,164</u>	<u>413,344</u>		<u>12.74%</u>
All other sources		<u>3,706,389</u>		<u>89.77%</u>		<u>2,831,815</u>		<u>87.26%</u>
Total Water Revenues		<u>\$ 4,128,886</u>		<u>100.00%</u>		<u>\$ 3,245,159</u>		<u>100.00%</u>

hcf = hundred cubic feet

\* While consumption may be similar, revenue can vary due to class and size of service.

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**UTILITY STATISTICS**

**WATER USAGE CUSTOMER ANALYSIS**

For the last ten fiscal years  
(Unaudited)

Number of Accounts

Fiscal Year Ended June 30,	Residential	Multi-Family	Commercial	Public	Fire Protection	Outside City Surcharge	Total
2003		766		173	97	252	1,288
2004		808		168	100	255	1,331
2005	6,909	874	1,095	189	116	270	9,453
2006	7,400	940	1,138	172	123	233	10,006
2007	7,708	948	1,134	181	135	207	10,313
2008	7,966	977	1,175	188	135	166	10,607
2009	8,042	1,002	1,194	186	141	100	10,665
2010	7,957	1,007	1,176	118	140	94	10,492
2011	7,957	1,016	1,173	160	140	90	10,536
2012	7,913	1,012	1,188	145	145	92	10,495

Water Consumption (hcf)

Fiscal Year Ended June 30,	Residential	Multi-Family	Commercial	Public	Fire Protection	Outside City Surcharge	Total
2003	1,026,069	308,281	516,551	200,821	278	46,200	2,098,200
2004	1,103,582	322,686	521,548	202,270	431	51,244	2,201,761
2005	1,268,695	354,590	576,633	225,770	1,858	51,326	2,478,872
2006	1,777,033	429,727	800,893	264,922	2,405	50,162	3,325,142
2007	1,761,357	440,405	783,055	278,658	1,639	35,471	3,300,585
2008	1,637,651	350,760	581,247	223,662	470	35,153	2,828,943
2009	1,315,314	366,406	574,795	235,366	443	23,051	2,515,375
2010	1,172,178	356,442	547,589	217,613	564	33,370	2,327,756
2011	1,587,239	457,629	728,032	236,237	1,548	97,860	3,108,545
2012	1,517,165	415,083	645,085	225,095	1,007	90,169	2,893,604

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

**Water and Sewer Rates from 1993 through November 1, 2005**

	Water <sup>(1)</sup>		Sewer	
	Monthly Base Rate first 500 cf <sup>(2)</sup>	Commodity Charge Per 100 cf above 500 cf	Monthly Service Charge	Volume Charge
Residential	\$12.30	0.87	\$4.31	\$1.50 X awwc <sup>(3)</sup>
Multifamily	\$12.30	0.55	\$4.31	\$1.50 X awwc <sup>(3)</sup>
Commercial	\$12.30	0.57	\$4.31	\$1.50 X awc <sup>(4)</sup>
Public	\$12.30	0.71	\$4.31	\$1.50 X awc <sup>(4)</sup>

- (1) Additional monthly charges may apply depending on geographical elevation in which service is provided (service level charge) and whether the fire protection charge applies.  
 (2) Rate is based on the 3/4 inch meter which is the most common meter used.

**Water Rates as of February, 2006**

Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	8.30	\$ 3.10
1"	18.50	3.10
1.5"	34.90	3.10
2"	56.00	3.10
3"	108.00	3.10
4"	179.00	3.10
6"	340.00	3.10
8"	541.00	3.10
10"	838.00	3.10

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.77	\$0.98	\$1.16

Customer Class	
Multi-Family & PUD	\$ 0.76
Commercial/Public	0.91
Irrigation-All Classes	1.32
Standby-All Classes	1.32

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.19
4	\$0.28
5	\$0.37

**Sewer Rates as of October, 2005**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awwc	2.18
<b>Multi-Family</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awwc	2.18
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awc	2.18
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awc	2.18
<b>Public</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awc	2.18

- (3) awwc: average winter water consumption  
 (4) awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 3.43% for 2007.

**Water Rates as of January 1, 2007**

Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.58	\$ 3.21
1"	19.13	3.21
1.5"	36.10	3.21
2"	57.92	3.21
3"	111.70	3.21
4"	103.00	3.21
6"	351.66	3.21
8"	559.56	3.21
10"	866.74	3.21

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.77	\$0.98	\$1.20

Customer Class	
Multi-Family & PUD	\$ 0.79
Commercial/Public	0.94
Irrigation-All Classes	1.37
Standby-All Classes	1.37

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.20
4	\$0.29
5	\$0.38

**Sewer Rates as of January 1, 2007**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awwc*	2.25
<b>Multi-Family</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awwc*	2.25
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc**	2.25
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc**	3.15
<b>Public</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc**	2.25

\*awwc: average winter water consumption

\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 2.54% for 2008.

**Water Rates as of January 1, 2008**

Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.80	\$ 3.29
1"	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	103.00	3.29
6"	360.59	3.29
8"	573.77	3.29
10"	888.76	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of January 1, 2008**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc*	2.31
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc*	2.31
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc**	2.31
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc**	3.23
<b>Public</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc**	2.31

\*awwc: average winter water consumption

\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 4.45% for 2009.

**Water Rates as of January 1, 2009**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 9.19	\$ 3.44
1"	20.49	3.44
1.5"	38.67	3.44
2"	62.03	3.44
3"	119.64	3.44
4"	198.29	3.44
6"	376.64	3.44
8"	599.30	3.44
10"	928.31	3.44

Single Family Residential		
1st 10 Units	Units 11-25	All Units >25
\$0.86	\$1.09	\$1.28

Customer Class	
Multi-Family & PUD	\$ 0.85
Commercial/Public	1.00
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.46
Standby-All Classes	1.46

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.10
3	\$0.22
4	\$0.31
5	\$0.41

**Sewer Rates as of January 1, 2009**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awwc**	2.41
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awwc**	2.41
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	2.41
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	3.37
<b>Public</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	2.41

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

Water and Sewer Rates

---

Effective March 1, 2009 the Cost of Living Index increase for 2009 was repealed by Council Action.

**Water Rates as of March 1, 2009**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.80	\$ 3.29
1"	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	189.84	3.29
6"	360.59	3.29
8"	573.77	3.29
10"	888.76	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of March 1, 2009**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc**	2.31
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc**	2.31
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	2.31
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	3.23
<b>Public</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	2.31

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Effective January 1, 2010 sewer rates were increased 6.29% (4.45% permanent and 1.84% thru December 31, 2011). Water rates remained unchanged.

**Water Rates as of January 1, 2010**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4" or less	\$ 8.80	\$ 3.29
1"	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	189.84	3.29
6"	360.59	3.29
8"	573.77	3.29
10"	888.76	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of January 1, 2010**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awwc**	2.45
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awwc**	2.45
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	2.45
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	3.43
<b>Public</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	2.45

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 1.70% for 2011.

**Water Rates as of January 1, 2011**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4" or less	\$ 8.95	\$ 3.35
1"	19.95	3.35
1.5"	37.65	3.35
2"	60.40	3.35
3"	116.49	3.35
4"	193.07	3.35
6"	366.72	3.35
8"	583.52	3.35
10"	903.87	3.35

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.83	\$1.06	\$1.25

Customer Class	
Multi-Family & PUD	\$ 0.82
Commercial/Public	0.98
Interruptible Irrigation for Public Parks & Schools	0.83
Irrigation-All Classes	1.42
Standby-All Classes	1.42

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.31
5	\$0.40

**Sewer Rates as of January 1, 2011**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awwc**	2.49
<b>Multi-Family</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awwc**	2.49
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awc***	2.49
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awc***	3.49
<b>Public</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awc***	2.49

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Effective July 1, 2011, Sewer Rates increased 5% by Council Resolution 5802. Water Rates remain unchanged.

**Water Rates as of July 1, 2011**

Customer Service Charge*		
Meter Size	Base Rate	for multi-family &
3/4" or less	\$ 8.95	\$ 3.35
1"	19.95	3.35
1.5"	37.65	3.35
2"	60.40	3.35
3"	116.49	3.35
4"	193.07	3.35
6"	366.72	3.35
8"	583.52	3.35
10"	903.87	3.35

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.83	\$1.06	\$1.25

Customer Class	
Multi-Family & PUD	\$ 0.82
Commercial/Public	0.98
Interruptible Irrigation for Public Parks & Schools	0.83
Irrigation-All Classes	1.42
Standby-All Classes	1.42

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.31
5	\$0.40

**Sewer Rates as of July 1, 2011**

Class	Month
<b>Residential</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awwc**	2.61
<b>Multi-Family</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awwc**	2.61
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awc***	2.61
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awc***	3.66
<b>Public</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awc***	2.61

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

Water and Sewer Rates

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 2.85% for 2012.

**Water Rates as of January 1, 2012**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4" or less	\$ 9.21	\$ 3.35
1"	20.52	3.35
1.5"	38.72	3.35
2"	62.12	3.35
3"	119.81	3.35
4"	198.57	3.35
6"	377.17	3.35
8"	600.15	3.35
10"	929.63	3.35

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.85	\$1.09	\$1.29

Customer Class	
Multi-Family & PUD	\$ 0.84
Commercial/Public	1.01
Interruptible Irrigation for Public Parks & Schools	0.85
Irrigation-All Classes	1.46
Standby-All Classes	1.46

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.0941
3	\$0.2197
4	\$0.3138
5	\$0.4079

**Sewer Rates as of January 1, 2012**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awwc**	2.63
<b>Multi-Family</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awwc**	2.63
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awc***	2.63
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awc***	3.70
<b>Public</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awc***	2.63

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

2011-2012 AUDITORS' COMMENTS AND DISCLOSURES  
REQUIRED BY STATE REGULATIONS



## PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

October 21, 2012

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the City of Grants Pass as of and for the year ended June 30, 2012, and have issued our report thereon dated October 21, 2012. 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 of Grants Pass' 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 of Grants Pass was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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

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

This report is intended solely for the information and use of the Council Members and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*Pauly, Rogers and Co., P.C.*

**PAULY, ROGERS AND CO., P.C.**

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
NATIONAL ENDOWMENT FOR THE ARTS		
Challenge America Fast-Track Art Along the Rogue	45.024	\$ 10,000
SRS TITLE III		
Passed through Josephine County		
Firewise Community Coordinator	10.665	32,201
US DEPARTMENT OF JUSTICE		
Edward Byrne Memorial Justice Assistance via Oregon Criminal Justice Commission	16.738	92,220
Edward Byrne Memorial Justice Assistance via Office of Justice Programs	16.804	7,802
Edward Byrne Memorial Justice Assistance via Office of Justice Programs	16.738	8,454
Bullet Proof Vests	16.607	8,027
Community Oriented Policing Services	16.710	85,638
US DEPARTMENT OF TRANSPORTATION		
Federal Highway Administration through ODOT		
Congestion Mitigation and Air Quality Improvement (CMAQ) - Hybrid Cars	20.205	104,523 (1)
Congestion Mitigation and Air Quality Improvement (CMAQ) - Computer Aided Dispatch	20.205	331,538 (1)
Congestion Mitigation and Air Quality Improvement (CMAQ) - Bus Shelter	20.205	2,500 (1)
Federal Transit Administration through ODOT		
Transit System Agreement No. 27683	20.513	185,211 (1)
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Passed thru Oregon Business Development Department		
Josephine County Microenterprise Assistance Project No. MO9023	14.228	47,847
US DEPARTMENT OF AGRICULTURE		
Rural Business Enterprise Grant Oregon Country Trails	10.769	1,566
US DEPARTMENT OF HOMELAND SECURITY / FEMA		
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	36,687
US ENVIRONMENTAL PROTECTION AGENCY		
Passed thru Oregon Business Development Department		
River Road Reserve Cleanup Project	66.818	177,144
NATIONAL HIGHWAY TRANSPORTATION SAFETY ADMINISTRATION AND FEDERAL HIGHWAY ADMINISTRATION		
Pass-through ODOT		
Speed Equipment Mini-Grant	20.600 through 20.605	1,114
Child Safety Seats	20.600 through 20.605	18,984
Pedestrian Safety	20.600 through 20.605	2,227
Pass-through to OR Assoc. Chiefs of Police		
DUII Traffic Enforcement	20.600 through 20.605	1,520
Safety Belt/Three Flag Traffic Enforcement	20.600 through 20.605	1,440
TOTAL FEDERAL EXPENDITURES		<u>\$ 1,156,643</u>

(1) Major Program



**PAULY, ROGERS AND CO., P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

October 21, 2012

To the City Council  
City of Grants Pass

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

We have audited the financial statements of City of Grants Pass as of and for the year ended June 30, 2012, and have issued our report thereon dated October 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Josephine County Solid Waste Agency (a component unit) were not audited in accordance with Government Auditing Standards

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered City of Grants Pass'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 internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Grants Pass's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the governing body, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Pauly, Rogers and Co., P.C.".

**PAULY, ROGERS AND CO., P.C.**



**PAULY, ROGERS AND CO., P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

October 21, 2012

To the City Council  
City of Grants Pass

**Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133**

**Compliance**

We have audited the compliance of City of Grants Pass with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2012. City of Grants Pass's major federal programs are identified in the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of compliance with those requirements.

In our opinion, City of Grants Pass complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

**Internal Control Over Compliance**

Management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliances that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Pauly, Rogers and Co., P.C.".

**PAULY, ROGERS AND CO., P.C.**

**CITY OF GRANTS PASS**

**SCHEDULE FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2012**

Section I – Summary of Auditors' Results

Financial Statements'

Type of Auditor's report issued: Unqualified  
Internal control over financial reporting:  
• Material weakness(es) identified?        Yes   X   No  
• Significant deficiency(ies) identified that are not considered to be material weaknesses        Yes   X   None reported  
Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over financial reporting:  
• Material weakness(es) identified?        Yes   X   No  
• Significant deficiency(ies) identified that are not considered to be material weaknesses        Yes   X   None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?        Yes   X   No

Identification of major programs

<u>CFDA Number(s):</u>	<u>Name of Federal Program:</u>
<u>20.205</u>	<u>CMAQ Green Fleet</u>
<u>20.513</u>	<u>Federal Transit – Capital Investment Grant</u>

Dollar threshold used to distinguish between type A and type B programs:   \$ 300,000  

Auditee qualified as low-risk auditee?        Yes   X   No

The accompanying schedule of expenditures of federal awards includes the federal grant activity and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**CITY OF GRANTS PASS**  
**SCHEDULE FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2012**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:**

None

**NATURAL. ROGUE RIVER. LEGENDS.**



© City of Grants Pass