



# MEDFORD OREGON

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



**CITY OF MEDFORD, OREGON**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by:  
City Finance Department



# CITY OF MEDFORD

June 30, 2017

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## **INTRODUCTORY SECTION**





City of Medford

# Office of the City Manager

*Medford ~ A Fantastic Place to Live, Work & Play*

January 30, 2018

Honorable Mayor, City Council Members  
And Citizens of the City of Medford, Oregon:

In accordance with State statutes and local Charter provisions, I hereby transmit the Comprehensive Annual Financial Report of the City of Medford, Oregon as of June 30, 2017 and for the year then ended.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management believes the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. In developing and evaluating the City's accounting system, consideration is given to the adequacy of the internal control structure. The City's internal control structure adequately safeguards assets and provides reasonable assurance of the proper recording of financial transactions.

State law requires the financial statements of the City of Medford be audited by a certified public accountant selected by the City Council. The accounting firm of Isler CPA, LLC conducted the audit for the fiscal year ending June 30, 2017 and has issued an unmodified ("clean") opinion. Their opinion is located in the Financial Section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report in the Financial Section and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the City:**

The City of Medford, incorporated in 1885, is located in the southwestern part of Oregon. It currently occupies 26 square miles, has a population of just over 80,000 and an estimated service population of over 400,000. The City operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and eight council members, all elected on a non-partisan basis. The Council appoints the City Manager, who in turn appoints the heads of various departments. Council members, elected by ward, serve four-year terms, with four members elected every two years. The Mayor is elected at large for a four-year term.

The City of Medford provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; and recreational activities. It is

**411 West 8<sup>th</sup> Street, Medford, OR 97501**

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[www.cityofmedford.org](http://www.cityofmedford.org)

also financially accountable for a legally separate Water Commission, which is reported separately within the City's financial statements. Additional information on the Water Commission can be found in the notes to the financial statements.

### **Local Economy:**

The City of Medford continues to experience increases in revenues which can be directly tied to the improving economy. Existing businesses continue to lead job creation with the vast majority of net new jobs coming from existing business growth. Medford continues to have increasing numbers of inquiries from businesses considering relocation and expansion. The City's Electronic Commerce Zone has historically been the most active in the State. Medford had an increase in revenues from property taxes due to a 3.9% increase in tax assessed values and an improvement in the collection rate. Since the largest share of City revenues comes from property taxes, any change is significant and is closely monitored.

Local, State and Federal governments continue to be major area employers. Outside of government, health care is still the largest single category of employment in Medford with Asante Health Systems being the largest in the category and community with more than 4,200 employees. Transient lodging tax revenues continue to increase. Even during the economic downturn, transient lodging tax revenue was consistently stable. The amount of money spent by visitors and business travelers to Jackson County and Medford continues to be a solid revenue factor for the region. The tourism industry and sports tourism continues to grow in Jackson County and Medford with the addition of U.S. Cellular Community Sports Park and the growing wine and craft beer industries.

### **Long-term financial planning:**

The economic climate in Medford continues to improve. Development applications and building permits continues to increase to expand local business. The City embraces its core value of accountability by making the best use of taxpayer dollars; focusing on ways to conserve its existing assets while improving livability. The City accomplishes this goal by maintaining a three month contingency fund for personnel and operating expenses. Additionally, Council approved a Receivership Program, Leisure Services Plan and Local Wetlands Inventory for continued upkeep and maintenance of buildings, facilities and infrastructure in order to avoid increased future costs resulting from deferred maintenance.

As a part of the strategic plan for the City, work continues on the safe sidewalk project approved by voters in the fall of 2004. In addition, the collection of funds for the identified 17 street projects is complete as the Public Works department continues to move towards the implementation of the final projects. In December 2013 the City issued bonds for \$38.2 million in order to address the need for police, fire and parks & recreation projects. The City replaced Fire Station #2 and Station #4 with new state-of-the-art facilities during the reporting period and will welcome Station #3 in the next fiscal year.

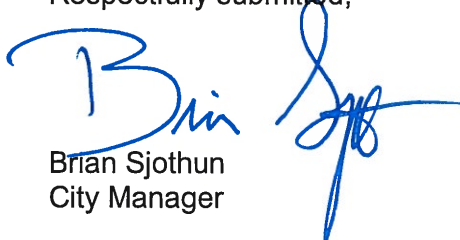
## **Awards and Acknowledgements:**

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Government Accounting Standards Board.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Medford for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedicated effort of the Finance Department's staff, and the cooperation of all City departments. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Medford's finances.

Respectfully submitted,



Brian Sjothun  
City Manager





Government Finance Officers Association

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

Presented to

**City of Medford  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**



Executive Director/CEO





## **CITY OF MEDFORD**

Officials of the City

June 30, 2017

### **CITY COUNCIL**

#### Term Expires December 31

Gary Wheeler	Mayor	2020
Kay Brooks	Council member Ward 3	2020
Tim Jackle	Council member Ward 1	2018
Dick Gordon	Council member Ward 1	2020
Kim Wallan	Council member Ward 4,	2020
Tim D'Alessandro	Council member Ward 2,	2020
Michael Zarosinski	Council member Ward 4      President	2018
Clay Bearnson	Council member Ward 2	2018
Kevin Stine	Council member Ward 3	2018

### **PRINCIPAL OFFICIALS**

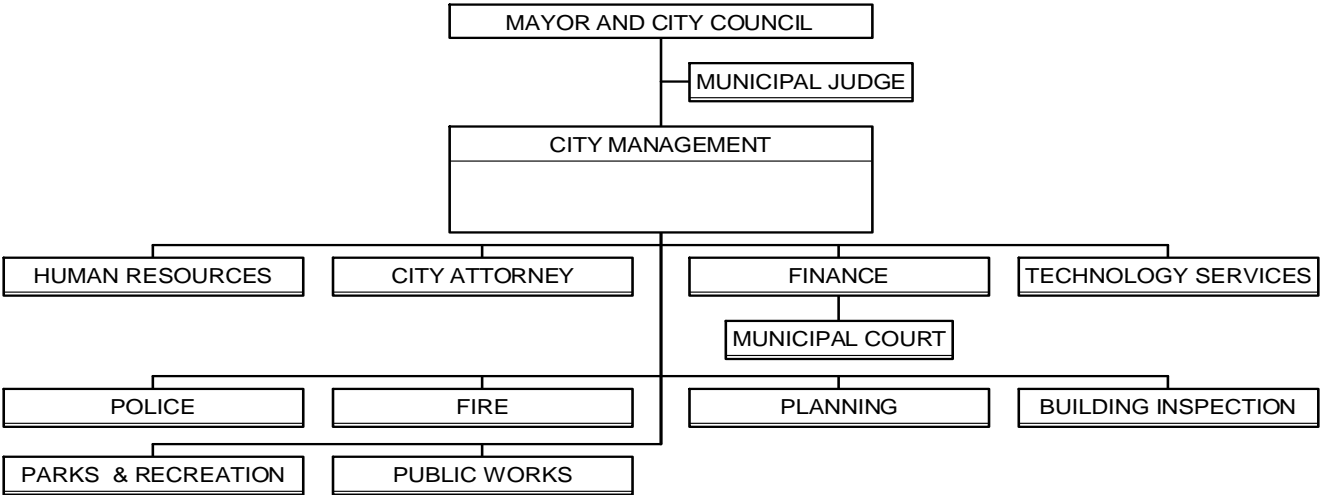
Brian Sjothun, City Manager  
Lori Cooper, City Attorney  
Alison Chan, Finance Director

### **CITY ADDRESS**

City of Medford  
411 West 8th Street  
Medford, Oregon 97501



# CITY OPERATIONS SUMMARY





## **FINANCIAL SECTION**







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Eugene, OR 97403  
541.342.5161  
www.islercpa.com

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members  
City of Medford, Oregon

### Report on the Financial Statements

We have audited the accompanying 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 Medford (City), Oregon, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison information, the Schedule of Other Post-Employment Benefits (OPEB) funding progress, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Pension Contributions, 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 Management's Discussion and Analysis, the Schedule of Other Post-Employment Benefits, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Pension Contributions, 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 for the General Fund, Gas Tax Fund, Street Utility Fund, and Street SDC Fund have been subjected to the auditing procedures applied to the audit of the basic financial statements and, in our opinion, are fairly stated in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplemental budgetary comparison schedules, other financial schedules, statistical section and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated January 30, 2018 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**ISLER CPA**

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

By Paul R Nielson, CPA, a member of the firm  
January 30, 2018



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis presents the highlights of the financial position for the City of Medford, Oregon ("the City"). The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City. It focuses on current year activities and resulting changes.

### **Financial Highlights:**

The City's governmental activities assets totaled \$392.3 million at June 30, 2017 consisting of \$294.5 million in capital assets, \$90.1 million in cash and investments and \$7.7 million in receivables and other assets. The City's governmental activities liabilities totaled \$149.3 million at June 30, 2017 consisting of \$91.1 million in noncurrent liabilities, \$9.2 million in accounts payable and other liabilities, and net pension liability of \$49.0 million. Total net position was \$266.4 million of which \$235.7 million were invested in capital assets, \$31.1 million were restricted and the remaining \$(0.4) million were unrestricted. The decrease in cash and investments is attributable to the 2013 debt proceeds being used to construct a new police headquarters with secure parking, 2 new fire stations and 3 new ball fields with additional parking at the US Cellular Sports Park. The decrease in the long-term debt is due to regularly scheduled debt payments.

The City's governmental activities net position increased by \$2.9 million or 1.1 percent. Overall governmental activities revenue decreased by \$1.2 million or 1.3 percent. Taxes increased by \$2.1 million. The \$2.1 million increase was a reflection of assessed tax valuations increasing by 3.9% and property tax collections staying stable at 97%. The franchise and lodging taxes are also trending up with the improving economy. Charges for services decreased by \$7.3 million. Operating grants and contributions increased by \$6.1 million. This has been a downward trend the City has been experiencing over the last 4 years.

The City's business-type activities assets totaled \$113.7 million at June 30, 2017 consisting of \$81.8 million in capital assets, \$30.8 million in cash and investments and \$1.1 million in receivables and other assets. The City's business-type activities liabilities totaled \$7.3 million at June 30, 2017 consisting of \$0.3 million in noncurrent liabilities, \$1.2 million in accounts payable and other liabilities, and net pension liability of \$5.8. Total net position was \$109.2 million of which \$81.8 million was invested in capital, \$10.8 million was restricted and the remaining \$16.6 million was unrestricted.

The City's business-type activities net position increased by \$2.5 million or 2.3 percent. Business-type activities total revenue increased by \$0.7 million or 3.7 percent.

### **Report Layout:**

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

- ◆ **Management's Discussion and Analysis.** This section of the report provides financial highlights and overviews.
- ◆ **Basic Financial Statements.** Includes Statement of Net Position, Statement of Activities, Fund Financial Statements, the Notes to the Financial Statements and Required Supplementary Information. Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.
  - The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference.
  - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS (continued)**

- Fund Financial Statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds."
  - The Notes to the Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.
  - Required Supplementary Information contains budgetary comparison statements for the major governmental fund types, presented in a biennium format.
- ◆ **Supplementary Information.** Readers desiring additional information can find it in the Supplementary Information section of this report. Components within this section include:
- Major Fund Budgetary Schedules
  - Special Revenue Funds (non major)
  - Debt Service Funds (non major)
  - Capital Projects Funds (non major)
  - Enterprise Funds (non major)
  - Internal Service Funds
- ◆ **Statistical Section.** This section includes trend information and demographics.
- ◆ **Reports by independent certified public accountants.** Supplemental communication on the City's compliance and internal controls as required by Oregon statutes and the Single Audit Act.

**Government-Wide Financial Statements:**

**TABLE 1  
CITY OF MEDFORD - STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017 AND 2016  
(in millions)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash and investments	\$ 90.1	\$ 97.6	\$ 30.8	\$ 26.3	\$ 120.9	\$ 123.9
Other assets	7.7	9.4	1.1	1.2	8.8	10.6
Capital assets, net of depreciation	294.5	291.8	81.8	82.6	376.3	374.4
Total assets	392.3	398.8	113.7	110.1	506.0	508.9
Deferred outflows of resources	24.5	3.8	2.9	0.4	27.4	4.2
Total assets and deferred outflows	\$ 416.8	\$ 402.6	\$ 116.6	\$ 110.5	\$ 533.4	\$ 513.1
Other liabilities	\$ 9.2	\$ 11.4	\$ 1.2	\$ 0.9	\$ 10.4	\$ 12.3
Long-term debt outstanding	91.1	103.7	0.3	0.3	91.4	104.0
Net pension liability	49.0	19.3	5.8	2.2	54.8	21.5
Total liabilities	149.3	134.4	7.3	3.4	156.6	137.8
Deferred inflow of resources	1.1	4.8	0.1	0.5	1.2	5.3
Net position:						
Net investment in capital assets	235.7	265.5	81.8	82.6	317.5	348.1
Restricted	31.1	27.2	10.8	9.3	41.9	36.5
Unrestricted	(0.4)	(29.3)	16.6	14.7	16.2	(14.6)
Total net position	\$ 266.4	\$ 263.4	\$ 109.2	\$ 106.6	\$ 375.6	\$ 370.0

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS (continued)**

**TABLE 2  
CITY OF MEDFORD - STATEMENT OF ACTIVITIES  
FOR FISCAL YEAR ENDING JUNE 30, 2017 AND 2016  
(in millions)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>						
General revenues:						
Taxes	\$ 52.5	\$ 50.4	\$ -	\$ -	\$ 52.5	\$ 50.4
Other	1.0	0.7	0.3	0.1	1.3	0.8
Program revenues:						
Charges for services	20.7	28.0	16.4	15.1	37.1	43.1
Operating grants and contributions	11.8	5.7	-	-	11.8	5.7
Capital grants and contributions	4.1	6.5	2.7	3.5	6.8	10.0
Total revenues	<u>90.1</u>	<u>91.3</u>	<u>19.4</u>	<u>18.7</u>	<u>109.5</u>	<u>110.0</u>
<b>EXPENSES</b>						
General government	10.2	9.2	-	-	10.2	9.2
Public safety	41.4	44.6	-	-	41.4	44.6
Highways and streets	14.1	16.7	-	-	14.1	16.7
Culture and recreation	9.8	11.7	-	-	9.8	11.7
Community development	7.8	7.9	-	-	7.8	7.9
Interest on long-term debt	4.9	5.0	-	-	4.9	5.0
Sewer services	-	-	15.3	15.7	15.3	15.7
Parking services	-	-	0.6	0.6	0.6	0.6
Total expenses	<u>88.2</u>	<u>95.1</u>	<u>15.9</u>	<u>16.3</u>	<u>104.1</u>	<u>111.4</u>
Increase (decrease) in net position before transfers	1.9	(3.8)	3.5	2.4	5.4	(1.4)
Transfers	<u>1.0</u>	<u>(0.8)</u>	<u>(1.0)</u>	<u>0.8</u>	<u>-</u>	<u>-</u>
Change in net position	2.9	(4.6)	2.5	3.2	5.4	(1.4)
Beginning net position	<u>263.4</u>	<u>268.0</u>	<u>106.6</u>	<u>103.4</u>	<u>370.0</u>	<u>371.4</u>
Ending net position restated	<u>\$ 266.3</u>	<u>\$ 263.4</u>	<u>\$ 109.1</u>	<u>\$ 106.6</u>	<u>\$ 375.4</u>	<u>\$ 370.0</u>

**Financial Analysis:**

**Governmental Funds.** As of the end of the current year, the City's governmental funds reported a combined ending fund balance of \$82.8 million, a decrease from the prior year of \$6.2 million. A deficit of \$1.1 million constitutes unassigned fund balance. The deficit is primarily due to the unrestricted deficit balance in the MURA debt service fund of \$1.4 million. The remainder of the fund balance is reserved or designated for a variety of restricted purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$0.3 million. Unassigned fund balance represents 0.5% percent of the total General Fund expenditures.

The Gas Tax Fund had a \$3.0 million increase in fund balance during the current fiscal year. This is due to projects in the second year of the biennium not proceeding as budgeted. Several of the projects have not proceeded as budgeted due to permitting delays and unanticipated ADA design work.

The Street SDC Fund had a \$1.5 million increase in fund balance during the current fiscal year. This is due to the street development fees collected exceeding the current year street projects.

The MURA Debt Service Fund, fund balance increased by \$5.8. This is due to the continuing reduction of the interfund advance from the General Fund resulting in a deficit of \$1.4 million.

The Street Improvement Fund, fund balance decreased by \$0.3 million. This is due to the current year street project expenses



**MANAGEMENT'S  
DISCUSSION AND ANALYSIS (continued)**

exceeding the grants and other revenue collected.

**Proprietary Funds.** The City has two enterprise funds: the Sewer Utility Fund and the Parking Facilities Fund. As of the end of the current year, the Sewer Utility Fund had unrestricted net position of \$15.7 million, restricted net position of \$10.8 million and invested in capital assets of \$79.0 million. Net position increased \$2.4 million to \$105.5 million. The Parking Facilities Fund had total net position \$3.6 million of which \$0.8 is unrestricted. Net position increased by \$0.1 million.

**Budgetary Highlights:**

The City's final budget differed from the original budget in that it contains supplemental appropriations approved during the fiscal year. The budget for the General Fund resources increased by \$3.0 million. The main factor for this change was \$1.7 million of greater than budgeted beginning fund balance that was appropriated. Additionally, there was \$0.4 million transferred from MURA to complete the South Riverside Parking Lot. The remaining \$0.9 million of revenues were other unbudgeted revenues and grants.

**Capital Assets and Debt Administration:**

**Capital Assets.** As of June 30, 2017, the City had \$376.2 million in capital assets, net of depreciation as reflected in the following table, which represents a net increase (additions, deductions and depreciation) of \$1.8 million.

**TABLE 3  
CITY OF MEDFORD - CAPITAL ASSETS  
FOR FISCAL YEAR ENDING JUNE 30, 2017 AND 2016  
(in millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 36.0	\$ 34.3	\$ 1.7	\$ 1.7	\$ 37.7	\$ 36.0
Land rights of way	82.5	82.5	-	-	82.5	82.5
Construction in progress	4.1	25.2	0.8	0.8	4.9	26.0
Buildings	45.6	17.3	3.3	3.4	48.9	20.7
Improvements	24.1	26.1	14.4	13.6	38.5	39.7
Equipment	7.2	5.6	12.5	12.6	19.7	18.2
Sewers	-	-	17.4	17.1	17.4	17.1
Storm drains	-	-	31.6	33.4	31.6	33.4
Infrastructure	95.0	100.8	-	-	95.0	100.8
Total	<u>\$ 294.5</u>	<u>\$ 291.8</u>	<u>\$ 81.7</u>	<u>\$ 82.6</u>	<u>\$ 376.2</u>	<u>\$ 374.4</u>

The following table reconciles the change in capital assets. Additions include assets acquired or under construction at year-end. Reductions are for disposition of assets and depreciation.

**TABLE 4  
CITY OF MEDFORD - CHANGE IN CAPITAL ASSETS  
(in millions)**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Beginning balance	\$ 291.8	\$ 82.6	\$ 374.4
Additions	41.7	3.4	45.1
Transfers and deletions	(25.2)	(0.8)	(26.0)
Depreciation	<u>(13.8)</u>	<u>(3.5)</u>	<u>(17.3)</u>
Ending balance	<u>\$ 294.5</u>	<u>\$ 81.7</u>	<u>\$ 376.2</u>

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS (continued)**

Capital assets, net of depreciation for governmental activities increased \$2.8 million. Additions included acquisition of land of \$1.7 million, buildings and building improvements of \$29.6 million, equipment purchases of \$3.1 million, infrastructure of \$3.3 million, and construction in progress of \$4.1 million. Offsetting these additions were depreciation of \$13.8 and transfers and deletions of \$25.2 million.

Business-type activities capital assets, net of depreciation decreased \$0.9 million. Additions included sewers of \$0.9 million, equipment and other additions of \$1.0 million, and construction in progress of \$0.8 million. Offsetting these additions were depreciation of \$3.5 million and transfers and dispositions of \$0.8 million. For more detailed information on the City's capital asset activity, refer to Note III B of the financial statements.

**Debt Administration.** As of year-end, the City had \$91.3 million in debt outstanding compared to \$104.1 million last year. For more detailed information, refer to Note III C of the financial statements.

**TABLE 5  
CITY OF MEDFORD - OUTSTANDING DEBT AT FISCAL YEAR END  
(in millions)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Bonds & notes payable	\$ 82.5	\$ -	\$ 82.5
Unamortized premium	1.8	-	1.8
Compensated absences	2.8	0.3	3.1
Other post-employment benefits	3.9	-	3.9
Total	<u>\$ 91.0</u>	<u>\$ 0.3</u>	<u>\$ 91.3</u>

**Economic Factors and the Biennium Budget:**

The economic climate in Medford has improved. Development is strong and the City's tax base is growing. The following are the major assumptions used in developing the 2015-2017 budget:

The overall biennial budget totals \$325,076,510 for all funds which includes \$23,674,010 in contingencies. For the second year of the biennium the assessed tax valuation for property taxes was budgeted to be \$6.99 billion which would have been a 3% increase. The actual assessed tax valuation was \$6.98 billion. The net result was a \$2.1 million of under budget tax revenue.

Wages and salaries for the seven unions were budgeted to increase by the amounts agreed upon in the union contracts or 2% to 2.5% if the contracts didn't cover the budget period. The non-represented group was budgeted at 2.5% increases in each year of the biennium. PERS costs were budgeted a blended rate of 15% of subject wages in each year of the biennium.

**Financial Contact:**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate Medford's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at (541) 774-2030 or Room 380, 411 West 8th Street, Medford, Oregon 97501.



## **BASIC FINANCIAL STATEMENTS**



**CITY OF MEDFORD**

Statement of Net Position

June 30, 2017

	Primary Government			Component Unit	Component Unit
	Governmental	Business-type		Medford Water	Medford Parks
	Activities	Activities	Total	Commission	Foundation
<b>ASSETS</b>					
Cash and investments	\$ 90,132,139	\$ 30,792,704	\$ 120,924,843	\$ 17,076,659	\$ 70,499
Receivables:					
Accounts	3,913,113	1,103,989	5,017,102	2,015,390	-
Taxes	2,728,936	-	2,728,936	-	-
Inventory	740,108	25,985	766,093	1,372,893	-
Prepaid expenses	-	-	-	113,672	-
Restricted cash and cash equivalents	211,424	-	211,424	862,884	-
Notes receivable	-	-	-	2,225,902	-
Capital assets not being depreciated	122,638,224	2,520,246	125,158,470	7,917,072	564,000
Depreciable capital assets, net	<u>171,874,942</u>	<u>79,252,445</u>	<u>251,127,387</u>	<u>117,662,685</u>	<u>-</u>
Total assets	<u>392,238,886</u>	<u>113,695,369</u>	<u>505,934,255</u>	<u>149,247,157</u>	<u>634,499</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflow of resources related to pensions	<u>24,539,813</u>	<u>2,879,015</u>	<u>27,418,828</u>	<u>2,606,497</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 416,778,699</u>	<u>\$ 116,574,384</u>	<u>\$ 533,353,083</u>	<u>\$ 151,853,654</u>	<u>\$ 634,499</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,296,576	\$ 562,173	\$ 4,858,749	\$ 1,549,130	\$ -
Payroll and related accruals	2,224,524	228,814	2,453,338	-	-
Deposits	1,430,572	506,896	1,937,468	558,630	-
Accrued interest payable	775,855	-	775,855	-	-
Retainage payable	8,634	30,454	39,088	-	-
Claims Payable	455,740	-	455,740	-	-
Long term liabilities:					
Due within one year:					
Bonds payable	4,565,000	-	4,565,000	-	-
Compensated absences	562,176	56,092	618,268	348,775	-
Due in more than one year:					
Bonds payable, including unamortized premium of \$1,837,063	79,788,063	-	79,788,063	-	-
Compensated absences	2,239,769	213,881	2,453,650	71,436	-
Other post-employment benefits	3,933,110	-	3,933,110	-	-
Net pension Liability	<u>49,049,516</u>	<u>5,754,497</u>	<u>54,804,013</u>	<u>5,209,797</u>	<u>-</u>
Total liabilities	<u>149,329,535</u>	<u>7,352,807</u>	<u>156,682,342</u>	<u>7,737,768</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow of resources related to pensions	<u>1,098,016</u>	<u>128,819</u>	<u>1,226,835</u>	<u>116,626</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	235,720,103	81,772,691	317,492,794	125,579,757	564,000
Restricted for:					
Future system development	-	10,753,119	10,753,119	-	-
Public safety	1,488,800	-	1,488,800	-	-
Highways and streets	16,100,310	-	16,100,310	-	-
Culture and recreation	8,575,469	-	8,575,469	-	-
Community development	4,654,293	-	4,654,293	-	-
Debt service	241,508	-	241,508	982,000	-
Unrestricted	<u>(429,335)</u>	<u>16,566,948</u>	<u>16,137,613</u>	<u>17,437,503</u>	<u>70,499</u>
Total net position	<u>266,351,148</u>	<u>109,092,758</u>	<u>375,443,906</u>	<u>143,999,260</u>	<u>634,499</u>
Total liabilities, deferred inflows, and net position	<u>\$ 416,778,699</u>	<u>\$ 116,574,384</u>	<u>\$ 533,353,083</u>	<u>\$ 151,853,654</u>	<u>\$ 634,499</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF MEDFORD

## Statement of Activities

For the Year Ended June 30, 2017

Net revenue (expense) and changes in net position									
Functions/Programs	Expenses	Program Revenues			Primary Government		Component Unit		Component Unit
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Medford Water Commission	
Primary Government									
Governmental activities:									
General government	\$ 10,144,563	\$ 3,538,171	\$ 4,568,469	\$ -	\$ (2,037,923)	\$ -	\$ (2,037,923)	\$ -	\$ -
Public safety	41,444,039	6,531,071	16,326	-	(34,896,642)	-	(34,896,642)	-	-
Highways and streets	14,076,169	7,472,821	5,308,119	2,542,567	1,247,338	-	1,247,338	-	-
Culture and recreation	9,830,669	2,166,861	1,388,629	1,572,584	(4,702,595)	-	(4,702,595)	-	-
Community development	7,829,634	993,442	509,726	-	(6,326,466)	-	(6,326,466)	-	-
Interest on long-term debt	4,846,700	-	-	-	(4,846,700)	-	(4,846,700)	-	-
Total governmental activities	88,171,774	20,702,366	11,791,269	4,115,151	(51,562,988)	-	(51,562,988)	-	-
Business-type activities:									
Sewer services	15,279,007	15,652,898	-	2,732,852	-	3,106,743	3,106,743	-	-
Parking services	609,176	714,739	-	-	-	105,563	105,563	-	-
Total business-type activities	15,888,183	16,367,637	-	2,732,852	-	3,212,306	3,212,306	-	-
Total primary government	\$ 104,059,957	\$ 37,070,003	\$ 11,791,269	\$ 6,848,003	(51,562,988)	3,212,306	(48,350,682)	-	-
Component units:									
Medford Water Commission	\$ 12,846,987	\$ 14,624,419	\$ 93,500	\$ 2,509,258	-	-	-	\$ 4,286,690	-
Medford Parks Foundation	\$ 73,815	\$ 44,627	\$ 18,284	\$ 564,000	-	-	-	-	\$ 553,096
General Revenues:									
Property taxes - City of Medford					35,161,137	-	35,161,137	-	-
Property taxes - Medford Urban Renewal Agency					6,260,212	-	6,260,212	-	-
Use taxes					11,041,994	-	11,041,994	-	-
Unrestricted investment earnings					844,262	280,609	1,124,871	173,296	-
Gain (loss) on capital asset sales					197,066	-	197,066	-	-
Transfers					967,486	(967,486)	-	-	-
Total general revenues and transfers					54,472,157	(686,877)	53,785,280	173,296	553,096
Change in net position					2,909,169	2,525,429	5,434,598	4,459,986	553,096
Net position beginning					263,441,979	106,567,329	370,009,308	139,539,274	81,403
Net position ending					\$ 266,351,148	\$ 109,092,758	\$ 375,443,906	\$ 143,999,260	\$ 634,499

The notes to the financial statements are an integral part of this statement.



**CITY OF MEDFORD**  
Balance Sheet  
Governmental Funds

June 30, 2017

	General fund	Gas Tax Fund - 530	Street Utility Fund - 500	Street SDC Fund - 520	MURA Debt Service Fund - 902	Revenue Bond Fund - 161	Street Improvement Fund - 550	Nonmajor Governmental Funds	Total
<b>ASSETS</b>									
Cash and investments	\$ 21,966,040	\$16,949,968	\$ 6,931,665	\$12,565,455	\$ 2,943,354	\$ -	\$ 4,759,000	\$ 20,017,393	\$ 86,132,875
Receivables									
Accounts	2,071,289	491,295	183,270	66,356	-	-	82,032	934,439	3,828,681
Taxes	2,271,509	-	34,426	-	400,056	-	-	22,945	2,728,936
Inventories	44,103	-	-	-	-	-	-	-	44,103
Due from other funds	75,179	-	-	-	-	-	-	-	75,179
Restricted cash and cash equivalents	71,258	-	-	-	-	-	-	20,000	91,258
Advances to other funds	4,400,000	-	-	-	-	-	-	-	4,400,000
Total assets	<u>\$ 30,899,378</u>	<u>\$17,441,263</u>	<u>\$ 7,149,361</u>	<u>\$12,631,811</u>	<u>\$ 3,343,410</u>	<u>\$ -</u>	<u>\$ 4,841,032</u>	<u>\$ 20,994,777</u>	<u>\$ 97,301,032</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 797,391	\$ 121,531	\$ 100,870	\$ 2,417	\$ -	\$ -	\$ 1,964,531	\$ 1,177,844	\$ 4,164,584
Payroll and related accruals	1,782,601	50,093	114,129	16,609	-	-	8,926	102,994	2,075,352
Due to other funds	-	-	-	-	-	-	-	75,179	75,179
Retainage payable	-	1,093	7,541	-	-	-	-	-	8,634
Customer deposits	155,943	1,261,036	13,593	-	-	-	-	-	1,430,572
Advances from other funds	-	-	-	-	4,400,000	-	-	-	4,400,000
Total liabilities	<u>2,735,935</u>	<u>1,433,753</u>	<u>236,133</u>	<u>19,026</u>	<u>4,400,000</u>	<u>-</u>	<u>1,973,457</u>	<u>1,356,017</u>	<u>12,154,321</u>
Deferred inflows of resources									
Unavailable revenue - property taxes	1,949,839	-	-	-	342,575	-	-	19,695	2,312,109
Fund balances:									
Nonspendable:									
Inventory	44,103	-	-	-	-	-	-	-	44,103
Advances to other funds	4,400,000	-	-	-	-	-	-	-	4,400,000
Restricted for:									
Public safety, Police	-	-	-	-	-	-	-	1,488,800	1,488,800
Highways and streets	-	-	-	12,612,785	-	-	2,867,575	619,950	16,100,310
Culture and recreation	-	-	-	-	-	-	-	8,575,469	8,575,469
Community development	-	-	-	-	-	-	-	4,654,293	4,654,293
Debt service	-	-	-	-	-	-	-	241,508	241,508
Committed for:									
Public Safety, Police	-	-	-	-	-	-	-	3,445,154	3,445,154
Highways and streets	-	16,007,510	6,913,228	-	-	-	-	-	22,920,738
Culture and recreation	-	-	-	-	-	-	-	593,891	593,891
PERS Debt	4,104,713	-	-	-	-	-	-	-	4,104,713
Assigned									
2017-19 Budget	17,411,900	-	-	-	-	-	-	-	17,411,900
Unassigned	252,888	-	-	-	(1,399,165)	-	-	-	(1,146,277)
Total fund balances	<u>26,213,604</u>	<u>16,007,510</u>	<u>6,913,228</u>	<u>12,612,785</u>	<u>(1,399,165)</u>	<u>-</u>	<u>2,867,575</u>	<u>19,619,065</u>	<u>82,834,602</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,899,378</u>	<u>\$17,441,263</u>	<u>\$ 7,149,361</u>	<u>\$12,631,811</u>	<u>\$ 3,343,410</u>	<u>\$ -</u>	<u>\$ 4,841,032</u>	<u>\$ 20,994,777</u>	<u>\$ 97,301,032</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MEDFORD**  
Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2017

Fund balances - total governmental funds \$ 82,834,602

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets, cost	479,419,914	
Less accumulated depreciation	<u>(185,205,536)</u>	294,214,378

Certain items, such as liabilities and inflows of resources are reported on the Statement of Net Position, however, if they are not due and payable in the current period, they are not recorded in the governmental funds.

Revenues earned but not available	2,312,109	
Deferred outflow of resources	<u>24,258,020</u>	26,570,129

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:

Accrued interest payable	(775,855)	
Compensated absences	(2,766,204)	
Other post employment benefits	(3,933,110)	
Bonds payable	(82,516,000)	
Unamortized bond premium	(1,837,063)	
Net pension liability	(48,486,276)	
Deferred inflow of resources	<u>(1,085,407)</u>	(141,399,915)

Internal service funds are used by management to charge costs of insurance, risk management, and fleet management services to individual funds. Their assets and liabilities are included in the Statement of Net Position.

4,131,954

Net position of governmental activities	<u><u>\$ 266,351,148</u></u>
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**CITY OF MEDFORD**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year ended June 30, 2017

	General Fund	Gas Tax Fund - 530	Street Utility Fund - 500	Street SDC Fund - 520	MURA Debt Service Fund - 902	Revenue Bond Fund - 161	Street Improvement Fund - 550	Nonmajor Governmental Funds	Total
<b>REVENUES</b>									
Taxes									
Property	\$ 34,780,153	\$ -	\$ -	\$ -	\$ 6,260,212	\$ -	\$ -	\$ 389,698	\$41,430,063
Franchise and lodging	11,041,994	-	-	-	-	-	-	1,933,130	12,975,124
Fuel	-	4,674,310	-	-	-	-	-	-	4,674,310
Other	3,089	-	-	-	-	-	-	1,200,297	1,203,386
Charges for services	1,518,063	188,733	6,201	-	-	-	-	23,142	1,736,139
Fines and penalties	1,236,599	-	-	-	-	-	-	-	1,236,599
Intergovernmental	4,282,680	-	14,968	-	-	-	-	32,032	4,329,680
Licenses, permits and fees	671,683	-	7,144,289	-	-	-	-	7,114,044	14,930,016
Investment earnings	252,259	146,177	77,887	111,579	2,051	-	43,113	273,752	906,818
Grants and contributions	285,789	76,354	500,000	98,059	-	-	518,917	546,073	2,025,192
Gain on sale of capital assets	200,361	-	-	-	-	-	-	5,981	206,342
Other revenue	682,708	393,300	118,284	1,647	-	-	129,869	757,337	2,083,145
Capital contributions and donations	-	-	-	2,042,567	-	-	-	1,572,584	3,615,151
Total revenues	<u>54,955,378</u>	<u>5,478,874</u>	<u>7,861,629</u>	<u>2,253,852</u>	<u>6,262,263</u>	<u>-</u>	<u>691,899</u>	<u>13,848,070</u>	<u>91,351,965</u>
<b>EXPENDITURES</b>									
Current									
General government	8,355,723	-	-	-	-	-	-	-	8,355,723
Public safety	34,544,594	-	-	-	-	-	-	1,634,933	36,179,527
Highways and streets	-	2,094,235	4,990,951	424,729	-	-	196,612	-	7,706,527
Culture and recreation	6,915,914	-	-	-	-	-	-	395,117	7,311,031
Community development	1,520,772	-	-	-	-	-	-	2,637,381	4,158,153
Debt service:									
Debt service principal	-	-	-	-	-	12,645,000	-	1,320,000	13,965,000
Debt service interest	-	-	-	-	501,525	2,832,338	-	1,686,829	5,020,692
Capital outlay	<u>1,808,346</u>	<u>279,246</u>	<u>2,008,233</u>	<u>419,462</u>	<u>-</u>	<u>-</u>	<u>773,623</u>	<u>10,614,732</u>	<u>15,903,642</u>
Total expenditures	<u>53,145,349</u>	<u>2,373,481</u>	<u>6,999,184</u>	<u>844,191</u>	<u>501,525</u>	<u>15,477,338</u>	<u>970,235</u>	<u>18,288,992</u>	<u>98,600,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,810,029</u>	<u>3,105,393</u>	<u>862,445</u>	<u>1,409,661</u>	<u>5,760,738</u>	<u>(15,477,338)</u>	<u>(278,336)</u>	<u>(4,440,922)</u>	<u>(7,248,330)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	3,030,412	-	35,910	137,343	-	15,477,338	-	6,144,385	24,825,388
Transfers out	<u>(15,167,308)</u>	<u>(137,410)</u>	<u>(888,438)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,036)</u>	<u>(7,528,255)</u>	<u>(23,735,447)</u>
Total other financing sources (uses)	<u>(12,136,896)</u>	<u>(137,410)</u>	<u>(852,528)</u>	<u>137,343</u>	<u>-</u>	<u>15,477,338</u>	<u>(14,036)</u>	<u>(1,383,870)</u>	<u>1,089,941</u>
Net change in fund balances	<u>(10,326,867)</u>	<u>2,967,983</u>	<u>9,917</u>	<u>1,547,004</u>	<u>5,760,738</u>	<u>-</u>	<u>(292,372)</u>	<u>(5,824,792)</u>	<u>(6,158,389)</u>
Beginning fund balances	<u>36,540,471</u>	<u>13,039,527</u>	<u>6,903,311</u>	<u>11,065,781</u>	<u>(7,159,903)</u>	<u>-</u>	<u>3,159,947</u>	<u>25,443,857</u>	<u>88,992,991</u>
Ending fund balances	<u>\$ 26,213,604</u>	<u>\$16,007,510</u>	<u>\$ 6,913,228</u>	<u>\$2,612,785</u>	<u>\$ (1,399,165)</u>	<u>\$ -</u>	<u>\$ 2,867,575</u>	<u>\$ 19,619,065</u>	<u>\$82,834,602</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MEDFORD**  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2017

Net change in fund balance - total governmental funds \$ (6,158,389)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay 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. The amount by which capital outlays exceeds depreciation in the current period is:

Capital outlay	16,597,342	
Less current year depreciation	<u>(13,796,341)</u>	2,801,001

The sale of capital assets is recorded in the fund statements at the amount of proceeds received. In the statement of activities the undepreciated cost of capital assets sold or disposed is a reduction of revenue and/or increase in expenses. (9,276)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. The change in unavailable revenue increases/decreases revenue in the Statement of Net Position. (1,253,044)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The change in compensated absences increases/decreases expenses in the Statement of Activities.

Change in compensated absences	97,374	
Change in expenses related to pension obligations	<u>(5,348,698)</u>	(5,251,324)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of those differences in the treatment of long-term debt and related items:

Change in accrued interest	45,835	
Amortization of premium	128,157	
Accrual of other post employment benefits which are not reported as an expenditure in governmental funds	(1,577,745)	
Principal payments	<u>13,965,000</u>	12,561,247

Internal service funds are used by management to charge costs of insurance, risk management, and fleet management services to individual funds. Their net activity is included in the Statement of Activities. 218,954

Change in net position of governmental activities \$ 2,909,169

**CITY OF MEDFORD**  
Balance Sheet  
Proprietary Funds  
June 30, 2017

	Business - type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Nonmajor Parking Facilities Fund	Total	Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 29,944,242	\$ 848,462	\$ 30,792,704	\$ 3,999,264
Receivables	1,081,160	22,829	1,103,989	84,432
Inventories	25,985	-	25,985	696,005
Total current assets	<u>31,051,387</u>	<u>871,291</u>	<u>31,922,678</u>	<u>4,779,701</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	-	120,166
Capital assets:				
Land and construction in progress	1,124,131	1,396,115	2,520,246	-
Capital assets, net of accumulated depreciation	<u>77,843,486</u>	<u>1,408,959</u>	<u>79,252,445</u>	<u>298,788</u>
Total noncurrent assets	<u>78,967,617</u>	<u>2,805,074</u>	<u>81,772,691</u>	<u>418,954</u>
Total assets	<u>110,019,004</u>	<u>3,676,365</u>	<u>113,695,369</u>	<u>5,198,655</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred outflow of resources related to pensions	<u>2,848,567</u>	<u>30,448</u>	<u>2,879,015</u>	<u>281,793</u>
Total assets and deferred outflow	<u>\$ 112,867,571</u>	<u>\$ 3,706,813</u>	<u>\$ 116,574,384</u>	<u>\$ 5,480,448</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 555,129	\$ 7,044	\$ 562,173	\$ 131,992
Payroll and related accruals	225,146	3,668	228,814	149,172
Retainage payable	30,454	-	30,454	-
Deposits and other liabilities	506,896	-	506,896	-
Compensated absences, due within one year	56,092	-	56,092	8,935
Claims payable	-	-	-	455,740
Total current liabilities	<u>1,373,717</u>	<u>10,712</u>	<u>1,384,429</u>	<u>745,839</u>
Long-term liabilities:				
Compensated absences, due in more than one year	213,881	-	213,881	26,806
Net pension liability	<u>5,693,639</u>	<u>60,858</u>	<u>5,754,497</u>	<u>563,240</u>
Total liabilities	<u>7,281,237</u>	<u>71,570</u>	<u>7,352,807</u>	<u>1,335,885</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflows related to pensions	<u>127,457</u>	<u>1,362</u>	<u>128,819</u>	<u>12,609</u>
<b>NET POSITION</b>				
Net investment in capital assets	78,967,617	2,805,074	81,772,691	298,788
Restricted for:				
Future system development	10,753,119	-	10,753,119	-
Employee section 125 plan	-	-	-	120,166
Unrestricted	<u>15,738,141</u>	<u>828,807</u>	<u>16,566,948</u>	<u>3,713,000</u>
Total net position	<u>105,458,877</u>	<u>3,633,881</u>	<u>109,092,758</u>	<u>4,131,954</u>
Total liabilities, deferred inflows, and net position	<u>\$ 112,867,571</u>	<u>\$ 3,706,813</u>	<u>\$ 116,574,384</u>	<u>\$ 5,480,448</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MEDFORD**  
Statement of Revenue, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year ended June 30, 2017

	Business - type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Nonmajor Parking Facilities Fund	Total	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 15,616,456	\$ 711,395	\$ 16,327,851	\$ 3,141,149
Other revenue	<u>36,442</u>	<u>3,344</u>	<u>39,786</u>	<u>897</u>
Total operating revenues	<u>15,652,898</u>	<u>714,739</u>	<u>16,367,637</u>	<u>3,142,046</u>
<b>OPERATING EXPENSES</b>				
Salaries and fringe benefits	6,674,945	120,194	6,795,139	1,693,716
Operating supplies	3,107,681	133,141	3,240,822	526,384
Professional services	264,469	196,315	460,784	136,451
Repairs and maintenance	418,425	19,684	438,109	5,247
Premiums and claims	83,070	5,830	88,900	399,983
Utilities	363,486	-	363,486	2,699
General, administrative, and engineering	947,711	52,841	1,000,552	29,768
Depreciation	<u>3,419,220</u>	<u>81,171</u>	<u>3,500,391</u>	<u>39,486</u>
Total operating expenses	<u>15,279,007</u>	<u>609,176</u>	<u>15,888,183</u>	<u>2,833,734</u>
Operating income (loss)	373,891	105,563	479,454	308,312
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	<u>273,369</u>	<u>7,240</u>	<u>280,609</u>	<u>33,097</u>
Income (loss) before contributions and transfers	647,260	112,803	760,063	341,409
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Contributions	2,732,852	-	2,732,852	-
Transfers in	42,095	-	42,095	-
Transfers out	<u>(996,568)</u>	<u>(13,013)</u>	<u>(1,009,581)</u>	<u>(122,455)</u>
Total contributions and transfers	<u>1,778,379</u>	<u>(13,013)</u>	<u>1,765,366</u>	<u>(122,455)</u>
Change in net position	2,425,639	99,790	2,525,429	218,954
Beginning net position as	<u>103,033,238</u>	<u>3,534,091</u>	<u>106,567,329</u>	<u>3,913,000</u>
Ending net position	<u>\$ 105,458,877</u>	<u>\$ 3,633,881</u>	<u>\$ 109,092,758</u>	<u>\$ 4,131,954</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MEDFORD**  
Statement of Cash Flows  
Proprietary Funds  
For the Year ended June 30, 2017

	Business - type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Nonmajor Parking Facilities Fund	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 15,670,371	\$ 722,511	\$ 16,392,882	\$ 168,553
Receipt from interfund services provided	-	-	-	3,033,794
Payments to suppliers	(3,600,970)	(445,274)	(4,046,244)	(968,231)
Payments to employees	(7,104,371)	(105,722)	(7,210,093)	(1,625,665)
Net cash provided (used) by operating activities	<u>4,965,030</u>	<u>171,515</u>	<u>5,136,545</u>	<u>608,451</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other finds	42,095	-	42,095	-
Transfers to other funds	(996,568)	(13,013)	(1,009,581)	(122,455)
Net cash provided (used) by noncapital financing activities	<u>(954,473)</u>	<u>(13,013)</u>	<u>(967,486)</u>	<u>(122,455)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions (system development charges)	1,903,490	-	1,903,490	-
Acquisition and construction of capital assets	(1,805,296)	(22,998)	(1,828,294)	-
Net cash provided (used) by capital and related financing activities	<u>98,194</u>	<u>(22,998)</u>	<u>75,196</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	<u>273,369</u>	<u>7,240</u>	<u>280,609</u>	<u>33,097</u>
Increase (decrease) in cash	4,382,120	142,744	4,524,864	519,093
Cash at beginning of year	<u>25,562,122</u>	<u>705,718</u>	<u>26,267,840</u>	<u>3,600,337</u>
Cash at end of year	<u>\$ 29,944,242</u>	<u>\$ 848,462</u>	<u>\$ 30,792,704</u>	<u>\$ 4,119,430</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	<u>\$ 373,891</u>	<u>\$ 105,563</u>	<u>\$ 479,454</u>	<u>\$ 308,312</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	3,419,220	47,423	3,466,643	39,486
Net reduction of expense under GASB 68	736,521	13,921	750,442	72,284
(Increase) decrease in accounts receivable	13,936	7,772	21,708	60,301
(Increase) decrease in inventories	-	-	-	(177,971)
(Increase) decrease in prepaids	-	-	-	422,483
Increase (decrease) in accounts payable	352,327	(3,715)	348,612	(19,983)
Increase (decrease) in accrued payroll and related expenses	14,463	551	15,014	(4,233)
Increase (decrease) in compensated absences	(17,772)	-	(17,772)	-
Increase (decrease) in Customer deposits payable	3,537	-	3,537	-
Increase (decrease) in retainage payable	68,907	-	68,907	-
Increase (decrease) in Claims payable	-	-	-	(92,228)
Total adjustments	<u>4,591,139</u>	<u>65,952</u>	<u>4,657,091</u>	<u>300,139</u>
Net cash provided (used) by operating activities	<u>\$ 4,965,030</u>	<u>\$ 171,515</u>	<u>\$ 5,136,545</u>	<u>\$ 608,451</u>
<b>Noncash capital activities:</b>				
Contributions of capital assets from developers	<u>\$ 829,362</u>	<u>\$ -</u>	<u>\$ 829,362</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note I - Summary of significant accounting policies**

**A. Reporting entity**

The City of Medford, Oregon (City) operates under an amended charter adopted by the voters in 1976. The City Council (Council), composed of the Mayor and eight council members, comprises the legislative branch of the government. Individual departments are under the direction of the City Manager, who is appointed by the Council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

**Blended component unit.** The Medford Urban Renewal Agency (Agency or MURA) provides services almost entirely to the City and is governed by a board that is comprised of the members of the City of Medford City Council. The services MURA provides are the beautification and revitalization of the MURA district which is primarily downtown Medford. Upon completion, all projects constructed become assets of the City of Medford. Primary projects are constructing parking garages and parking lots. Additionally, MURA has completed many streetscape projects which entail improving sidewalks, adding landscaping to the sidewalks and adding benches and pedestrian friendly street lighting. The Agency was formed by the City as a separate legal entity to implement these programs in the revitalization plan of the City. The goal is to eliminate blight and attract aesthetically pleasing, job producing private investments that will improve and stabilize property values. Projects are funded through tax increment financing. The Agency's funds are reported as governmental fund types, one being MURA Capital Projects Fund and the other being MURA Debt Service Fund. Separate financial statements for the Agency may be obtained from the Finance Department of the City of Medford Oregon, which is located at 411 W 8th Street, Medford, OR 97501.

**Discretely presented component unit.** The Medford Water Commission (Commission) operates the water system serving the constituents of the City and is governed by a Board appointed by the Mayor and approved by the Council. The Commission was formed by the City to maintain and operate the water utility. The Board has the authority to set rates and charges for services provided.

Based upon criteria established by the Governmental Accounting Standards Board (GASB), assets, liabilities, revenues, and expenses related to the Commission are included in the component unit column of the City's government-wide financial statements. Unless noted otherwise in this report, accounting policies of the component unit are consistent with those described for the primary government. The Commission is reported as a business-type activity. Separate financial statements for the Commission may be obtained at the Commission's administrative office, which is located at 200 South Ivy Street, Medford, Oregon 97501.

Medford Parks and Recreation Foundation ("Foundation") was founded in 2005 to preserve, promote, and support the providing of access to a variety of park and recreational experiences to the citizens of the City of Medford, including athletics and the preservation of the natural environment within areas of existing and potential future growth of the City of Medford and Jackson County.

Based upon criteria established by the Governmental Accounting Standards Board (GASB), assets, liabilities, revenues, and expenses related to the Foundation are included in the component unit column of the City's government-wide financial statements. Unless noted otherwise in this report, accounting policies of the component unit are consistent with those described for the primary government. Separate financial statements for the Foundation may be obtained at the Foundation's administrative office which is located at 701 North Columbus Avenue, Medford, Oregon 97501.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the City and its component units. These statements include the financial activities of the overall City. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. *Governmental activities* are financed through charges for services, property taxes, intergovernmental revenues, and other non-exchange transactions. *Business-type activities* are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each activity of its governmental programs, business-type activities and component units. *Direct expenses* are those that are specifically associated with an activity and, therefore, are clearly identifiable to that activity. *Indirect expense allocations* are included as part of program expenses in the Statement of Activities. Eliminations have been made to minimize the double counting of internal activities. *Program revenues* include fees, fines, and charges paid by the recipients of goods or services and grants and contributions that are restricted to meeting operational or capital requirements. Revenues that are not classified as program revenues, including property taxes and interest earnings, are presented as *general revenues*.



**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note I - Summary of significant accounting policies (continued)**

**B. Government-wide and fund financial statements, continued**

Net position is reported as restricted when constraints placed on net position uses are either externally restricted, imposed by creditors (such as through grantors, contributors or laws), or through constitutional provisions or enabling legislation.

The fund financial statements provide information about the City's governmental and proprietary funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as other nonmajor funds. It is the intent of the City to allow the internal service funds to accumulate equity in the funds. This equity will be used to either purchase capital assets or to pay for unexpected insurance claims.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the City receives value without giving equal value in exchange, include property taxes, grants, entitlements, and donations. Under the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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*. The City considers property tax revenue reported in the governmental funds to be available if they are collected within thirty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. All 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 susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the cash is received by the City.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is primarily funded by property taxes, franchise fees, and state shared revenues.

The *Gas Tax Fund* is a special revenue fund that accounts for revenue from state gasoline taxes apportioned from the State of Oregon and expenditures as specified under Article IX, section 3, of the Constitution of the State of Oregon.

The *Street Utility Fund* is a special revenue fund that accounts for street utility fees to be expended on street improvements and maintenance.

The *Street SDC Fund* is a special revenue fund that accounts for SDCs to be expended on arterial and collector street improvements & maintenance for street utility fees to be expended on street improvements and maintenance.

The *MURA Debt Service Fund* accounts for the payment of principal and interest on debt of the Medford Urban Renewal Agency. The principal source of revenues is property taxes.

The *Revenue Bond Fund* accounts for the payment of principal and interest on the Revenue Bonds. The resource for those payments come from transfers in from other funds for which the bonds proceeds were used.

The *Street Improvement Fund* accounts for construction and improvement of streets and is financed primarily with funds from the State and County.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note I - Summary of significant accounting policies (continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation, continued**

The government reports the following major proprietary fund:

The *Sewer Utility Fund* accounts for the City's sewer utility maintenance, operation, improvements, and expansion of the City's drain and sewer infrastructure. This fund is comprised of several sub-funds, but is considered a single enterprise fund under accounting principles generally accepted in the United States of America.

Additionally, the government reports the following fund types:

*Special revenue funds* account for proceeds of specific revenue sources that are restricted, committed or assigned to expenditure for specific purposes other than debt service or capital expenditure.

*Debt service funds* account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest related costs as well as the financial resources being accumulated for future debt service.

*Capital projects funds* account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, except for those financed by proprietary funds. Revenues are derived primarily from property taxes and state gas tax apportionments which are designated for the construction of specific projects.

*Internal service funds* account for administration and associated costs of workers' compensation and other insurance programs. Additionally, the Fleet Maintenance accounts for the garage services provided by the City. The costs of the services provided are recovered by the charges to the department and/or outside agency receiving the service.

Interfund activity consists of transfers, services provided and/or used, reimbursements, advances, and loans. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise funds and of the government'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.

**D. Use of 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 reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

**E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance**

**1. Cash and cash equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are valued at fair value.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note I - Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance, continued**

**2. *Receivables and payables***

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property taxes are levied and become a lien on July 1st. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th of the same year, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the due date.

Property taxes receivable which have been collected and received by the City within 60 days subsequent to year end are considered measurable and available, and are recognized as revenues in the governmental fund financial statements. All other property taxes receivable are offset by deferred revenue because they are not deemed available to finance operations of the current period. Property tax receivables are deemed to be substantially collectable or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary.

Receivables for federal and state grants, and state, county, and local shared revenue, are recorded as revenue in all fund types as earned.

Assessment liens receivable are recorded as receivables at the time property owners are assessed for property improvements. Assessment lien installments which are expected to be collected in the following year in accordance with the modified accrual basis of accounting are considered measurable and available and are recognized as revenues. All other assessment liens receivable are offset by unearned revenues and, accordingly, have not been recorded as revenue.

Assessments are payable over a period of 10 to 20 years and bear interest at 5% to 10%. Assessment interest revenue is recognized when it becomes measurable and available.

System development charges receivable represent contractor assessments for property improvements which have been financed by the City as allowed under State law. The system development charges are recorded as receivables and recognized as contributions at the time the contractor is assessed for property improvements in the proprietary funds. In the governmental funds, the system development charges are recognized as revenue when determined to be measurable and available, in accordance with the modified accrual basis of accounting.

Receivables of the proprietary fund types are recorded as revenue when earned, including services earned but not billed.

**3. *Inventories***

Inventories in the general fund and in the proprietary fund types are stated at the lower of cost or market, using the first-in/first-out (FIFO) method, or market.

**4. *Restricted cash***

Certain cash accounts are for court related forfeitures, amounts held in escrow, and payroll related items.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note I - Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance, continued**

**5. Capital assets**

Purchased or constructed capital assets are reported in the applicable governmental or business-type activities columns in the entity-wide financial statements. The City defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life of one year or more. Capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at donor's cost at the time of donation. Intangible assets with an indefinite useful life are included in nondepreciable assets.

Interest incurred during the construction phase is reflected in the capitalization value of the assets constructed, net of interest earned on the invested proceeds over the same period. During the year ended June 30, 2017, the City and Commission did not capitalize any interest.

In the entity-wide and proprietary fund financial statements, disposal of capital assets is recorded by relieving the governmental or business-type activities of the related costs and accumulated depreciation, with the resulting gains or losses being reflected in the Statement of Activities. In the governmental fund financial statements, the proceeds from sales of governmental fund capital assets are recorded as revenues in the appropriate fund.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City, including its component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-75
Sewers	20-75
Parking structures	45-50
Improvements	10-50
Road networks	20
Storm drains	20
Equipment	3-20

**6. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The implementation of GASB 68 in the fiscal year ended June 30, 2015 created the City's first deferred outflow of resources - deferred outflows of resource related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of deferred inflows, one which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, occupancy taxes, franchise fees and rehabilitation loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally the implementation of GASB 68 created - deferred inflows of resource related to pensions.

A detailed description of these accounts related to pensions and how they are calculated are discussed in note IIIJ.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note I - Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance, continued**

**7. *Compensated absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Earned but unpaid sick leave does not vest, for the majority of employees, and is therefore not accrued. However, some employees whose sick leave bank exceeds a set amount are permitted to sell back their sick leave in excess of these hours. Management receives a payout for the amount in excess of 520 hours upon termination of employment. No amount has been accrued for these payouts, as management considers the amount to be immaterial. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only as a result of employee resignations and retirements. The liability for compensated absences is typically liquidated in the fund that incurred the expenditure at the time of the occurrence (i.e. vacation being taken or upon retirement). The general fund incurs the largest portion (80%) of the liability. The balance is spread among the other governmental funds.

**8. *Long-term obligations***

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

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 expenditures.

**9. *Fund balance***

In the fund financial statements, the fund balance of governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the resolution at any time through the passage of an additional resolution.

Resources that are constrained by the Government's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approved which resources should be "reserved" during the adoption of the biennial budget. The City's Finance Director uses that information to determine whether those resources should be assigned or unassigned for presentation in the City's Comprehensive Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned fund balance.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note II - Stewardship, compliance, and accountability**

**A. Budgetary information**

The City adopts biennial budgets for all funds, and the Agency adopts an annual budget; both are in accordance with Oregon Local Budget Law. The City and the Agency begin their budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committees approving the budgets in late spring. Public notices of the budget hearings are published in the months prior to public hearings in June. The City Council or Board of Directors for the Agency adopts the budgets, authorizes appropriations, and declares the tax levy no later than June 30. State statutes do not require the Commission to prepare and adopt a budget. However, the Commission's Board and management have prepared and adopted an annual budget for operational accountability and control purposes.

The ordinance authorizing appropriations sets the level by which expenditures cannot legally exceed appropriations. The ordinance establishes appropriations at the department division level for all funds except the Agency. The Agency adopts biennial budgets for all funds at the principal object categories - personnel, materials and services, capital outlay, debt service and operating contingency.

The budget document contains more detailed expenditure categories than the authorizing appropriation ordinance. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. Supplemental budgets less than 10% of the fund's original budget may be adopted by the City Council or the Agency's Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the City Council or the Agency's Board of Directors. Original and supplemental budgets may be modified by use of appropriation transfers between levels of control. Such transfers require approval by the City Council or the Board of Directors for the City and the Agency, respectively. The City Council approved various transfer resolutions during the current biennium budget period 2015-2017.

The City and the Agency budget their funds on the modified accrual basis of accounting; for budget purposes, interfund loans are budgeted as other financing sources (uses) in governmental funds; however, on a generally accepted accounting principles basis they are balance sheet-only transactions. The Agency budgets expenditures for land held for development when the related liabilities are incurred, while for generally accepted accounting principles, the expenditures are capitalized and recorded when the property is placed in service. All City appropriations lapse at the end of the biennial period, and all Agency appropriations lapse at the end of the biennial period.

**B. Deficit fund balance**

The MURA Debt Service Fund had a deficit fund balance of \$1,399,165. This was caused by the interfund advance from the General Fund and will be replenished as the advance is repaid.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds**

**A. Cash and investments**

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

As of June 30, 2017, the City's cash and investment balances were reported as follows:

	<u>Primary Government</u>	<u>Weighted average maturity in years</u>
Subject to interest rate risk:		
U.S. agency securities	\$ 44,639,966	1.720
Corporate bonds	21,561,520	1.250
Commercial paper	998,922	-
Not subject to interest rate risk or maturities are less than one month:		
Petty cash	7,460	
Deposits with financial institutions	25,117,701	
LGIP	<u>28,810,698</u>	
Total cash and investments	<u>\$ 121,136,267</u>	
Cash and investments are reported as follows:		
Cash and investments	\$ 120,924,843	
Restricted cash and cash equivalents	<u>211,424</u>	
Total cash and investments	<u>\$ 121,136,267</u>	

**Deposits**

*Custodial credit risk - deposits.* Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City maintains its deposits in accordance with ORS 295. Under that statute, all deposits must be covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized with eligible securities in amounts determined by the Office of the State Treasurer. At June 30, 2017, the City's deposits with various financial institutions had a bank balance of \$25,201,137. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 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 State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

**Investments**

*Interest rate risk.* As a means of limiting its exposure to losses arising from rising interest rates, the City's investment policy limits investments as follows:

<u>Length of Maturity</u>	<u>Investment Amounts</u>
Under 30 days	10% minimum
Under 1 year	25% minimum
Over 3 years	25% maximum

*Credit risk - investments.* The City's policy, which adheres to State of Oregon law, is to limit its Corporate and Municipal investments to the following: Issuers must be rated "A-1" (commercial paper and bankers acceptance) or "AA" (bonds and debt obligations for the states of Oregon, California, Idaho, and Washington) or "AAA" (FDIC guaranteed corporate bonds) or better by Standard and Poor's, Moody's Investors Service or any other nationally recognized statistical rating organization at time of purchase. Federal instrumentality securities shall be rated in the highest rating category by a nationally recognized statistical rating organization (NRSRO) and shall be rated not less by any NRSRO that rates the debt.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**A. Cash and investments, continued**

At June 30, 2017, the City's investments were rated as follows:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Moody's Rating</u>	<u>Percent of Total Investments</u>
U.S. agency securities:			
Federal Farm Credit Bank	\$ 5,944,643	Aaa	6.19 %
Federal Home Loan Bank	6,074,670	Aaa	6.33 %
Federal Home Loan Mortgage Corp.	3,719,090	Aaa	3.87 %
Treasury Note	21,387,090	N/A	22.28 %
Federal National Mortgage Assoc.	<u>7,514,473</u>	Aaa	7.83 %
Total U.S. agency securities	<u>44,639,966</u>		
Corporate bonds:			
Chevron	2,000,216	A1	2.08 %
Toyota Motor Credit	2,001,176	Aa1	2.08 %
Wells Fargo Bank NA	2,001,356	Aa1	2.08 %
IBM Corp	1,999,240	Aa3	2.08 %
Coca Cola	1,996,452	Aa3	2.08 %
Bekshire Hathaway	2,004,754	Aa3	2.09 %
US Bank NA Cincinnati	1,987,670	Aa3	2.07 %
Microsoft Corp	1,996,822	Aa3	2.08 %
Ely Lily & Co	1,004,427	Aa3	1.05 %
JP Morgan Chase Bank N/A	2,570,571	Aa3	2.68 %
Apple Inc	<u>1,998,836</u>	Aa3	2.08 %
Total Corporate bonds	<u>21,561,520</u>		
LGIP	28,810,698	Not rated	30.01 %
Commercial Paper	<u>998,922</u>	Not rated	<u>1.04 %</u>
Total investments	<u>\$ 96,011,106</u>		<u>100.00 %</u>

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

*Concentration of Credit Risk.* The City's policy for investing in individual issuers varies depending on the type of investments. Agency securities are restricted to no more than 25% for any one issuer. No more than 10% of the total portfolio of investments may be invested in a single issuer of banker's acceptances. Investments in commercial paper or corporate bonds of any one issuer may not exceed 5% of the investment portfolio. Repurchase agreements may not exceed 10% per issuer. Obligations of the states of Oregon, California, Idaho, and Washington are restricted to no more than 10% for any one issuer.



**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**A. Cash and investments, continued**

*Fair Value Hierarchy* During the fiscal year ended June 30, 2016, the City implemented GASB Statement No. 72, Fair Value Measurement and Application. Issued February 2015 this statement establishes accounting and financial reporting standards for fair value measurements, the level of fair value hierarchy, and valuation techniques. Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 - unadjusted price quotations in active markets/exchanges for identical assets or liabilities, that each fund has the ability to access.

Level 2 - other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs.

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments) The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has recorded its investments at fair value, and primarily uses the Market Approach to valuing each security. The City applies fair market value updates to its securities on a daily basis. Security pricing is provided by a third-party, and is reported daily to the City by its custodian bank. Assets are categorized by asset type, which is a key component of determining hierarchy levels. Asset types allowable per the City's investment policy generally fall within hierarchy level 1 and 2.

The City has the following recurring fair value measurement:

Investment Measured at Fair Value	Total as of June 30, 2017	Fair Value Measurement			Cost Measurement Not measured at Fair Value
		Level One	Level Two	Level Three	
U.S. agency securities	\$ 44,639,966	\$ -	\$ 44,639,966	\$ -	\$ -
Corporate bonds	21,561,520	-	21,561,520	-	-
Commercial Paper	998,922	-	998,922	-	-
LGIP	28,810,698	-	-	-	28,810,698
	<u>\$ 96,011,106</u>	<u>\$ -</u>	<u>\$ 67,200,408</u>	<u>\$ -</u>	<u>\$ 28,810,698</u>

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**B. Capital assets**

Capital asset activity for the year ended June 30, 2017 was as follows:

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases/ Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 34,309,256	\$ 1,705,672	\$ -	\$ 36,014,928
Land - rights of way	82,502,755	-	-	82,502,755
Construction in progress	<u>25,195,837</u>	<u>4,120,540</u>	<u>(25,195,836)</u>	<u>4,120,541</u>
Total capital assets, not being depreciated	<u>142,007,848</u>	<u>5,826,212</u>	<u>(25,195,836)</u>	<u>122,638,224</u>
Capital assets, being depreciated:				
Buildings	27,872,842	29,558,110	-	57,430,952
Improvements	45,735,238	-	-	45,735,238
Equipment	24,546,926	3,065,088	(167,583)	27,444,431
Infrastructure	<u>223,814,889</u>	<u>3,295,912</u>	<u>-</u>	<u>227,110,801</u>
Total capital assets, being depreciated	<u>321,969,895</u>	<u>35,919,110</u>	<u>(167,583)</u>	<u>357,721,422</u>
Less accumulated depreciation for:				
Buildings	(10,580,525)	(1,200,856)	-	(11,781,381)
Improvements	(19,700,122)	(1,943,095)	-	(21,643,217)
Equipment	(18,973,096)	(1,466,807)	176,859	(20,263,044)
Infrastructure	<u>(122,973,255)</u>	<u>(9,185,583)</u>	<u>-</u>	<u>(132,158,838)</u>
Total accumulated depreciation	<u>(172,226,998)</u>	<u>(13,796,341)</u>	<u>176,859</u>	<u>(185,846,480)</u>
Total capital assets, being depreciated, net	<u>149,742,897</u>	<u>22,122,769</u>	<u>9,276</u>	<u>171,874,942</u>
Governmental activities capital assets, net	<u>\$ 291,750,745</u>	<u>\$ 27,948,981</u>	<u>\$ (25,186,560)</u>	<u>\$ 294,513,166</u>

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**B. Capital assets, continued**

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Primary Government</b>				
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,705,719	\$ -	\$ -	\$ 1,705,719
Construction in progress	767,786	814,527	(769,786)	812,527
Total capital assets, not being depreciated	2,473,505	814,527	(769,786)	2,518,246
Capital assets, being depreciated:				
Buildings	7,037,483	90,162	-	7,127,645
Improvements	28,808,825	171,094	-	28,979,919
Equipment	30,365,038	750,864	(98,066)	31,017,836
Sewers	30,703,083	941,590	-	31,644,673
Storm drains	45,772,441	644,860	-	46,417,301
Total capital assets, being depreciated	142,686,870	2,598,570	(98,066)	145,187,374
Less accumulated depreciation for:				
Buildings	(3,612,946)	(188,728)	-	(3,801,674)
Improvements	(13,848,071)	(742,438)	-	(14,590,509)
Equipment	(17,642,789)	(988,911)	98,066	(18,533,634)
Sewers	(13,589,606)	(610,775)	-	(14,200,381)
Storm drains	(13,839,192)	(969,539)	-	(14,808,731)
Total accumulated depreciation	(62,532,604)	(3,500,391)	98,066	(65,934,929)
Total capital assets, being depreciated, net	80,154,266	(901,821)	-	79,252,445
Business-type activities capital assets, net	<u>\$ 82,627,771</u>	<u>\$ (87,294)</u>	<u>\$ (769,786)</u>	<u>\$ 81,770,691</u>

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

<b>Governmental activities:</b>	
General government	\$ 372,549
Public safety	715,826
Highways and streets	7,073,524
Culture and recreation	2,292,829
Community development	3,341,613
Total depreciation expense - governmental activities	<u>\$ 13,796,341</u>
<b>Business-type activities:</b>	
Sewer	\$ 3,419,220
Parking services	81,171
Total depreciation expense - business-type activities	<u>\$ 3,500,391</u>

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**B. Capital assets, continued**

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Medford Water Commission:</b>				
Capital assets, not being depreciated:				
Land and right-of-way	\$ 4,925,439	\$ -	\$ -	\$ 4,925,439
Construction in progress	7,721,975	8,272,992	(13,003,334)	2,991,633
Total capital assets, not being depreciated	12,647,414	8,272,992	(13,003,334)	7,917,072
Capital assets, being depreciated:				
Buildings, supply and distribution system	150,626,388	14,043,869	(1,739)	164,668,518
Equipment	8,226,052	140,924	(64,368)	8,302,608
Total capital assets, being depreciated	158,852,440	14,184,793	(66,107)	172,971,126
Less accumulated depreciation for:				
Buildings, supply and distribution system	(47,210,514)	(2,717,240)	1,161	(49,926,593)
Equipment	(4,869,251)	(561,367)	48,770	(5,381,848)
Total accumulated depreciation	(52,079,765)	(3,278,607)	49,931	(55,308,441)
Total capital assets, being depreciated, net	106,772,675	10,906,186	(16,176)	117,662,685
Medford Water Commission capital assets, net	\$ 119,420,089	\$ 19,179,178	\$ (13,019,510)	\$ 125,579,757

The Medford Parks Foundation capital assets not being depreciated consist of land donated to the foundation during the year.

**C. Long-term debt**

**General Obligation and Full Faith and Credit Bonds**

General Obligation bonds are backed by the full faith and credit of the City and are serviced by general property tax revenues. The City's G.O. bonded debt is subject to a debt margin of 3% of real market value per Oregon Revised Statutes 287A.050. Bonds at year end are as follows:

Purpose	Original Amount	Interest Rates	Amount Outstanding
General obligation bonds:			
1. PERS actuarial bonds, maturing 2028	\$ 29,205,000	4.91 to 6.10 %	\$ 25,560,000
Full faith and credit bonds			
2. 2006 Sidewalk Series maturing 2021	4,600,000	4.00 to 4.50 %	1,525,000
3. Series 2011C bonds for MURA maturing 2025	20,950,000	3.25 to 5.00%	4,400,000
Total bonds outstanding			\$ 31,485,000

The PERS bonds were issued to enable the City to prepay its unfunded actuarial liability to Oregon Public Employees Retirement System. Interest rates were 4.91% from 2005 to 2010, 5.197% in 2011, 5.25% in 2012, 5.35% in 2013, 5.571% in 2014, 5.671% in 2015, 5.771% in 2016, 5.871% in 2017, 5.941% in 2018, 6.015% from 2019 to 2023, and 6.095% from 2024 to 2028.

The 2006 Sidewalk series bonds were voter approved bonds, issued for construction of new sidewalks. Interest rates were 4.00% from 2007 to 2009, increasing to 4.25% from 2010 to 2015, 4.50% from 2016 to 2017, 4.25% from 2018 to 2019, 4.30% for 2020, and 4.375% for 2021.

The 2011C series bonds were issued to enable the City to loan funds to Medford Urban Renewal. Interest rates were 5.00% from 2013 to 2017, decreasing to 3.00% from 2018 to 2024 and increasing to 3.25% for 2025.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**C. Long-term debt, continued**

The following schedule shows the debt service requirements as of June 30, 2017:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2018	\$ 3,035,000	\$ 2,042,837
2019	3,330,000	1,912,940
2020	3,315,000	1,700,939
2021	2,265,000	1,316,909
2022	2,135,000	1,187,311
2023-2027	15,625,000	3,618,791
2028-2032	<u>1,780,000</u>	<u>108,491</u>
Total	<u>\$ 31,485,000</u>	<u>\$ 11,888,218</u>

**Revenue Bonds**

Revenue bonds at year end are as follows:

Purpose	Original Amount	Interest Rates	Amount Outstanding
Revenue bonds:			
2007 Parks limited tax revenue bonds, maturing 2027	\$ 18,965,000	3.50 - 4.16%	\$ 11,505,000
2011B Limited tax revenue refunding bonds, maturing 2022	3,673,000	3.24%	1,966,000
2013 Police, Fire, and Parks limited tax revenue bonds, maturing 2043	38,155,000	3.00 - 5.00%	<u>37,560,000</u>
Total revenue bonds outstanding:			<u>\$ 51,031,000</u>

The 2007 Parks limited tax revenue bonds were issued for the acquisition and improvement of parks facilities. Principal and interest on the Parks limited tax revenue bonds are to be paid from transient room tax revenues, occupational license fees, parks system development charges, or parks utility fees. The 2007 Parks limited tax revenue bond has an interest rate of 4.00% from 2008 to 2026 and 4.125% in 2027.

The 2011B series bond was issued on December 15, 2011 to advance refund the remaining amounts due on the 2002 Parks limited tax revenue bonds, maturing 2022. The City advance refunded the aforementioned bond to reduce its total debt service payments over the next 13 years by \$500,000 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$470,000.

The series 2013 limited tax revenue bonds were issued in December of 2013 and are secured by revenues from a Public Safety Fee the City collects per residential and commercial unit per month as well as a Car Rental Tax which is collected on every car rented at the Rogue Valley International-Medford Airport. The bonds were issued to finance the costs of capital projects for the City including construction of new police headquarters and parking facilities, relocation of fire stations, and construction of 3 additional ball fields and related parking facilities at the U.S. Cellular Community Park located within the City. The 2013 Police, Fire, and Parks limited tax revenue bond has an interest rate that fluctuates from year to year between 3.00% to 5.00% from 2014 to 2043.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**C. Long-term debt, continued**

The following schedule shows the debt service requirements for revenue bonds as of June 30, 2017:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2018	\$ 1,530,000	\$ 2,275,561
2019	1,591,000	2,217,035
2020	2,335,000	2,137,915
2021	2,444,000	2,037,079
2022	2,546,000	1,931,653
2022-2027	12,255,000	8,046,386
2028-2032	7,495,000	5,650,240
2033-2037	7,900,000	3,821,563
2038-2042	8,815,000	1,954,238
2043-2047	4,120,000	187,426
Total	<u>\$ 51,031,000</u>	<u>\$ 30,259,096</u>

**Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation/full faith bonds	\$ 43,980,000	\$ -	\$ (12,495,000)	\$ 31,485,000	\$ 3,035,000
Revenue bonds	<u>52,501,000</u>	<u>-</u>	<u>(1,470,000)</u>	<u>51,031,000</u>	<u>1,530,000</u>
Total bonds payable	96,481,000	-	(13,965,000)	82,516,000	4,565,000
Other Post Employment Benefits	2,355,365	1,792,865	(215,120)	3,933,110	-
Compensated absences	<u>2,904,589</u>	<u>219,225</u>	<u>(321,869)</u>	<u>2,801,945</u>	<u>562,176</u>
Governmental activities long- term liabilities	<u>\$ 101,740,954</u>	<u>\$ 2,012,090</u>	<u>\$ (14,501,989)</u>	<u>\$ 89,251,055</u>	<u>\$ 5,127,176</u>
Business-type activities:					
Compensated absences	<u>\$ 250,493</u>	<u>\$ 47,238</u>	<u>\$ (27,758)</u>	<u>\$ 269,973</u>	<u>\$ 56,092</u>

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**C. Long-term debt, continued**

Each fund has been used to liquidate that fund's compensated absences in prior years.

Bonds payable are reported in the Statement of Net Position as follows:

Bonds payable ending balance	\$ 82,516,000
Less: current portion	(4,565,000)
Add: unamortized premium	<u>1,837,063</u>
Bonds payable, due in more than one year	<u><u>\$ 79,788,063</u></u>

**D. Governmental Activities net investment in capital assets**

Net investment in capital assets for Governmental Activities as presented in the Statement of Net Position as of June 30, 2017 is determined as follows:

Capital assets, net	\$ 294,513,166
Less outstanding principal on capital asset related debt:	
General obligation bonds, excluding PERS bond \$25,560,000	(5,925,000)
Revenue bonds, 2013 Police, Fire, Parks revenue bond.	(51,031,000)
Add: unamortized premium	<u>(1,837,063)</u>
Governmental Activities net position invested in capital assets, net of related debt	<u><u>\$ 235,720,103</u></u>

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**E. Interfund receivables, payables, advances and transfers**

**Interfund Receivables and Payables**

The interfund balance between the City's General fund and the Community Development Block Grant Fund, a non-major special revenue fund. The amount due to the General fund reflects a negative cash balance in the Community Development Block Grant Fund.

	Due From Other Funds	Due To Other Funds
General Fund	\$ 75,179	\$ -
Nonmajor Governmental Funds	-	75,179
Total	<u>\$ 75,179</u>	<u>\$ 75,179</u>

**Interfund Advances**

During the 2012 fiscal year, the City of Medford general fund made an advance of \$20,950,000 to the Medford Urban Renewal general fund for capital projects.

Interfund loan activity and balances for the year ended June 30, 2017 was as follows:

	Beginning of year	Additions	Payments	End of year	Current portion
Medford Urban Renewal Due to the City of Medford general fund	<u>\$ 15,575,000</u>	<u>\$ -</u>	<u>\$ (11,175,000)</u>	<u>\$ 4,400,000</u>	<u>\$ 1,455,000</u>

**Interfund transfers:**

	Transfers out:								Total Transfers In
	General Fund	Gas Tax Fund	Street Utility Fund	Street Improvement Fund	Nonmajor Governmental Funds	Sewer Utility Fund	Parking Facilities Fund	Internal Service Funds	
Transfers in:									
General Fund	\$ 300,000	\$ 137,410	\$ 888,438	\$ 14,036	\$ 558,492	\$ 996,568	\$ 13,013	\$ 122,455	\$ 3,030,412
Street Utility Fund	-	-	-	-	35,910	-	-	-	35,910
Street SDC Fund	137,343	-	-	-	-	-	-	-	137,343
Revenue Bond Fund	11,676,525	-	-	-	3,800,813	-	-	-	15,477,338
Nonmajor Governmental Funds	3,011,345	-	-	-	3,133,040	-	-	-	6,144,385
Sewer Fund	42,095	-	-	-	-	-	-	-	42,095
Total transfers out	<u>\$ 15,167,308</u>	<u>\$ 137,410</u>	<u>\$ 888,438</u>	<u>\$ 14,036</u>	<u>\$ 7,528,255</u>	<u>\$ 996,568</u>	<u>\$ 13,013</u>	<u>\$ 122,455</u>	<u>\$ 24,867,483</u>

Transfers are budgeted for and made to reimburse the General Fund for administrative charges and to reimburse debt service funds for debt service payments made on behalf of another fund.



**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**F. Risk management**

The City is exposed to various risks of loss related to general liability, automobile liability, law enforcement liability, public officials liability, and employment practices. Prior to July 1, 2010, the City carried commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Effective July 1, 2010, the City and MURA became self-insured. Premiums are paid into the Risk Management internal service fund by City departments based on each department's operating budget, claim activity, and vehicle usage. The City carries a supplemental liability policy with a \$10 million limit per occurrence or wrongful act, and a \$500,000 deductible. The annual aggregate limit of the policy is \$10 million. The policy renews July 1 of each year.

	Year Ended June 30,	
	2016	2017
Unpaid claims, beginning of year	\$ 439,153	\$ 480,205
Incurred claims (including IBNR)	256,221	393,853
Claim payments	(215,169)	(418,318)
Unpaid claims, end of year	<u>\$ 480,205</u>	<u>\$ 455,740</u>

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**G. Deferred compensation plan**

The City has a deferred compensation plan (Plan) created in accordance with the Internal Revenue Code Section 457(g). The Plan is administered by independent plan administrators through administrative service agreements. The Plan is available to all full time employees and limited contracted employees of the City. Employees may defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The Plan's assets are held in a custodial account for the exclusive benefit of participants and beneficiaries, and are not subject to claims of the City's creditors, nor can they be used by the City for any purpose other than the payment of benefits to the Plan participants. Accordingly, these Plan assets and related liability are not recorded on the accompanying Statement of Net Position.

**H. Conduit debt**

The Hospital Facilities Authority of the City of Medford issued bonds in 2002, 2005, 2010, 2013 (and 2013B), and 2014. The outstanding balance of these bonds as of June 30, 2017 was \$425,096,777. The bonds are to be paid solely from the revenues and assets of The Hospital Facilities Authority of the City of Medford, and are not an obligation of the City.

**I. Commitments and contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal and state governments. Any unforeseen disallowed claims, including amounts already collected, could become a liability of the General Fund or other applicable funds. Management believes that adjustments, if any, will not be material to the City or its discretely presented component units.

City management is performing site evaluation of various properties for the purpose of determining environmental liability. Management does not anticipate that remediation costs, if any, would be material to the City's financial condition.

The City is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not be material to the City's financial condition.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**J. Pension plans**

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

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

***Plan Benefits***

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

***Pension Benefits***

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

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

***Death Benefits***

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

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

***Disability Benefits***

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

***Benefit Changes***

After retirement members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**J. Pension plans, continued**

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

*Pension Benefits.*

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

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

*Death Benefits*

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

*Disability Benefits*

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

*Benefit Changes After Retirement*

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

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

*Pension Benefits*

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

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

*Death Benefits*

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

*Recordkeeping*

OPERS contracts with VOYA Financial to maintain IAP participant records.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**J. Pension plans, continued**

***Contributions:***

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates, based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 were \$3,681,437, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 were 18.49 percent for Tier One/Tier Two General Services and 8.94 percent for OPSRP Pension Program General Services, 13.71 percent for OPSRP Pension Program Police and Fire and 6 percent for OPSRP Individual Account Program. The City has elected to make the payments on behalf of it's employees for the OPSRP Individual Account Program.

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

At June 30, 2017, the City's proportionate share of the net pension liability is \$54,804,013. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion was 0.399976 percent, which was changed from its proportion measured as of June 30, 2016 of 0.411583 percent.

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,813,155	\$ -
Change in assumptions	11,688,380	-
Net difference between projected and actual earnings on pension plan investments	10,826,973	-
Changes in proportionate share	166,497	581,062
Differences between City contributions and proportionate share of contributions	-	645,773
Subtotal before post-measurement date contributions	24,495,005	1,226,835
City contributions subsequent to the measurement date	2,923,823	-
Total	<u>\$ 27,418,828</u>	<u>\$ 1,226,835</u>

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**J. Pension plans, continued**

Deferred outflows of resources related to pensions of \$2,923,823 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2017. Net deferred outflows (inflows) of resources of \$23,268,170 will be recognized in pension expense as follows:

Year Ended June 30,		
2018	\$	4,078,910
2019		4,078,910
2020		8,099,650
2021		6,135,816
2022		<u>874,884</u>
Total	\$	<u><u>23,268,170</u></u>

**Actuarial Assumptions:**

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

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**J. Pension plans, continued**

**Actuarial Assumptions, continued:**

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

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

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

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

**Long-term Expected Rate of Return**

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

[http://www.oregon.gov/pers/docs/financial\\_reports/2016\\_cafr.pdf](http://www.oregon.gov/pers/docs/financial_reports/2016_cafr.pdf)

**CITY OF MEDFORD**  
Notes to the Financial Statements  
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**Note III - Detailed notes on all funds, continued**

**J. Pension plans, continued**

**Depletion Date Projection**

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

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

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

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

**Discount Rate**

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

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)	\$ 88,491,181	\$ 54,804,013	\$ 26,648,541

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

At its July 28, 2017 meeting, the PERS Board lowered the assumed earning rate from 7.5% to 7.2%, adding \$2.1 billion to the System's unfunded liability.

**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**K. Other Post Employment Benefits**

*City Healthcare Plan*

Plan Description

The City administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The healthcare plan provides for the IAFF and AFSCME bargaining units post-retirement medical, dental, and vision coverage for eligible retirees, their spouses, domestic partners, and dependents on a self-pay basis. Benefit provisions are susceptible to change as they are established through negotiations between the City and representatives of collective bargaining units. Eligible participants may select from one of two deductible levels of the City's health insurance care plan. The level of benefits provided by the plans are the same as those afforded to active employees. Coverage is provided to retirees, spouses, and domestic partners until they become eligible for Medicare, typically age 65, and to eligible dependents until age 26. The City's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. Due to the effect of age, retiree claim costs are generally higher than claim costs for all members as a whole. The difference between retiree claims costs and the amount of retiree healthcare premiums represents the City's implicit employer contribution.

Funding Policy

The City has the authority to establish and amend contribution requirements. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ending June 30, 2017, the City's combined plan contributions were \$200,033.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 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 City's annual OPEB cost for the fiscal year ending June 30, 2017, the implicit benefit payments (contributions made), and changes in the City's net OPEB obligation:

Annual required contribution	\$ 588,006
Interest on net OPEB obligation	116,500
Adjustment to the annual required contribution	<u>1,088,359</u>
Annual OPEB cost (expense)	1,792,865
Contributions made	<u>(215,120)</u>
Increase in net OPEB obligation	1,577,745
Net OPEB obligation, beginning of year	<u>2,355,365</u>
Net OPEB obligation, end of year	<u><u>\$ 3,933,110</u></u>

The City's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2017 and the preceding two years were as follows:

<u>Fiscal year ending June 30</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
2015	\$ 466,217	\$ 170,845	29%	\$ 2,078,049
2016	\$ 477,349	\$ 200,033	37%	\$ 2,355,365
2017	\$ 1,792,865	\$ 215,120	42%	\$ 3,933,110

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$4,037,870 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,037,870. For the fiscal year ending June 30, 2016, the City has set aside \$0 to pay for future post-employment benefits for retired employees. The covered payroll (annual payroll of active employees covered by the plan) was \$31,065,146, and the ratio of the UAAL to the covered payroll was 13.0%.



**CITY OF MEDFORD**  
Notes to the Financial Statements  
June 30, 2017

**Note III - Detailed notes on all funds, continued**

**K. Other Post Employment Benefits, continued**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members up to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The July 1, 2016 actuarial valuation for the healthcare plan was based on the entry age normal. The actuarial assumptions included an investment return of 4.0%. The healthcare plan actuarial valuation included a healthcare cost inflation trend rate of 7.0% in the first year, 6.5% in the second year, 6.4% in the third year, 6.3% for the 4th year, dropping by 0.1 for the 15 years thereafter. The unfunded actuarially accrued liability and the gains and losses for both plans are amortized as a level dollar amount over an open period of 15 years. Actuarial evaluations are completed on every odd year.



**REQUIRED SUPPLEMENTARY INFORMATION**



CITY OF MEDFORD  
Required Supplementary Information  
Year Ended June 30, 2017

**Schedule of Funding Progress - OPEB**

Other Post Employment Benefits (OPEB) schedule of funding progress:

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability	Unfunded actuarial accrued liability	Funded ratio	Covered payroll	Unfunded actuarial accrued liability as a percentage of covered payroll
7/1/2016	\$ -	\$ 3,933,110	\$ 3,933,110	-	\$ 33,995,721	11.57 %

The City's other post-employment benefits include retiree healthcare. The actuarial cost method for retiree healthcare benefits is entry age normal. Actuarial valuations are completed on every odd year.

**Schedule of the Proportionate Share of the Net Pension Liability**

Oregon Public Employees Retirement System  
2017

	2017	2016	2015
Proportion of the net pension liability (asset)	0.399763 %	0.411583 %	0.360404 %
Proportionate share of the net pension liability (asset)	\$ 54,804,013	\$ 23,630,896	\$ (9,017,912)
Covered payroll	\$ 33,995,721	\$ 32,381,717	\$ 30,829,250
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	161.21 %	72.98 %	(29.25)%
Plan net position as a percentage of the total pension liability	80.50 %	91.88 %	92.00 %

**Schedule of Pension Contributions**

Oregon Public Employees Retirement System

	2016	2016	2015
Contractually required contribution	\$ 3,681,437	\$ 3,618,220	\$ 3,421,403
Contributions in relation to the contractually required contribution	<u>3,681,437</u>	<u>3,618,220</u>	<u>3,421,403</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 33,995,721	\$ 32,381,717	\$ 30,829,250
Contributions as a percentage of covered employee payroll	10.83 %	11.17 %	11.10 %

**Notes to Required Supplementary Information**

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

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

**Changes of Assumptions**

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

**CITY OF MEDFORD**

General Fund - 100

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year Actual</u>	<u>Second Year Actual</u>	<u>Total Actual for Budget Period</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Property taxes	\$ 70,576,000	\$ 70,576,000	\$ 33,529,456	\$ 34,780,153	\$ 68,309,609	\$ (2,266,391)
Franchise taxes	17,909,340	17,909,340	8,772,600	9,108,862	17,881,462	(27,878)
Lodging taxes	3,390,000	3,390,000	1,912,003	1,933,132	3,845,135	455,135
Other taxes	-	-	-	3,089	3,089	3,089
Licenses, permits and fees	1,340,000	1,340,000	682,161	671,683	1,353,844	13,844
Intergovernmental	7,400,850	7,845,530	4,309,651	4,282,680	8,592,331	746,801
Charges for services	2,961,100	2,883,300	1,658,039	1,518,063	3,176,102	292,802
Fines and penalties	2,758,000	2,758,000	1,246,507	1,236,599	2,483,106	(274,894)
Investment earnings	403,800	403,800	186,473	252,259	438,732	34,932
Other revenue	13,630,760	13,962,060	2,141,214	11,857,602	13,998,816	36,756
Grants and contracts	149,460	867,550	556,917	285,789	842,706	(24,844)
Gain on sale of capital assets	25,000	417,510	264,966	200,361	465,327	47,817
Total revenues	<u>120,544,310</u>	<u>122,353,090</u>	<u>55,259,987</u>	<u>66,130,272</u>	<u>121,390,259</u>	<u>(962,831)</u>
Expenditures:						
Mayor and council	1,785,090	2,146,620	806,828	896,376	1,703,204	443,416
Municipal court	2,518,310	2,517,310	1,107,263	1,162,714	2,269,977	247,333
Police	42,267,880	42,596,800	20,793,689	21,526,444	42,320,133	276,667
Fire	26,055,130	26,245,330	12,924,139	13,241,511	26,165,650	79,680
Parks and recreation:						
Parks and recreation	9,370,780	8,692,740	4,043,913	4,193,108	8,237,021	455,719
City tree program	301,080	298,080	156,199	152,267	308,466	(10,386)
Facilities maintenance	6,631,880	5,805,160	3,378,643	2,332,833	5,711,476	93,684
Parks special projects	256,300	937,980	455,446	365,798	821,244	116,736
Emergency management	315,170	343,840	164,119	166,926	331,045	12,795
Planning	4,162,410	4,138,410	1,909,783	1,519,517	3,429,300	709,110
City managers office	2,361,630	2,753,130	998,088	1,372,758	2,370,846	382,284
Technology services	6,457,560	7,155,060	3,802,922	3,107,126	6,910,048	245,012
Legal	1,355,020	1,355,020	614,818	620,466	1,235,284	119,736
Human resources	1,404,440	1,404,440	682,098	644,584	1,326,682	77,758
Finance	3,542,240	3,542,240	1,485,785	1,646,728	3,132,513	409,727
Building Safety	431,240	426,040	169,849	196,087	365,936	60,104
Contingency	12,895,620	12,745,620	-	-	-	12,745,620
Total expenditures	<u>122,111,780</u>	<u>123,103,820</u>	<u>53,493,582</u>	<u>53,145,243</u>	<u>106,638,825</u>	<u>16,464,995</u>
Excess revenues over (under) expenditures	<u>(1,567,470)</u>	<u>(750,730)</u>	<u>1,766,405</u>	<u>12,985,029</u>	<u>14,751,434</u>	<u>15,502,164</u>
Other financing sources (uses):						
Transfers in	5,690,560	4,933,780	2,945,836	3,030,412	5,976,248	1,042,468
Transfers out	<u>(20,074,160)</u>	<u>(20,074,160)</u>	<u>(5,586,551)</u>	<u>(15,167,308)</u>	<u>(20,753,859)</u>	<u>(679,699)</u>
Total other financing sources (uses)	<u>(14,383,600)</u>	<u>(15,140,380)</u>	<u>(2,640,715)</u>	<u>(12,136,896)</u>	<u>(14,777,611)</u>	<u>362,769</u>
Net change in fund balance	<u>(15,951,070)</u>	<u>(15,891,110)</u>	<u>(874,310)</u>	<u>848,133</u>	<u>(26,177)</u>	<u>15,864,933</u>
Fund Balance:						
Beginning	<u>16,615,670</u>	<u>16,615,670</u>	<u>21,839,781</u>	<u>20,965,471</u>	<u>21,839,781</u>	<u>5,224,111</u>
Ending	<u>\$ 664,600</u>	<u>\$ 724,560</u>	<u>\$ 20,965,471</u>	<u>\$ 21,813,604</u>	<u>\$ 21,813,604</u>	<u>\$ 21,089,044</u>

**CITY OF MEDFORD**

Notes to Required Supplementary Information

June 30, 2017

Note 1 - Basis of Budgeting

In the year ended June 30, 2012, an interfund loan of \$20,950,000 was made from the City of Medford's General Fund to the Medford Urban Renewal Agency. This loan is classified as a due from the Medford Urban Renewal in the basic financial statements, but was reported as transfer on the budgetary basis. The subsequent loan payments are recorded as debt payments by Medford Urban Renewal and revenue by the City of Medford's General Fund on the budgetary basis. These payments are recorded as a reduction of the loan receivable/payable in the basic financial statements.

Reconciliation to budgetary basis from modified accrual:

	<u>Fund Balance</u>	<u>Net Change in Fund Balance</u>
Budgetary amount	\$ 21,813,604	\$ 848,133
Balance due on interfund loan	4,400,000	-
Principal payments received budgeted in other revenue	-	(11,175,000)
Total	<u>\$ 26,213,604</u>	<u>\$ (10,326,867)</u>

**CITY OF MEDFORD**

Gas Tax Fund - 530

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Fuel	\$ 8,984,030	\$ 8,984,030	\$ 4,591,902	\$ 4,674,310	\$ 9,266,212	\$ 282,182
Charges for services	150,000	150,000	196,839	188,733	385,572	235,572
Investment earnings	101,200	101,200	83,621	146,177	229,798	128,598
Other revenue	-	-	177	393,300	393,477	393,477
Grants and contracts	-	517,000	78,072	76,354	154,426	(362,574)
Total revenues	<u>9,235,230</u>	<u>9,752,230</u>	<u>4,950,611</u>	<u>5,478,874</u>	<u>10,429,485</u>	<u>677,255</u>
Expenditures:						
Highways and streets	4,582,960	4,582,960	2,038,245	2,094,235	4,132,480	450,480
Capital outlay	5,424,000	5,939,000	152,572	279,246	431,818	5,507,182
Contingency	571,000	571,000	-	-	-	571,000
Total expenditures	<u>10,577,960</u>	<u>11,092,960</u>	<u>2,190,817</u>	<u>2,373,481</u>	<u>4,564,298</u>	<u>6,528,662</u>
Excess revenues over (under) expenditures	<u>(1,342,730)</u>	<u>(1,340,730)</u>	<u>2,759,794</u>	<u>3,105,393</u>	<u>5,865,187</u>	<u>7,205,917</u>
Other financing sources (uses):						
Transfers out	<u>(514,130)</u>	<u>(514,130)</u>	<u>(268,463)</u>	<u>(137,410)</u>	<u>(405,873)</u>	<u>108,257</u>
Total other financing sources (uses)	<u>(514,130)</u>	<u>(514,130)</u>	<u>(268,463)</u>	<u>(137,410)</u>	<u>(405,873)</u>	<u>108,257</u>
Net change in fund balance	<u>(1,856,860)</u>	<u>(1,854,860)</u>	<u>2,491,331</u>	<u>2,967,983</u>	<u>5,459,314</u>	<u>7,314,174</u>
Fund Balance:						
Beginning	<u>5,945,050</u>	<u>5,945,050</u>	<u>10,548,196</u>	<u>13,039,527</u>	<u>10,548,196</u>	<u>4,603,146</u>
Ending	<u>\$ 4,088,190</u>	<u>\$ 4,090,190</u>	<u>\$ 13,039,527</u>	<u>\$ 16,007,510</u>	<u>\$16,007,510</u>	<u>\$ 11,917,320</u>



**CITY OF MEDFORD**  
**Street Utility Fund - 500**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2017**

	<u>Biennium Budget</u>		<u>First Year Actual</u>	<u>Second Year Actual</u>	<u>Total Actual for Budget Period</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Licenses, permits and fees	\$ 14,451,900	\$ 14,939,920	\$ 8,553,994	\$ 7,144,289	\$15,698,283	\$ 758,363
Intergovernmental	-	-	19,131	14,968	34,099	34,099
Charges for services	-	-	18,337	6,201	24,538	24,538
Investment earnings	57,200	57,200	57,551	77,887	135,438	78,238
Other revenue	-	-	83,941	118,284	202,225	202,225
Grants and contracts	<u>1,000,000</u>	<u>1,000,000</u>	<u>500,000</u>	<u>500,000</u>	<u>1,000,000</u>	<u>-</u>
Total revenues	<u>15,509,100</u>	<u>15,997,120</u>	<u>9,232,954</u>	<u>7,861,629</u>	<u>17,094,583</u>	<u>1,097,463</u>
Expenditures:						
Highways and streets	12,083,360	12,197,200	5,388,832	4,990,951	10,379,783	1,817,417
Capital outlay	5,823,280	5,823,280	2,834,593	2,008,233	4,842,826	980,454
Contingency	<u>1,458,970</u>	<u>1,423,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,423,370</u>
Total expenditures	<u>19,365,610</u>	<u>19,443,850</u>	<u>8,223,425</u>	<u>6,999,184</u>	<u>15,222,609</u>	<u>4,221,241</u>
Excess revenues over (under) expenditures	<u>(3,856,510)</u>	<u>(3,446,730)</u>	<u>1,009,529</u>	<u>862,445</u>	<u>1,871,974</u>	<u>5,318,704</u>
Other financing sources (uses):						
Transfers in	277,150	277,150	145,041	35,910	180,951	(96,199)
Transfers out	<u>(901,000)</u>	<u>(1,389,020)</u>	<u>(500,577)</u>	<u>(888,438)</u>	<u>(1,389,015)</u>	<u>5</u>
Total other financing sources (uses)	<u>(623,850)</u>	<u>(1,111,870)</u>	<u>(355,536)</u>	<u>(852,528)</u>	<u>(1,208,064)</u>	<u>(96,194)</u>
Net change in fund balance	<u>(4,480,360)</u>	<u>(4,558,600)</u>	<u>653,993</u>	<u>9,917</u>	<u>663,910</u>	<u>5,222,510</u>
Fund Balance:						
Beginning	<u>6,162,940</u>	<u>6,162,940</u>	<u>6,249,319</u>	<u>6,903,312</u>	<u>6,249,319</u>	<u>86,379</u>
Ending	<u>\$ 1,682,580</u>	<u>\$ 1,604,340</u>	<u>\$ 6,903,312</u>	<u>\$ 6,913,229</u>	<u>\$ 6,913,229</u>	<u>\$ 5,308,889</u>

**CITY OF MEDFORD**  
Street SDC Fund - 520  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year Actual</u>	<u>Second Year Actual</u>	<u>Total Actual for Budget Period</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Investment earnings	\$ 90,400	\$ 90,400	\$ 65,486	\$ 111,579	\$ 177,065	\$ 86,665
Contributions and donations	4,433,470	4,433,470	3,951,254	2,042,567	5,993,821	1,560,351
Other revenue	3,000,000	13,000,000	6	1,647	1,653	(12,998,347)
Grants and contracts	-	-	251,231	98,059	349,290	349,290
Total revenues	<u>7,523,870</u>	<u>17,523,870</u>	<u>4,267,977</u>	<u>2,253,852</u>	<u>6,521,829</u>	<u>(11,002,041)</u>
Expenditures:						
Highways and streets	751,080	751,080	478,701	424,729	903,430	(152,350)
Capital outlay	-	1,191,670	791,666	419,462	1,211,128	(19,458)
Total expenditures	<u>751,080</u>	<u>1,942,750</u>	<u>1,270,367</u>	<u>844,191</u>	<u>2,114,558</u>	<u>(171,808)</u>
Excess revenues over (under) expenditures	<u>6,772,790</u>	<u>15,581,120</u>	<u>2,997,610</u>	<u>1,409,661</u>	<u>4,407,271</u>	<u>(11,173,849)</u>
Other financing sources (uses):						
Transfers out	-	-	-	137,343	137,343	137,343
Transfers out	<u>(487,160)</u>	<u>(327,160)</u>	<u>(183,436)</u>	<u>-</u>	<u>(183,436)</u>	<u>143,724</u>
Total other financing sources (uses)	<u>(487,160)</u>	<u>(327,160)</u>	<u>(183,436)</u>	<u>137,343</u>	<u>(46,093)</u>	<u>281,067</u>
Net change in fund balance	6,285,630	15,253,960	2,814,174	1,547,004	4,361,178	(10,892,782)
Fund Balance:						
Beginning	<u>7,174,690</u>	<u>7,174,690</u>	<u>8,251,607</u>	<u>11,065,781</u>	<u>8,251,607</u>	<u>1,076,917</u>
Ending	<u>\$13,460,320</u>	<u>\$22,428,650</u>	<u>\$11,065,781</u>	<u>\$12,612,785</u>	<u>\$12,612,785</u>	<u>\$ (9,815,865)</u>

## **OTHER SUPPLEMENTARY INFORMATION**



CITY OF MEDFORD  
MURA Debt Service Fund - 902  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year	Second Year	Total Actual	Variance with
	Original	Final	Actual	Actual	for Budget	Final Budget
					Period	
Revenues:						
Property taxes	\$ 11,730,000	\$ 11,730,000	\$ 6,101,325	\$ 6,260,212	\$ 12,361,537	\$ 631,537
Interest	-	-	2,658	2,051	4,709	4,709
Total revenues	<u>11,730,000</u>	<u>11,730,000</u>	<u>6,103,983</u>	<u>6,262,263</u>	<u>12,366,246</u>	<u>636,246</u>
Expenditures:						
Debt service	<u>13,662,100</u>	<u>13,662,100</u>	<u>1,982,025</u>	<u>11,676,525</u>	<u>13,658,550</u>	<u>3,550</u>
Excess revenues over (under) expenditures	<u>(1,932,100)</u>	<u>(1,932,100)</u>	<u>4,121,958</u>	<u>(5,414,262)</u>	<u>(1,292,304)</u>	<u>639,796</u>
Net change in fund balance	(1,932,100)	(1,932,100)	4,121,958	(5,414,262)	(1,292,304)	639,796
Fund Balance:						
Beginning	<u>1,982,000</u>	<u>1,982,000</u>	<u>4,293,139</u>	<u>8,415,097</u>	<u>4,293,139</u>	<u>2,311,139</u>
Ending	<u>\$ 49,900</u>	<u>\$ 49,900</u>	<u>\$ 8,415,097</u>	3,000,835	<u>\$ 3,000,835</u>	<u>\$ 2,950,935</u>
Reconciliation to modified accrual basis:						
Balance due to General fund on interfund advance				<u>(4,400,000)</u>		
Total net position - end of year				<u>\$ (1,399,165)</u>		

CITY OF MEDFORD  
Revenue Bond Fund - 161  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year	Second Year	Total Actual	Variance with
	Original	Final	Actual	Actual	for Budget	Final Budget
					Period	
Revenues:						
Interest	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ -	\$ (1,200)
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,200)</u>
Expenditures:						
Debt service	<u>11,540,370</u>	<u>21,261,170</u>	<u>5,782,976</u>	<u>15,477,338</u>	<u>21,260,314</u>	<u>856</u>
Excess revenues over (under) expenditures	<u>(11,539,170)</u>	<u>(21,259,970)</u>	<u>(5,782,976)</u>	<u>(15,477,338)</u>	<u>(21,260,314)</u>	<u>(344)</u>
Other financing sources (uses):						
Transfers in	<u>11,540,370</u>	<u>21,261,170</u>	<u>5,782,976</u>	<u>15,477,338</u>	<u>21,260,314</u>	<u>(856)</u>
Net change in fund balance	1,200	1,200	-	-	-	(1,200)
Fund Balance:						
Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,200)</u>

CITY OF MEDFORD  
Street Improvement Fund - 550  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year	Second Year	Total Actual	Variance with
	Original	Final	Actual	Actual	for Budget	Final Budget
					Period	
Revenues:						
Interest	\$ 39,200	\$ 39,200	\$ 32,609	\$ 43,113	\$ 75,722	\$ 36,522
Other revenue	260,000	260,000	30,666	129,869	160,535	(99,465)
Grants and contracts	<u>6,800,000</u>	<u>6,800,000</u>	<u>677,787</u>	<u>518,917</u>	<u>1,196,704</u>	<u>(5,603,296)</u>
Total revenues	<u>7,099,200</u>	<u>7,099,200</u>	<u>741,062</u>	<u>691,899</u>	<u>1,432,961</u>	<u>(5,666,239)</u>
Expenditures:						
Street Development	7,675,000	7,675,000	831,360	970,235	1,801,595	5,873,405
Contingency	<u>959,000</u>	<u>959,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>959,000</u>
Excess revenues over (under) expenditures	<u>(1,534,800)</u>	<u>(1,534,800)</u>	<u>(90,298)</u>	<u>(278,336)</u>	<u>(368,634)</u>	<u>1,166,166</u>
Other financing sources (uses):						
Transfers out	<u>(315,980)</u>	<u>(315,980)</u>	<u>(45,708)</u>	<u>(14,036)</u>	<u>(59,744)</u>	<u>256,236</u>
Net change in fund balance	(1,850,780)	(1,850,780)	(136,006)	(292,372)	(428,378)	1,422,402
Fund Balance:						
Beginning	<u>3,827,200</u>	<u>3,827,200</u>	<u>3,295,953</u>	<u>3,159,947</u>	<u>3,295,953</u>	<u>(531,247)</u>
Ending	<u>\$ 1,976,420</u>	<u>\$ 1,976,420</u>	<u>\$ 3,159,947</u>	<u>\$ 2,867,575</u>	<u>\$ 2,867,575</u>	<u>\$ 891,155</u>





**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



**CITY OF MEDFORD**

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2017

	Special Revenue Funds	General Debt Service Fund - 160	Capital Projects Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,528,406	\$ 238,258	\$ 4,250,729	\$ 20,017,393
Receivables				
Accounts	637,979	-	296,460	934,439
Taxes	-	22,945	-	22,945
Restricted cash and cash equivalents	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total assets	<u>\$ 16,186,385</u>	<u>\$ 261,203</u>	<u>\$ 4,547,189</u>	<u>\$ 20,994,777</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,155,014	\$ -	\$ 22,830	\$ 1,177,844
Payroll and related accruals	102,994	-	-	102,994
Due to other funds	<u>75,179</u>	<u>-</u>	<u>-</u>	<u>75,179</u>
Total liabilities	<u>1,333,187</u>	<u>-</u>	<u>22,830</u>	<u>1,356,017</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	<u>-</u>	<u>19,695</u>	<u>-</u>	<u>19,695</u>
Total deferred inflows of resources	<u>-</u>	<u>19,695</u>	<u>-</u>	<u>19,695</u>
Fund balances:				
Restricted				
Public safety	1,488,800	-	-	1,488,800
Highways and streets	-	-	619,950	619,950
Culture and recreation	5,067,995	-	3,507,474	8,575,469
Community development	4,363,529	-	290,764	4,654,293
Debt service	-	241,508	-	241,508
Committed for:				
Public safety	3,338,983	-	106,171	3,445,154
Culture and recreation	<u>593,891</u>	<u>-</u>	<u>-</u>	<u>593,891</u>
Total fund balances	<u>14,853,198</u>	<u>241,508</u>	<u>4,524,359</u>	<u>19,619,065</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,186,385</u>	<u>\$ 261,203</u>	<u>\$ 4,547,189</u>	<u>\$ 20,994,777</u>

**CITY OF MEDFORD**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2017

	Special Revenue Funds	General Debt Service Fund - 160	Capital Projects Fund	Total
<b>REVENUES</b>				
Taxes				
Property	\$ -	\$ 389,698	\$ -	\$ 389,698
Franchise and lodging	1,370,191	-	562,939	1,933,130
Other	585,888	-	614,409	1,200,297
Charges for services	23,142	-	-	23,142
Miscellaneous income	428,803	-	-	428,803
Intergovernmental	32,032	-	-	32,032
Licenses, permits and fees	7,114,044	-	-	7,114,044
Investment earnings	185,676	4,409	83,667	273,752
Grants and contributions	515,879	-	30,194	546,073
Loan repayment	-	-	154,849	154,849
Other revenue	173,660	-	25	173,685
Contributions and donations	1,572,584	-	-	1,572,584
Total revenues	<u>12,001,899</u>	<u>394,107</u>	<u>1,446,083</u>	<u>13,842,089</u>
<b>EXPENDITURES</b>				
Current				
Public safety	1,634,933	-	-	1,634,933
Culture and recreation	392,934	-	2,183	395,117
Community development	2,637,381	-	-	2,637,381
Debt service:				
Principal	-	1,320,000	-	1,320,000
Interest	-	1,686,829	-	1,686,829
Capital outlay	10,516,112	-	98,620	10,614,732
Total expenditures	<u>15,181,360</u>	<u>3,006,829</u>	<u>100,803</u>	<u>18,288,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,179,461)</u>	<u>(2,612,722)</u>	<u>1,345,280</u>	<u>(4,446,903)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	5,981	-	-	5,981
Transfers in	1,469,098	2,580,747	2,094,540	6,144,385
Transfers out	(7,528,255)	-	-	(7,528,255)
Total other financing source (uses)	<u>(6,053,176)</u>	<u>2,580,747</u>	<u>2,094,540</u>	<u>(1,377,889)</u>
Net change in fund balances	(9,232,637)	(31,975)	3,439,820	(5,824,792)
Beginning fund balances	<u>24,085,835</u>	<u>273,483</u>	<u>1,084,539</u>	<u>25,443,857</u>
Ending fund balances	<u>\$ 14,853,198</u>	<u>\$ 241,508</u>	<u>\$ 4,524,359</u>	<u>\$ 19,619,065</u>

### **NONMAJOR SPECIAL REVENUE FUNDS**

The Special Revenue Funds account for revenues derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this fund category are:

- Fire Public Safety Utility Fund – Accounts for specified resources to be expended on additional or expanded fire operations.
- Park Dedication Fund - Accounts for specified revenues from system development funds, hotel/motel and car rental taxes to be expended on park recreation improvements and maintenance.
- Cemetery Fund – Accounts for the principal balance of the cemetery trust and for special projects at the cemetery.
- Building Safety Fund - Accounts for monies received as licenses and permits for the purpose of building inspections.
- Police Department Fund - Accounts for specified resources to be expended on police operations.
- State Forfeitures Fund - Accounts for the receipt of state forfeiture funds to be expended on local law enforcement.
- Federal Forfeitures Fund - Accounts for the receipt of federal forfeiture funds to be expended on local law enforcement.
- Community Promotions Fund - Accounts for transient lodging tax to be expended on projects that promote the community.
- Community Development Block Grant Fund - Accounts for federal community block grant funds to be expended on various revitalization projects.
- Veteran's Park Fund – Accounts for the betterment of Veterans Memorial in Medford's Veteran's Park.
- Community Park Reserve Fund – Accounts for the betterment of community parks in the City of Medford.
- Bear Creek Reconstruction Fund - Accounts for amounts, held in a fiduciary capacity, dedicated to erect playground facilities within Bear Creek Park.
- Bear Creek Maintenance Fund - Accounts for amounts, held in a fiduciary capacity, dedicated to repair and maintain Bear Creek Park.
- Parks Utility Fund - Accounts for operation, maintenance and construction of parks facilities and beautification for right of way strip maintenance.

**CITY OF MEDFORD**

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2017

	Fire Public Safety Utility Fund - 300	Park Dedication Fund - 620	Cemetery Fund - 633	Building Safety Fund - 400	Police Department - 200	State Forfeitures Fund - 202	Federal Forfeitures Fund -201
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,818,848	\$ 5,138,936	\$ 14,015	\$ 4,627,148	\$ 386,852	\$ 734,051	\$ 1,230,561
Receivables							
Accounts	114,767	-	-	874	114,204	-	-
Restricted cash and cash equivalents	-	-	20,000	-	-	-	-
Total assets	<u>\$ 2,933,615</u>	<u>\$ 5,138,936</u>	<u>\$ 34,015</u>	<u>\$ 4,628,022</u>	<u>\$ 501,056</u>	<u>\$ 734,051</u>	<u>\$ 1,230,561</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 16,282	\$ 86,824	\$ 1,248	\$ 280,432	\$ 28,977	\$ 437,695	\$ 38,117
Payroll and related accruals	27,098	4,652	-	40,033	23,331	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>43,380</u>	<u>91,476</u>	<u>1,248</u>	<u>320,465</u>	<u>52,308</u>	<u>437,695</u>	<u>38,117</u>
Fund balances:							
Restricted							
Public safety	-	-	-	-	-	296,356	1,192,444
Culture and recreation	-	5,047,460	-	-	-	-	-
Community development	-	-	-	4,307,557	-	-	-
Committed to:							
Public safety	2,890,235	-	-	-	448,748	-	-
Culture and recreation	-	-	32,767	-	-	-	-
Total fund balances	<u>2,890,235</u>	<u>5,047,460</u>	<u>32,767</u>	<u>4,307,557</u>	<u>448,748</u>	<u>296,356</u>	<u>1,192,444</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,933,615</u>	<u>\$ 5,138,936</u>	<u>\$ 34,015</u>	<u>\$ 4,628,022</u>	<u>\$ 501,056</u>	<u>\$ 734,051</u>	<u>\$ 1,230,561</u>

Community Promotions Fund - 730	Community Development Block Grant Fund - 731	Veteran's Park Fund - 634	Community Park Reserve Fund - 670	Bear Creek Reconstruction Fund - 632	Bear Creek Maintenance Fund - 631	Parks Utility Fund - 600	Total
\$ 82,484	\$ -	\$ 7,764	\$ 122,965	\$ 12,771	\$ 35,938	\$ 316,073	\$ 15,528,406
115,685	198,339	-	-	-	-	94,110	637,979
-	-	-	-	-	-	-	20,000
<u>\$ 198,169</u>	<u>\$ 198,339</u>	<u>\$ 7,764</u>	<u>\$ 122,965</u>	<u>\$ 12,771</u>	<u>\$ 35,938</u>	<u>\$ 410,183</u>	<u>\$ 16,186,385</u>
\$ 198,169	\$ 61,817	\$ -	\$ -	\$ -	\$ -	\$ 5,453	\$ 1,155,014
-	5,371	-	-	-	-	2,509	102,994
-	75,179	-	-	-	-	-	75,179
<u>198,169</u>	<u>142,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,962</u>	<u>1,333,187</u>
-	-	-	-	-	-	-	1,488,800
-	-	7,764	-	12,771	-	-	5,067,995
-	55,972	-	-	-	-	-	4,363,529
-	-	-	-	-	-	-	3,338,983
-	-	-	122,965	-	35,938	402,221	593,891
-	55,972	7,764	122,965	12,771	35,938	402,221	14,853,198
<u>\$ 198,169</u>	<u>\$ 198,339</u>	<u>\$ 7,764</u>	<u>\$ 122,965</u>	<u>\$ 12,771</u>	<u>\$ 35,938</u>	<u>\$ 410,183</u>	<u>\$ 16,186,385</u>

**CITY OF MEDFORD**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2017

	Fire Public Safety Utility Fund - 300	Park Dedication Fund - 620	Cemetery Fund - 633	Building Safety Fund - 400	Police Department - 200	State Forfeitures Fund - 202	Federal Forfeitures Fund -201
<b>REVENUES</b>							
Taxes							
Franchise and lodging	\$ -	\$ 403,625	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	585,888	-	-	-	-	-
Other services	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	428,803
Intergovernmental	-	21,859	-	10,173	-	-	-
Licenses, permits and fees	1,698,182	-	-	2,289,393	1,789,893	-	-
Investment earnings	36,646	71,985	416	37,391	17,852	5,517	12,222
Grants and contributions	-	-	-	-	6,153	-	-
Other revenue	29,150	478	3,709	43,304	-	96,985	34
Capital contributions and donations	-	1,572,584	-	-	-	-	-
Total revenues	<u>1,763,978</u>	<u>2,656,419</u>	<u>4,125</u>	<u>2,380,261</u>	<u>1,813,898</u>	<u>102,502</u>	<u>441,059</u>
<b>EXPENDITURES</b>							
Current							
Public safety	761,772	-	-	-	652,697	51,224	169,240
Culture and recreation	-	212,522	7,648	-	-	-	-
Community development	-	-	-	1,217,861	-	-	-
Capital outlay	<u>6,554,724</u>	<u>707,421</u>	<u>17,084</u>	<u>28,045</u>	<u>2,966,450</u>	<u>15,990</u>	<u>225,598</u>
Total expenditures	<u>7,316,496</u>	<u>919,943</u>	<u>24,732</u>	<u>1,245,906</u>	<u>3,619,147</u>	<u>67,214</u>	<u>394,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,552,518)</u>	<u>1,736,476</u>	<u>(20,607)</u>	<u>1,134,355</u>	<u>(1,805,249)</u>	<u>35,288</u>	<u>46,221</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of capital assets	-	-	-	-	-	-	5,981
Transfers in	1,293,570	136,167	-	-	-	-	-
Transfers out	<u>(554,390)</u>	<u>(3,201,940)</u>	<u>-</u>	<u>(448,363)</u>	<u>(2,201,266)</u>	<u>-</u>	<u>-</u>
Total other financing source (uses)	<u>739,180</u>	<u>(3,065,773)</u>	<u>-</u>	<u>(448,363)</u>	<u>(2,201,266)</u>	<u>-</u>	<u>5,981</u>
Net change in fund balances	<u>(4,813,338)</u>	<u>(1,329,297)</u>	<u>(20,607)</u>	<u>685,992</u>	<u>(4,006,515)</u>	<u>35,288</u>	<u>52,202</u>
Beginning fund balances	<u>7,703,573</u>	<u>6,376,757</u>	<u>53,374</u>	<u>3,621,565</u>	<u>4,455,263</u>	<u>261,068</u>	<u>1,140,242</u>
Ending fund balances	<u>\$ 2,890,235</u>	<u>\$ 5,047,460</u>	<u>\$ 32,767</u>	<u>\$ 4,307,557</u>	<u>\$ 448,748</u>	<u>\$ 296,356</u>	<u>\$ 1,192,444</u>



Community Promotions Fund - 730	Community Development Block Grant Fund - 731	Veteran's Park Fund - 634	Community Park Reserve Fund - 670	Bear Creek Reconstruction Fund - 632	Bear Creek Maintenance Fund - 631	Parks Utility Fund - 600	Total
\$ 966,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,370,191
-	-	-	-	-	-	-	585,888
-	-	-	23,142	-	-	-	23,142
-	-	-	-	-	-	-	428,803
-	-	-	-	-	-	-	32,032
-	-	-	-	-	-	1,336,576	7,114,044
-	-	73	1,042	121	339	2,072	185,676
-	509,726	-	-	-	-	-	515,879
-	-	-	-	-	-	-	173,660
-	-	-	-	-	-	-	1,572,584
<u>966,566</u>	<u>509,726</u>	<u>73</u>	<u>24,184</u>	<u>121</u>	<u>339</u>	<u>1,338,648</u>	<u>12,001,899</u>
-	-	-	-	-	-	-	1,634,933
-	-	-	-	-	-	172,764	392,934
966,566	452,954	-	-	-	-	-	2,637,381
-	800	-	-	-	-	-	10,516,112
<u>966,566</u>	<u>453,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,764</u>	<u>15,181,360</u>
-	55,972	73	24,184	121	339	1,165,884	(3,179,461)
-	-	-	-	-	-	-	5,981
-	-	-	892	-	-	38,469	1,469,098
-	-	-	-	-	-	(1,122,296)	(7,528,255)
-	-	-	892	-	-	(1,083,827)	(6,053,176)
-	55,972	73	25,076	121	339	82,057	(9,232,637)
-	-	7,691	97,889	12,650	35,599	320,164	24,085,835
<u>\$ -</u>	<u>\$ 55,972</u>	<u>\$ 7,764</u>	<u>\$ 122,965</u>	<u>\$ 12,771</u>	<u>\$ 35,938</u>	<u>\$ 402,221</u>	<u>\$ 14,853,198</u>

CITY OF MEDFORD  
Fire Public Safety Utility Fund - 300  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Licenses, permits and fees	\$ 1,927,040	\$ 1,933,660	\$ 1,074,704	\$ 1,698,182	\$ 2,772,886	\$ 839,226
Investment earnings	98,200	98,200	65,316	36,646	101,962	3,762
Other revenue	-	38,120	14,304	29,150	43,454	5,334
Total revenues	<u>2,025,240</u>	<u>2,069,980</u>	<u>1,154,324</u>	<u>1,763,978</u>	<u>2,918,302</u>	<u>848,322</u>
Expenditures:						
Fire	769,810	1,324,000	546,571	761,772	1,308,343	15,657
Capital outlay	10,254,190	10,254,190	1,685,293	6,554,724	8,240,017	2,014,173
Contingency	<u>39,390</u>	<u>39,390</u>	-	-	-	39,390
Total expenditures	<u>11,063,390</u>	<u>11,617,580</u>	<u>2,231,864</u>	<u>7,316,496</u>	<u>9,548,360</u>	<u>2,069,220</u>
Excess revenues over (under) expenditures	(9,038,150)	(9,547,600)	(1,077,540)	(5,552,518)	(6,630,058)	2,917,542
Other financing sources (uses):						
Transfers in	10,148,530	11,662,730	10,341,072	1,293,570	11,634,642	(28,088)
Transfers out	<u>(1,110,380)</u>	<u>(2,115,130)</u>	<u>(1,559,959)</u>	<u>(554,390)</u>	<u>(2,114,349)</u>	<u>781</u>
Total other financing sources (uses)	<u>9,038,150</u>	<u>9,547,600</u>	<u>8,781,113</u>	<u>739,180</u>	<u>9,520,293</u>	<u>(27,307)</u>
Net change in fund balances	-	-	7,703,573	(4,813,338)	2,890,235	2,890,235
Fund Balance:						
Beginning	-	-	-	7,703,573	-	-
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,703,573</u>	<u>\$ 2,890,235</u>	<u>\$ 2,890,235</u>	<u>\$ 2,890,235</u>

CITY OF MEDFORD  
Park Dedication Fund - 620  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual	
	Original	Final	First Year Actual	Second Year Actual	for Budget Period	Variance with Final Budget
Revenues:						
Lodging taxes	\$ 1,695,000	\$ 1,695,000	\$ 956,000	\$ 403,625	\$ 1,359,625	\$ (335,375)
Other taxes	1,800,000	1,800,000	1,165,994	585,888	1,751,882	(48,118)
Intergovernmental	75,000	-	1,873	21,859	23,732	23,732
Charges for services	100,000	100,000	-	-	-	(100,000)
Miscellaneous income	-	-	17,812	-	17,812	17,812
Investment earnings	53,800	53,800	42,031	71,985	114,016	60,216
Contributions and donations	1,570,000	1,602,480	1,372,090	1,572,584	2,944,674	1,342,194
Other revenue	-	-	39	478	517	517
Grants and contracts	75,000	75,000	-	-	-	(75,000)
Total revenues	<u>5,368,800</u>	<u>5,326,280</u>	<u>3,555,839</u>	<u>2,656,419</u>	<u>6,212,258</u>	<u>885,978</u>
Expenditures:						
Culture and recreation	431,070	431,070	201,827	212,522	414,349	16,721
Capital outlay	4,773,650	3,365,890	355,706	707,421	1,063,127	2,302,763
Contingency	651,000	651,000	-	-	-	651,000
Total expenditures	<u>5,855,720</u>	<u>4,447,960</u>	<u>557,533</u>	<u>919,943</u>	<u>1,477,476</u>	<u>2,970,484</u>
Excess revenues over (under) expenditures	<u>(486,920)</u>	<u>878,320</u>	<u>2,998,306</u>	<u>1,736,476</u>	<u>4,734,782</u>	<u>3,856,462</u>
Other financing sources (uses):						
Transfers in	215,060	215,060	-	136,167	136,167	(78,893)
Transfers out	(2,624,530)	(4,810,210)	(1,703,115)	(3,201,940)	(4,905,055)	(94,845)
Sale of capital assets	100,000	100,000	155,389	-	155,389	55,389
Total other financing sources (uses)	<u>(2,309,470)</u>	<u>(4,495,150)</u>	<u>(1,547,726)</u>	<u>(3,065,773)</u>	<u>(4,613,499)</u>	<u>(118,349)</u>
Net change in fund balances	<u>(2,796,390)</u>	<u>(3,616,830)</u>	<u>1,450,580</u>	<u>(1,329,297)</u>	<u>121,283</u>	<u>3,738,113</u>
Fund Balance:						
Beginning	<u>4,079,260</u>	<u>4,079,260</u>	<u>4,926,177</u>	<u>6,376,757</u>	<u>4,926,177</u>	<u>846,917</u>
Ending	<u>\$ 1,282,870</u>	<u>\$ 462,430</u>	<u>\$ 6,376,757</u>	<u>\$ 5,047,460</u>	<u>\$ 5,047,460</u>	<u>\$ 4,585,030</u>

CITY OF MEDFORD  
Cemetery Fund - 633  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Investment earnings	\$ 400	\$ 400	\$ 289	\$ 416	\$ 705	\$ 305
Other revenue	8,400	8,400	784	3,709	4,493	(3,907)
Total revenues	8,800	8,800	1,073	4,125	5,198	(3,602)
Expenditures:						
Parks and recreations:						
Culture and recreation	11,800	11,800	4,080	7,648	11,728	72
Capital outlay	30,000	30,000	7,138	17,084	24,222	5,778
Contingency	2,000	2,000	-	-	-	2,000
Total expenditures	43,800	43,800	11,218	24,732	35,950	7,850
Excess revenues over (under) expenditures	(35,000)	(35,000)	(10,145)	(20,607)	(30,752)	4,248
Other financing sources (uses):						
Transfers in	30,000	30,000	30,000	-	30,000	-
Net change in fund balance	(5,000)	(5,000)	19,855	(20,607)	(752)	4,248
Fund Balance:						
Beginning	8,810	8,810	33,519	53,374	33,519	24,709
Ending	<u>\$ 3,810</u>	<u>\$ 3,810</u>	<u>\$ 53,374</u>	<u>\$ 32,767</u>	<u>\$ 32,767</u>	<u>\$ 28,957</u>

CITY OF MEDFORD  
Building Safety Fund - 400  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Licenses, permits and fees	\$ 3,060,800	\$ 3,433,700	\$ 2,276,490	\$ 2,289,393	\$ 4,565,883	\$ 1,132,183
Intergovernmental	12,200	12,200	7,200	10,173	17,373	5,173
Investment earnings	27,000	27,000	20,486	37,391	57,877	30,877
Other revenue	3,000	3,000	42,597	43,304	85,901	82,901
Total revenues	<u>3,103,000</u>	<u>3,475,900</u>	<u>2,346,773</u>	<u>2,380,261</u>	<u>4,727,034</u>	<u>1,251,134</u>
Expenditures:						
Community development	2,919,940	2,862,940	1,189,508	1,217,861	2,407,369	455,571
Capital outlay	63,220	120,220	60,217	28,045	88,262	31,958
Contingency	358,000	358,000	-	-	-	358,000
Total expenditures	<u>3,341,160</u>	<u>3,341,160</u>	<u>1,249,725</u>	<u>1,245,906</u>	<u>2,495,631</u>	<u>845,529</u>
Excess revenues over (under) expenditures	(238,160)	134,740	1,097,048	1,134,355	2,231,403	2,096,663
Other financing sources (uses):						
Transfers out	<u>(212,240)</u>	<u>(585,140)</u>	<u>(136,753)</u>	<u>(448,363)</u>	<u>(585,116)</u>	<u>24</u>
Net change in fund balance	(450,400)	(450,400)	960,295	685,992	1,646,287	2,096,687
Fund Balance:						
Beginning	<u>2,088,790</u>	<u>2,088,790</u>	<u>2,661,270</u>	<u>3,621,565</u>	<u>2,661,270</u>	<u>572,480</u>
Ending	<u>\$ 1,638,390</u>	<u>\$ 1,638,390</u>	<u>\$ 3,621,565</u>	<u>\$ 4,307,557</u>	<u>\$ 4,307,557</u>	<u>\$ 2,669,167</u>

CITY OF MEDFORD  
Police Department - 200  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Licenses, permits and fees	\$ 4,094,960	\$ 4,177,160	\$ 1,320,119	\$ 1,789,893	\$ 3,110,012	\$ (1,067,148)
Investment earnings	90,400	292,200	93,386	17,852	111,238	(180,962)
Contributions and donations	4,433,470	-	-	-	-	-
Other revenue	3,000,000	-	-	-	-	-
Grants and contracts	31,140	31,140	28,339	6,153	34,492	3,352
Total revenues	11,649,970	4,500,500	1,441,844	1,813,898	3,255,742	(1,244,758)
Expenditures:						
Public safety	2,157,300	2,142,590	1,542,615	652,697	2,195,312	(52,722)
Capital outlay	18,524,000	19,163,640	15,140,856	2,966,450	18,107,306	1,056,334
Contingency	270,000	270,000	-	-	-	270,000
Total expenditures	20,951,300	21,576,230	16,683,471	3,619,147	20,302,618	1,273,612
Excess revenues over (under) expenditures	(9,301,330)	(17,075,730)	(15,241,627)	(1,805,249)	(17,046,876)	28,854
Other financing sources (uses):						
Transfers in	-	998,130	998,130	-	998,130	-
Transfers out	(12,418,900)	(12,636,530)	(11,439,936)	(2,201,266)	(13,641,202)	(1,004,672)
Net change in fund balance	(21,720,230)	(28,714,130)	(25,683,433)	(4,006,515)	(29,689,948)	(975,818)
Fund Balance:						
Beginning	7,174,690	7,174,690	30,138,696	4,455,263	30,138,696	22,964,006
Ending	<u>\$ (14,545,540)</u>	<u>\$ (21,539,440)</u>	<u>\$ 4,455,263</u>	<u>\$ 448,748</u>	<u>\$ 448,748</u>	<u>\$ 21,988,188</u>

CITY OF MEDFORD  
State Forfeitures Fund - 202  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Investment earnings	\$ 2,400	\$ 2,400	\$ 9,921	\$ 5,517	\$ 15,438	\$ 13,038
Other revenue	40,000	100,000	95,036	96,985	192,021	92,021
Total revenues	42,400	102,400	104,957	102,502	207,459	105,059
Expenditures:						
Police	-	96,610	43,166	51,224	94,390	2,220
Capital outlay	-	43,200	27,115	15,990	43,105	95
Total expenditures	-	139,810	70,281	67,214	137,495	2,315
Excess revenues over (under) expenditures	42,400	(37,410)	34,676	35,288	69,964	107,374
Net change in fund balance	42,400	(37,410)	34,676	35,288	69,964	107,374
Fund Balance:						
Beginning	-	-	226,392	261,068	226,392	226,392
Ending	\$ 42,400	\$ (37,410)	\$ 261,068	\$ 296,356	\$ 296,356	\$ 333,766

CITY OF MEDFORD  
Federal Forfeitures Fund -201  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Investment earnings	\$ 9,600	\$ 9,600	\$ 7,782	\$ 12,222	\$ 20,004	\$ 10,404
Miscellaneous income	-	248,200	141,569	428,803	570,372	322,172
Grants and contracts	-	67,600	159,093	-	159,093	91,493
Other revenue	-	-	-	34	34	34
Total revenues	9,600	325,400	308,444	441,059	749,503	424,103
Expenditures:						
Public safety	407,000	477,400	271,519	169,240	440,759	36,641
Capital outlay	10,000	258,120	9,999	225,598	235,597	22,523
Total expenditures	417,000	735,520	281,518	394,838	676,356	59,164
Excess revenues over (under) expenditures	(407,400)	(410,120)	26,926	46,221	73,147	483,267
Other financing sources (uses):						
Sale of capital assets	-	2,720	7,685	5,981	13,666	10,946
Net change in fund balance	(407,400)	(407,400)	34,611	52,202	86,813	494,213
Fund Balance:						
Beginning	859,020	859,020	1,105,631	1,140,242	1,105,631	246,611
Ending	<u>\$ 451,620</u>	<u>\$ 451,620</u>	<u>\$ 1,140,242</u>	<u>\$ 1,192,444</u>	<u>\$ 1,192,444</u>	<u>\$ 740,824</u>



CITY OF MEDFORD  
Community Promotions Fund - 730  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year Actual</u>	<u>Second Year Actual</u>	<u>Total Actual for Budget Period</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Lodging taxes	\$ 1,695,000	\$ 1,925,000	\$ 955,999	\$ 966,566	\$ 1,922,565	\$ (2,435)
Expenditures:						
Community promotion	<u>1,695,000</u>	<u>1,925,000</u>	<u>955,999</u>	<u>966,566</u>	<u>1,922,565</u>	<u>2,435</u>
Total expenditures	<u>1,695,000</u>	<u>1,925,000</u>	<u>955,999</u>	<u>966,566</u>	<u>1,922,565</u>	<u>2,435</u>
Fund Balance:						
Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MEDFORD  
Community Development Block Grant Fund - 731  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year Actual</u>	<u>Second Year Actual</u>	<u>Total Actual for Budget Period</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Grants and contracts	\$ 1,610,370	\$ 1,667,310	\$ 500,854	\$ 509,726	\$ 1,010,580	\$ (656,730)
Expenditures:						
Community development	1,610,370	1,483,270	500,854	452,954	953,808	529,462
Capital outlay	<u>-</u>	<u>184,040</u>	<u>-</u>	<u>800</u>	<u>800</u>	<u>183,240</u>
Total expenditures	<u>1,610,370</u>	<u>1,667,310</u>	<u>500,854</u>	<u>453,754</u>	<u>954,608</u>	<u>712,702</u>
Excess revenues over (under) expenditures	-	-	-	55,972	55,972	55,972
Net change in fund balances	-	-	-	55,972	55,972	55,972
Fund Balance:						
Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,972</u>	<u>\$ 55,972</u>	<u>\$ 55,972</u>

CITY OF MEDFORD  
Police Grant Fund - 203  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Investment earnings	\$ 1,600	\$ 1,600	\$ 7	\$ -	\$ 7	\$ (1,593)
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>(1,593)</u>
Expenditures:						
Police	-	35,640	35,630	-	35,630	10
Excess revenues over (under) expenditures	<u>1,600</u>	<u>(34,040)</u>	<u>(35,623)</u>	<u>-</u>	<u>(35,623)</u>	<u>(1,583)</u>
Other financing sources (uses):						
Transfers out	-	(640)	(640)	-	(640)	-
Net change in fund balance	1,600	(34,680)	(36,263)	-	(36,263)	(1,583)
Fund Balance:						
Beginning	<u>430</u>	<u>36,070</u>	<u>36,263</u>	<u>-</u>	<u>36,263</u>	<u>193</u>
Ending	<u>\$ 2,030</u>	<u>\$ 1,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,390)</u>

CITY OF MEDFORD  
Veteran's Park Fund - 634  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year Actual</u>	<u>Second Year Actual</u>	<u>Total Actual for Budget Period</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Investment earnings	\$ -	\$ -	\$ 53	\$ 73	\$ 126	\$ 126
Expenditures:	-	-	-	-	-	-
Park maintenance	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance	(1,000)	(1,000)	53	73	126	1,126
Fund Balance:						
Beginning	<u>7,630</u>	<u>7,630</u>	<u>7,638</u>	<u>7,691</u>	<u>7,638</u>	<u>8</u>
Ending	<u>\$ 6,630</u>	<u>\$ 6,630</u>	<u>\$ 7,691</u>	<u>\$ 7,764</u>	<u>\$ 7,764</u>	<u>\$ 1,134</u>

CITY OF MEDFORD  
Community Park Reserve Fund - 670  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Charges for services	\$ 30,000	\$ 30,000	\$ 21,437	\$ 23,142	\$ 44,579	\$ 14,579
Investment earnings	1,200	1,200	853	1,042	1,895	695
Total revenues	31,200	31,200	22,290	24,184	46,474	15,274
Expenditures:						
Capital outlay	50,000	50,000	45,750	-	45,750	4,250
Contingency	6,000	6,000	-	-	-	6,000
Total expenditures	56,000	56,000	45,750	-	45,750	10,250
Other financing sources (uses):						
Transfers in	-	-	-	892	892	892
Transfers out	(1,260)	(1,260)	(892)	-	(892)	368
Net change in fund balance	(26,060)	(26,060)	(24,352)	25,076	724	26,784
Fund Balance:						
Beginning	117,930	117,930	122,241	97,889	122,241	4,311
Ending	<u>\$ 91,870</u>	<u>\$ 91,870</u>	<u>\$ 97,889</u>	<u>\$ 122,965</u>	<u>\$ 122,965</u>	<u>\$ 31,095</u>

CITY OF MEDFORD  
 Bear Creek Reconstruction Fund - 632  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year</u>	<u>Second Year</u>	<u>Total Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>	<u>for Budget</u>	<u>Final Budget</u>
					<u>Period</u>	
Revenues:						
Investment earnings	\$ 200	\$ 200	\$ 87	\$ 121	\$ 208	\$ 8
Net change in fund balance	200	200	87	121	208	8
Fund Balance:						
Beginning	12,590	12,590	12,563	12,650	12,563	(27)
Ending	<u>\$ 12,790</u>	<u>\$ 12,790</u>	<u>\$ 12,650</u>	<u>\$ 12,771</u>	<u>\$ 12,771</u>	<u>\$ (19)</u>

CITY OF MEDFORD  
 Bear Creek Maintenance Fund - 631  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year</u>	<u>Second Year</u>	<u>Total Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>	<u>for Budget</u>	<u>Final Budget</u>
					<u>Period</u>	
Revenues:						
Investment earnings	\$ 400	\$ 400	\$ 250	\$ 339	\$ 589	\$ 189
Expenditures:						
Park maintenance	2,000	2,000	1,500	-	1,500	500
Net change in fund balance	(1,600)	(1,600)	(1,250)	339	(911)	689
Fund Balance:						
Beginning	36,890	36,890	36,849	35,599	36,849	(41)
Ending	<u>\$ 35,290</u>	<u>\$ 35,290</u>	<u>\$ 35,599</u>	<u>\$ 35,938</u>	<u>\$ 35,938</u>	<u>\$ 648</u>

CITY OF MEDFORD  
Parks Utility Fund - 600  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Licenses, permits and fees	\$ 2,605,000	\$ 2,605,000	\$ 1,323,311	\$ 1,336,576	\$ 2,659,887	\$ 54,887
Investment earnings	6,600	6,600	1,529	2,072	3,601	(2,999)
Total revenues	<u>2,611,600</u>	<u>2,611,600</u>	<u>1,324,840</u>	<u>1,338,648</u>	<u>2,663,488</u>	<u>51,888</u>
Expenditures:						
Park maintenance	393,420	393,420	157,451	172,764	330,215	63,205
Contingency	<u>49,000</u>	<u>49,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,000</u>
Total expenditures	<u>442,420</u>	<u>442,420</u>	<u>157,451</u>	<u>172,764</u>	<u>330,215</u>	<u>112,205</u>
Excess revenues over (under) expenditures	2,169,180	2,169,180	1,167,389	1,165,884	2,333,273	164,093
Other financing sources (uses):						
Transfers in	-	-	-	38,469	38,469	38,469
Transfers out	<u>(2,352,210)</u>	<u>(2,352,210)</u>	<u>(1,178,054)</u>	<u>(1,122,296)</u>	<u>(2,300,350)</u>	<u>51,860</u>
Net change in fund balance	(183,030)	(183,030)	(10,665)	82,057	71,392	254,422
Fund Balance:						
Beginning	<u>339,510</u>	<u>339,510</u>	<u>330,829</u>	<u>320,164</u>	<u>330,829</u>	<u>(8,681)</u>
Ending	<u>\$ 156,480</u>	<u>\$ 156,480</u>	<u>\$ 320,164</u>	<u>\$ 402,221</u>	<u>\$ 402,221</u>	<u>\$ 245,741</u>



#### **NONMAJOR DEBT SERVICE FUND**

- General Debt Service Fund - Accounts for payment of principal and interest on the Parks, Public Safety bonds and the City bonds loaned to MURA. The resource for those payments comes from transfers in from other funds for which the bond proceeds were used.



CITY OF MEDFORD  
General Debt Service Fund - 160  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Property taxes	\$ 816,000	\$ 816,000	\$ 464,022	\$ 389,698	\$ 853,720	\$ 37,720
Investment earnings	6,400	6,400	3,318	4,409	7,727	1,327
Total revenues	822,400	822,400	467,340	394,107	861,447	39,047
Expenditures:						
Debt service	15,515,490	6,044,690	2,877,847	3,006,829	5,884,676	160,014
Excess revenues over (under) expenditures	(14,693,090)	(5,222,290)	(2,410,507)	(2,612,722)	(5,023,229)	199,061
Other financing sources (uses):						
Transfers in	14,505,600	5,194,800	2,451,956	2,580,747	5,032,703	(162,097)
Net change in fund balance	(187,490)	(27,490)	41,449	(31,975)	9,474	36,964
Fund Balance:						
Beginning	195,940	195,940	232,034	273,483	232,034	36,094
Ending	<u>\$ 8,450</u>	<u>\$ 168,450</u>	<u>\$ 273,483</u>	<u>\$ 241,508</u>	<u>\$ 241,508</u>	<u>\$ 73,058</u>



### **NONMAJOR CAPITAL PROJECTS FUNDS**

The Capital Projects Funds account for revenue derived primarily from the State and Jackson County which are designated for the construction of specific projects. Funds included in this category are:

- Greenway Construction Fund - Accounts for construction of Bear Creek Greenway.
- Special Sidewalk Fund – Accounts for the expenditure of the proceeds of the Sidewalk Bonds.
- Fire Apparatus Reserve Fund - This fund accounts for the replacement of Fire Department Apparatus.
- Aquatic Facilities Reserve - This fund accounts for the development of an aquatic facilities park.
- Park Southeast Area SDC Fund - Accounts for SDCs collected in the SE Area to be expended on park and recreation improvements & new construction
- Park Improvement Fund - Accounts for specified resources to be expended on park and recreation improvements & new construction
- MURA Capital Projects Fund - Accounts for the expenditure of resources for the Medford Urban Renewal Agency.



# **CITY OF MEDFORD**

## Nonmajor Capital Project Funds

### Combining Balance Sheet

June 30, 2017

#### **ASSETS**

Cash and cash equivalents  
Receivables  
Accounts

Total assets

Greenway Construction Fund - 650	Special Sidewalk Fund - 531	Fire Apparatus Reserve - 370	Aquatic Facilities Reserve - 671	Park Southeast Area SDC Fund 621	Park Improvement Fund 630	MURA Capital Projects Fund - 901	Total
\$ 1,882	\$ 619,950	\$ 106,171	\$ 351,060	\$ 362,852	\$ 2,518,050	\$ 290,764	\$ 4,250,729
-	-	-	-	-	296,460	-	296,460
<u>\$ 1,882</u>	<u>\$ 619,950</u>	<u>\$ 106,171</u>	<u>\$ 351,060</u>	<u>\$ 362,852</u>	<u>\$ 2,814,510</u>	<u>\$ 290,764</u>	<u>\$ 4,547,189</u>

#### **LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable

Total liabilities

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,830	\$ -	\$ 22,830
-	-	-	-	-	22,830	-	22,830

Fund Balances:

Restricted for:

Highways and streets  
Culture and recreation  
Community development  
Public Safety

Total fund balances

-	619,950	-	-	-	-	-	619,950
1,882	-	-	351,060	362,852	2,791,680	-	3,507,474
-	-	-	-	-	-	290,764	290,764
-	-	106,171	-	-	-	-	106,171
<u>1,882</u>	<u>619,950</u>	<u>106,171</u>	<u>351,060</u>	<u>362,852</u>	<u>2,791,680</u>	<u>290,764</u>	<u>4,524,359</u>

Total liabilities, deferred  
inflows, and fund  
balances

\$ 1,882	\$ 619,950	\$ 106,171	\$ 351,060	\$ 362,852	\$ 2,814,510	\$ 290,764	\$ 4,547,189
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# CITY OF MEDFORD

## Nonmajor Capital Project Funds

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2017

	Greenway Construction Fund - 650	Special Sidewalk Fund - 531	Fire Apparatus Reserve - 370	Aquatic Facilities Reserve - 671	Park Southeast Area SDC Fund 621	Park Improvement Fund 630	MURA Capital Projects Fund - 901	Total
<b>REVENUES</b>								
Taxes								
Franchise and lodging	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 562,939	\$ -	\$ 562,939
Other	-	-	-	-	-	614,409	-	614,409
Intergovernmental	-	-	-	-	-	-	-	-
Investment earnings	18	5,856	666	3,316	12	750	73,049	83,667
Grants and contributions	-	-	-	-	-	30,194	-	30,194
Loan repayment	-	-	-	-	-	-	154,849	154,849
Other revenue	-	-	-	-	-	-	25	25
Total revenues	18	5,856	666	3,316	12	1,208,292	227,923	1,446,083
<b>EXPENDITURES</b>								
Current:								
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	2,183	-	2,183
Community development	-	-	-	-	-	-	-	-
Capital outlay	-	-	49,991	-	4,160	44,469	-	98,620
Total expenditures	-	-	49,991	-	4,160	46,652	-	100,803
Excess (deficiency) of revenues over (under) expenditures	18	5,856	(49,325)	3,316	(4,148)	1,161,640	227,923	1,345,280
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	97,500	-	367,000	1,630,040	-	2,094,540
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	18	5,856	48,175	3,316	362,852	2,791,680	227,923	3,439,820
Beginning fund balances	1,864	614,094	57,996	347,744	-	-	62,841	1,084,539
Ending fund balances	1,882	619,950	106,171	351,060	362,852	2,791,680	290,764	4,524,359



CITY OF MEDFORD  
Greenway Construction Fund - 650  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year</u>	<u>Second Year</u>	<u>Total Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>	<u>for Budget</u>	<u>Final Budget</u>
					<u>Period</u>	
Revenues:						
Investment earnings	\$ -	\$ -	\$ 13	\$ 18	\$ 31	\$ 31
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	13	18	31	31
Fund Balance:						
Beginning	<u>-</u>	<u>-</u>	<u>1,851</u>	<u>1,864</u>	<u>1,851</u>	<u>1,851</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,864</u>	<u>\$ 1,882</u>	<u>\$ 1,882</u>	<u>\$ 1,882</u>

CITY OF MEDFORD  
Special Sidewalk Fund - 531  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year</u>	<u>Second Year</u>	<u>Total Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>	<u>for Budget</u>	<u>Final Budget</u>
					<u>Period</u>	
Revenues:						
Investment earnings	\$ 7,000	\$ 7,000	\$ 4,235	\$ 5,856	\$ 10,091	\$ 3,091
Expenditures:						
Highways and streets	-	615,850	-	-	-	615,850
Excess revenues over (under) expenditures	7,000	(608,850)	4,235	5,856	10,091	618,941
Other financing sources (uses):						
Transfers out	(280)	(280)	-	-	-	280
Net change in fund balance	6,720	(609,130)	4,235	5,856	10,091	619,221
Fund Balance:						
Beginning	609,130	609,130	609,859	614,094	609,859	729
Ending	<u>\$ 615,850</u>	<u>\$ -</u>	<u>\$ 614,094</u>	<u>\$ 619,950</u>	<u>\$ 619,950</u>	<u>\$ 619,950</u>

CITY OF MEDFORD  
Fire Apparatus Reserve - 370  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Investment earnings	\$ -	\$ -	\$ 940	\$ 666	\$ 1,606	\$ 1,606
Expenditures:						
Fire	750,000	750,000	655,444	49,991	705,435	44,565
Excess revenues over (under) expenditures	(750,000)	(750,000)	(654,504)	(49,325)	(703,829)	46,171
Other financing sources (uses):						
Transfers in	800,000	810,000	712,500	97,500	810,000	-
Net change in fund balance	50,000	60,000	57,996	48,175	106,171	46,171
Fund Balance:						
Beginning	3,295,953	3,295,953	-	57,996	-	(3,295,953)
Ending	<u>\$ 3,345,953</u>	<u>\$ 3,355,953</u>	<u>\$ 57,996</u>	<u>\$ 106,171</u>	<u>\$ 106,171</u>	<u>\$ (3,249,782)</u>

CITY OF MEDFORD  
 Aquatic Facilities Reserve - 671  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year Actual</u>	<u>Second Year Actual</u>	<u>Total Actual for Budget Period</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Investment earnings	\$ -	\$ -	\$ 844	\$ 3,316	\$ 4,160	\$ 4,160
Other financing sources (uses):						
Transfers in	-	346,900	346,900	-	346,900	-
Net change in fund balance	-	346,900	347,744	3,316	351,060	4,160
Fund Balance:						
Beginning	-	-	-	347,744	-	-
Ending	<u>\$ -</u>	<u>\$ 346,900</u>	<u>\$ 347,744</u>	<u>\$ 351,060</u>	<u>\$ 351,060</u>	<u>\$ 4,160</u>

CITY OF MEDFORD  
Park Southeast Area SDC Fund 621  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	<u>Biennium Budget</u>		<u>First Year Actual</u>	<u>Second Year Actual</u>	<u>Total Actual for Budget Period</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues:						
Investment earnings	\$ -	\$ -	\$ -	\$ 12	\$ 12	\$ 12
Expenditures:						
Capital outlay	-	367,000	-	4,160	4,160	362,840
Other financing sources (uses):						
Transfers in	-	367,000	-	367,000	367,000	-
Net change in fund balance	-	-	-	362,852	362,852	362,852
Fund Balance:						
Beginning	-	-	-	-	-	-
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,852</u>	<u>\$ 362,852</u>	<u>\$ 362,852</u>

CITY OF MEDFORD  
Park Improvement Fund 630  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Lodging taxes	\$ -	\$ 100,000	\$ -	\$ 562,939	\$ 562,939	\$ 462,939
Other taxes	-	-	-	614,409	614,409	614,409
Investment earnings	-	-	-	750	750	750
Other revenue	-	5,000	-	-	-	(5,000)
Grants and contracts	-	-	-	30,194	30,194	30,194
Total revenues	-	105,000	-	1,208,292	1,208,292	1,103,292
Expenditures:						
Parks and recreation	-	100,000	-	2,183	2,183	97,817
Capital outlay	-	1,635,040	-	44,469	44,469	1,590,571
Total expenditures	-	1,735,040	-	46,652	46,652	1,688,388
Other financing sources (uses):						
Transfers in	-	1,630,040	-	1,630,040	1,630,040	-
Net change in fund balance	-	-	-	2,791,680	2,791,680	2,791,680
Fund Balance:						
Beginning	-	-	-	-	-	-
Ending	\$ -	\$ -	\$ -	\$ 2,791,680	\$ 2,791,680	\$ 2,791,680

MURA Capital Projects Fund - 901  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Investment earnings	\$ 60,000	\$ 60,000	\$ 57,522	\$ 73,049	\$ 130,571	\$ 70,571
Loan revenue	34,000	34,000	15,284	154,849	170,133	136,133
Other revenue	-	-	-	25	25	25
Total revenues	<u>94,000</u>	<u>94,000</u>	<u>72,806</u>	<u>227,923</u>	<u>300,729</u>	<u>206,729</u>
Expenditures:						
Community Development	<u>380,000</u>	<u>410,000</u>	<u>395,243</u>	<u>-</u>	<u>395,243</u>	<u>14,757</u>
Total expenditures	<u>380,000</u>	<u>410,000</u>	<u>395,243</u>	<u>-</u>	<u>395,243</u>	<u>14,757</u>
Excess revenues over (under) expenditures	<u>(286,000)</u>	<u>(316,000)</u>	<u>(322,437)</u>	<u>227,923</u>	<u>(94,514)</u>	<u>221,486</u>
Net change in fund balances	(286,000)	(316,000)	(322,437)	227,923	(94,514)	221,486
Fund Balance:						
Beginning	<u>286,000</u>	<u>316,000</u>	<u>385,278</u>	<u>62,841</u>	<u>385,278</u>	<u>69,278</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,841</u>	<u>\$ 290,764</u>	<u>\$ 290,764</u>	<u>\$ 290,764</u>





### **ENTERPRISE FUNDS BUDGET AND ACTUAL SCHEDULES**

The Sewer Utility Fund accounts for the City's sewer utility maintenance, operation, improvements, and expansion of the City's drain and sewer infrastructure. This fund is comprised of several sub-funds, but is considered a single enterprise fund under accounting principles generally accepted in the United States of America.

- Storm Drain System Development Charge Fund - Accounts for service development charges that are used to expand and/or improve storm drain infrastructures.
- Storm Drain Utility Fund - Accounts for storm drain utility operations, improvements and maintenance.
- Sewage Treatment Fund - Accounts for Regional Waste Water Treatment Plant operation and maintenance.
- Sewer Collection System Development Charge Fund - Accounts for service development charges used to maintain the sewer collection infrastructure.
- Sanitary Sewer Maintenance Fund - Accounts for sanitary sewer user fees to be expended on the sewer operation and maintenance.
- Sewage Treatment System Development Charge Fund - Accounts for service development charges for improvements and expansion of capacity of Regional Waste Water Treatment Plant.

The Parking Facilities Fund accounts for the maintenance, operation, improvements, and expansion of the City's off-street parking facilities.



**CITY OF MEDFORD**

Sewer Utility Fund

Combining Balance Sheet

June 30, 2017

	Storm Drain SDC Fund - 522	Storm Drain Utility Fund - 501	Sewage Treatment Fund - 503	Sewer Collection SDC Fund - 521	Sanitary Sewer Maintenance Fund - 502	Sewage Treatment SDC Fund - 523	Total
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 2,375,457	\$ 13,205,474	\$ 2,016,576	\$ 1,039,956	\$ 4,001,839	\$ 7,304,940	\$ 29,944,242
Receivables	-	374,915	388,602	-	236,952	80,691	1,081,160
Inventories	-	-	25,985	-	-	-	25,985
Total current assets	2,375,457	13,580,389	2,431,163	1,039,956	4,238,791	7,385,631	31,051,387
Noncurrent assets:							
Capital assets:							
Land and construction in progress	-	286,621	750,903	-	86,607	-	1,124,131
Capital assets, net of accumulated depreciation	-	31,008,229	28,808,676	-	18,026,581	-	77,843,486
Total noncurrent assets	-	31,294,850	29,559,579	-	18,113,188	-	78,967,617
Total assets	2,375,457	44,875,239	31,990,742	1,039,956	22,351,979	7,385,631	110,019,004
Deferred outflow of resources related to pensions	-	-	2,848,567	-	-	-	2,848,567
Total assets and deferred outflows	\$ 2,375,457	\$ 44,875,239	\$ 34,839,309	\$ 1,039,956	\$ 22,351,979	\$ 7,385,631	\$ 112,867,571
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$ -	\$ 73,758	\$ 327,999	\$ -	\$ 114,732	\$ 38,640	\$ 555,129
Payroll and related accruals	9,285	59,594	97,726	-	58,541	-	225,146
Retainage payable	-	35	400	-	30,019	-	30,454
Deposits and other liabilities	-	384,144	-	-	122,752	-	506,896
Compensated absences, due within one year	-	12,500	29,700	-	13,892	-	56,092
Total current liabilities	9,285	530,031	455,825	-	339,936	38,640	1,373,717
Noncurrent liabilities:							
Compensated absences, due in more than one year	-	43,103	105,493	-	65,285	-	213,881
Net pension liability	-	-	5,693,639	-	-	-	5,693,639
Total liabilities	9,285	573,134	6,254,957	-	405,221	38,640	7,281,237
<b>DEFERRED OUTFLOW OF RESOURCES</b>							
Deferred inflow of resources related to pensions	-	-	127,457	-	-	-	127,457
<b>NET POSITION</b>							
Net investment in capital assets	-	31,294,850	29,559,579	-	18,113,188	-	78,967,617
Restricted for future development	2,366,172	-	-	1,039,956	-	7,346,991	10,753,119
Unrestricted	-	13,007,255	(1,102,684)	-	3,833,570	-	15,738,141
Total net position	2,366,172	44,302,105	28,456,895	1,039,956	21,946,758	7,346,991	105,458,877
Total liabilities, deferred inflow of resources and fund balances	\$ 2,375,457	\$ 44,875,239	\$ 34,839,309	\$ 1,039,956	\$ 22,351,979	\$ 7,385,631	\$ 112,867,571

**CITY OF MEDFORD**

Sewer Utility Fund

Combining Schedule of Revenue, Expenses, and Changes in Fund Net Position

Year ended June 30, 2017

	Storm Drain SDC Fund - 522	Storm Drain Utility Fund - 501	Sewage Treatment Fund - 503	Sewer Collection System SDC Fund - 521	Sanitary Sewer Maintenance Fund - 502	Sewage Treatment SDC Fund - 523	Total
<b>OPERATING REVENUES</b>							
Charges for services	\$ -	\$ 6,011,332	\$ 5,383,824	\$ -	\$ 4,221,300	\$ -	\$ 15,616,456
Miscellaneous income	-	513	24,716	-	11,213	-	36,442
Total operating revenues	-	6,011,845	5,408,540	-	4,232,513	-	15,652,898
<b>OPERATING EXPENSES</b>							
Salaries and fringe benefits	144,273	1,745,425	3,414,780	918	1,369,549	-	6,674,945
Operating supplies	124,340	302,641	2,121,592	-	215,231	343,877	3,107,681
Professional services	-	264,469	-	-	-	-	264,469
Repairs and maintenance	-	108,925	197,320	-	112,180	-	418,425
Premiums and claims	-	6,980	68,160	-	7,930	-	83,070
Utilities	-	3,450	350,310	-	9,726	-	363,486
General, administrative, and engineering	-	63,376	124,351	-	759,984	-	947,711
Depreciation	-	1,068,710	1,622,057	-	728,453	-	3,419,220
Total operating expenses	268,613	3,563,976	7,898,570	918	3,203,053	343,877	15,279,007
Operating income (loss)	(268,613)	2,447,869	(2,490,030)	(918)	1,029,460	(343,877)	373,891
<b>NONOPERATING REVENUE (EXPENSES)</b>							
Investment earnings	21,808	115,831	20,725	8,352	42,328	64,325	273,369
Income (loss) before contributions and transfers	(246,805)	2,563,700	(2,469,305)	7,434	1,071,788	(279,552)	647,260
<b>CONTRIBUTIONS AND TRANSFERS</b>							
Contributions							
Transfers in	257,002	607,242	222,120	291,360	-	1,355,128	2,732,852
Transfers out	2,411	-	-	7,662	-	32,022	42,095
Total contributions and transfers	-	(316,398)	(294,307)	-	(385,863)	-	(996,568)
Change in net position	259,413	290,844	(72,187)	299,022	(385,863)	1,387,150	1,778,379
Beginning net position	12,608	2,854,544	(2,541,492)	306,456	685,925	1,107,598	2,425,639
Ending net position	2,353,564	41,447,561	30,998,387	733,500	21,260,833	6,239,393	103,033,238
	\$ 2,366,172	\$ 44,302,105	\$ 28,456,895	\$ 1,039,956	\$ 21,946,758	\$ 7,346,991	\$ 105,458,877

CITY OF MEDFORD  
Storm Drain SDC Fund - 522  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Charges for services	\$ 450,000	\$ 450,000	\$ 507,178	\$ 257,002	\$ 764,180	\$ 314,180
Investment earnings	23,400	23,400	15,085	21,808	36,893	13,493
Total revenues	473,400	473,400	522,263	278,810	801,073	327,673
Expenditures:						
Storm drain system development	2,034,570	2,034,570	188,047	268,613	456,660	1,577,910
Contingency	254,000	254,000	-	-	-	254,000
Total expenditures	2,288,570	2,288,570	188,047	268,613	456,660	1,831,910
Excess revenues over (under) expenditures	(1,815,170)	(1,815,170)	334,216	10,197	344,413	2,159,583
Other financing sources (uses):						
Transfers in	-	-	-	2,411	2,411	2,411
Transfers out	(35,940)	(35,940)	(29,117)	-	(29,117)	6,823
Net change in fund balance	(1,851,110)	(1,851,110)	305,099	12,608	317,707	2,168,817
Fund Balance:						
Beginning	2,045,960	2,045,960	2,048,465	2,353,564	2,048,465	2,505
Ending	\$ 194,850	\$ 194,850	\$ 2,353,564	\$ 2,366,172	\$ 2,366,172	\$ 2,171,322

CITY OF MEDFORD  
Storm Drain Utility Fund - 501  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Charges for services	\$ 10,815,000	\$ 10,839,000	\$ 5,551,153	\$ 6,011,332	\$ 11,562,485	\$ 723,485
Investment earnings	86,400	86,400	72,231	115,831	188,062	101,662
Other revenue	-	-	7,694	513	8,207	8,207
Total revenues	10,901,400	10,925,400	5,631,078	6,127,676	11,758,754	833,354
Expenditures:						
Storm drain system maintenance	11,177,580	11,185,580	2,708,125	3,011,892	5,720,017	5,465,563
Contingency	1,000,000	1,000,000	-	-	-	1,000,000
Total expenditures	12,177,580	12,185,580	2,708,125	3,011,892	5,720,017	6,465,563
Excess revenues over (under) expenditures	(1,276,180)	(1,260,180)	2,922,953	3,115,784	6,038,737	7,298,917
Other financing sources (uses):						
Transfers out	(595,060)	(619,060)	(302,656)	(316,398)	(619,054)	6
Net change in fund balance	(1,871,240)	(1,879,240)	2,620,297	2,799,386	5,419,683	7,298,923
Fund Balance:						
Beginning	2,484,090	2,484,090	7,643,177	10,263,474	7,643,177	5,159,087
Ending	\$ 612,850	\$ 604,850	\$ 10,263,474	\$ 13,062,860	\$ 13,062,860	\$ 12,458,010
Reconciliation to GAAP Basis:						
Capital assets, net				31,294,850		
Compensated absences				(55,603)		
Total net position - end of year				\$ 44,302,107		

CITY OF MEDFORD  
Sewage Treatment Fund - 503  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Charges for services	\$ 10,248,010	\$ 10,248,010	\$ 4,931,918	\$ 5,383,824	\$ 10,315,742	\$ 67,732
Investment earnings	42,000	42,000	16,830	20,725	37,555	(4,445)
Other revenue	10,800	19,300	20,584	24,716	45,300	26,000
Total revenues	10,300,810	10,309,310	4,969,332	5,429,265	10,398,597	89,287
Expenditures:						
Sewage treatment maintenance	11,730,880	12,339,380	5,815,270	5,912,917	11,728,187	611,193
Contingency	1,112,000	512,000	-	-	-	512,000
Total expenditures	12,842,880	12,851,380	5,815,270	5,912,917	11,728,187	1,123,193
Excess revenues over (under) expenditures	(2,542,070)	(2,542,070)	(845,938)	(483,652)	(1,329,590)	1,212,480
Other financing sources (uses):						
Transfers out	(623,020)	(623,020)	(321,955)	(294,307)	(616,262)	6,758
Net change in fund balance	(3,165,090)	(3,165,090)	(1,167,893)	(777,959)	(1,945,852)	1,219,238
Fund Balance:						
Beginning	3,922,170	3,922,170	3,924,905	2,757,012	3,924,905	2,735
Ending	\$ 757,080	\$ 757,080	\$ 2,757,012	\$ 1,979,053	\$ 1,979,053	\$ 1,221,973
Reconciliation to GAAP Basis (Fund Balance to Net Position):						
Inventory				25,985		
Capital assets, net				29,432,325		
Compensated absences				(135,193)		
Net pension liability				(5,693,639)		
Deferred outflow of resources				2,848,567		
Deferred inflow of resources				(127,457)		
Total net position - end of year				\$ 28,329,641		

CITY OF MEDFORD  
Sewer Collection System SDC Fund - 521  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Charges for services	\$ 200,000	\$ 200,000	\$ 289,522	\$ 291,360	\$ 580,882	\$ 380,882
Investment earnings	4,600	4,600	4,148	8,352	12,500	7,900
Total revenues	<u>204,600</u>	<u>204,600</u>	<u>293,670</u>	<u>299,712</u>	<u>593,382</u>	<u>388,782</u>
Expenditures:						
Sewer collection system development	304,850	304,850	18,322	918	19,240	285,610
Contingency	<u>38,000</u>	<u>38,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,000</u>
Total expenditures	<u>342,850</u>	<u>342,850</u>	<u>18,322</u>	<u>918</u>	<u>19,240</u>	<u>323,610</u>
Excess revenues over (under) expenditures	(138,250)	(138,250)	275,348	298,794	574,142	712,392
Other financing sources (uses):						
Transfers in	-	-	-	7,662	7,662	7,662
Transfers out	<u>(16,400)</u>	<u>(16,400)</u>	<u>(15,665)</u>	<u>-</u>	<u>(15,665)</u>	<u>735</u>
Total other financing sources (uses)	<u>(16,400)</u>	<u>(16,400)</u>	<u>(15,665)</u>	<u>7,662</u>	<u>(8,003)</u>	<u>8,397</u>
Net change in fund balance	(154,650)	(154,650)	259,683	306,456	566,139	720,789
Fund Balance:						
Beginning	<u>266,270</u>	<u>266,270</u>	<u>473,817</u>	<u>733,500</u>	<u>473,817</u>	<u>207,547</u>
Ending	<u>\$ 111,620</u>	<u>\$ 111,620</u>	<u>\$ 733,500</u>	<u>\$ 1,039,956</u>	<u>\$ 1,039,956</u>	<u>\$ 928,336</u>



CITY OF MEDFORD  
Sanitary Sewer Maintenance Fund - 502  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Charges for services	\$ 8,200,000	\$ 8,200,000	\$ 3,896,142	\$ 4,221,300	\$ 8,117,442	\$ (82,558)
Investment earnings	33,000	33,000	33,172	42,328	75,500	42,500
Other revenue	-	-	13,089	11,213	24,302	24,302
Total revenues	<u>8,233,000</u>	<u>8,233,000</u>	<u>3,942,403</u>	<u>4,274,841</u>	<u>8,217,244</u>	<u>(15,756)</u>
Expenditures:						
Sewer system maintenance and construction	8,620,870	8,619,370	3,373,953	3,362,023	6,735,976	1,883,394
Contingency	<u>760,000</u>	<u>760,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>760,000</u>
Total expenditures	<u>9,380,870</u>	<u>9,379,370</u>	<u>3,373,953</u>	<u>3,362,023</u>	<u>6,735,976</u>	<u>2,643,394</u>
Excess revenues over (under) expenditures	<u>(1,147,870)</u>	<u>(1,146,370)</u>	<u>568,450</u>	<u>912,818</u>	<u>1,481,268</u>	<u>2,627,638</u>
Other financing sources (uses):						
Transfers out	<u>(467,020)</u>	<u>(610,570)</u>	<u>(224,697)</u>	<u>(385,863)</u>	<u>(610,560)</u>	<u>10</u>
Net change in fund balance	<u>(1,614,890)</u>	<u>(1,756,940)</u>	<u>343,753</u>	<u>526,955</u>	<u>870,708</u>	<u>2,627,648</u>
Fund Balance:						
Beginning	<u>2,351,900</u>	<u>2,351,900</u>	<u>3,042,039</u>	<u>3,385,792</u>	<u>3,042,039</u>	<u>690,139</u>
Ending	<u>\$ 737,010</u>	<u>\$ 594,960</u>	<u>\$ 3,385,792</u>	<u>\$ 3,912,747</u>	<u>\$ 3,912,747</u>	<u>\$ 3,317,787</u>
Reconciliation to GAAP Basis:						
Capital assets, net				18,113,188		
Compensated absences				<u>(79,177)</u>		
Total net position - end of year				<u>\$ 21,946,758</u>		

CITY OF MEDFORD  
Sewage Treatment SDC Fund - 523  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Charges for services	\$ 1,320,000	\$ 1,320,000	\$ 1,409,302	\$ 1,355,128	\$ 2,764,430	\$ 1,444,430
Investment earnings	56,400	56,400	38,739	64,325	103,064	46,664
Other revenue	-	-	606	-	606	606
Total revenues	<u>1,376,400</u>	<u>1,376,400</u>	<u>1,448,647</u>	<u>1,419,453</u>	<u>2,868,100</u>	<u>1,491,700</u>
Expenditures:						
Sewage treatment SDC	1,000,000	1,000,000	149,566	343,877	493,443	506,557
Contingency	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
Total expenditures	<u>1,125,000</u>	<u>1,125,000</u>	<u>149,566</u>	<u>343,877</u>	<u>493,443</u>	<u>631,557</u>
Excess revenues over (under) expenditures	251,400	251,400	1,299,081	1,075,576	2,374,657	2,123,257
Other financing sources (uses):						
Transfers in	-	-	-	32,022	32,022	32,022
Transfers out	<u>(57,360)</u>	<u>(57,360)</u>	<u>(59,034)</u>	<u>-</u>	<u>(59,034)</u>	<u>(1,674)</u>
Total other financing sources (uses)	<u>(57,360)</u>	<u>(57,360)</u>	<u>(59,034)</u>	<u>32,022</u>	<u>(27,012)</u>	<u>30,348</u>
Net change in fund balance	194,040	194,040	1,240,047	1,107,598	2,347,645	2,153,605
Fund Balance:						
Beginning	<u>4,999,346</u>	<u>4,999,346</u>	<u>4,999,346</u>	<u>6,239,393</u>	<u>4,999,346</u>	<u>-</u>
Ending	<u>\$ 5,193,386</u>	<u>\$ 5,193,386</u>	<u>\$ 6,239,393</u>	<u>\$ 7,346,991</u>	<u>\$ 7,346,991</u>	<u>\$ 2,153,605</u>

CITY OF MEDFORD  
Parking Facilities Fund - 701  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget				Total Actual for Budget Period	Variance with Final Budget
	Original	Final	First Year Actual	Second Year Actual		
Revenues:						
Charges for services	\$ 1,060,000	\$ 1,105,000	\$ 663,204	\$ 711,395	\$ 1,374,599	\$ 269,599
Investment earnings	5,600	5,600	4,293	7,240	11,533	5,933
Other revenue	600	600	522	3,344	3,866	3,266
Total revenues	1,066,200	1,111,200	668,019	721,979	1,389,998	278,798
Expenditures:						
Parking facilities maintenance and construction	1,111,760	1,156,760	500,652	570,830	1,071,482	85,278
Contingency	131,000	131,000	-	-	-	131,000
Total expenditures	1,242,760	1,287,760	500,652	570,830	1,071,482	216,278
Excess revenues over (under) expenditures	(176,560)	(176,560)	167,367	151,149	318,516	495,076
Other financing sources (uses):						
Transfers out	(45,980)	(45,980)	(28,297)	(13,013)	(41,310)	4,670
Net change in fund balance	(222,540)	(222,540)	139,070	138,136	277,206	499,746
Fund Balance:						
Beginning	486,500	486,500	583,373	722,443	583,373	96,873
Ending	\$ 263,960	\$ 263,960	\$ 722,443	\$ 860,579	\$ 860,579	\$ 596,619
Reconciliation to GAAP Basis:						
Capital assets, net				2,805,074		
Net pension liability				(60,858)		
Deferred outflow of resources				30,448		
Deferred inflow of resources				(1,362)		
Total net position - end of year				\$ 3,633,881		



### **INTERNAL SERVICE FUNDS**

The Internal Service Funds account for services and activities provided by the City for other units within and outside the City. Funds included in this category are:

- Risk Management Fund - Accounts for administration and associated cost of workers' compensation insurance and other insurance programs provided by the City.
- Fleet Maintenance Fund - Accounts for fleet maintenance services provided by the City.



**CITY OF MEDFORD**

Internal Service Funds

Combining Balance Sheet

June 30, 2017

	<u>Risk Management Fund - 700</u>	<u>Fleet Maintenance Fund - 540</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,215,464	\$ 783,800	\$ 3,999,264
Receivables	307	84,125	84,432
Inventories	<u>-</u>	<u>696,005</u>	<u>696,005</u>
Total current assets	<u>3,215,771</u>	<u>1,563,930</u>	<u>4,779,701</u>
Noncurrent assets:			
Restricted cash and cash equivalents	120,166	-	120,166
Capital assets, net of accumulated depreciation	<u>-</u>	<u>298,788</u>	<u>298,788</u>
Total noncurrent assets	<u>120,166</u>	<u>298,788</u>	<u>418,954</u>
Total assets	<u>3,335,937</u>	<u>1,862,718</u>	<u>5,198,655</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow of resources related to pensions	<u>61,573</u>	<u>220,220</u>	<u>281,793</u>
Total assets and deferred outflow of resources	<u>\$ 3,397,510</u>	<u>\$ 2,082,938</u>	<u>\$ 5,480,448</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 38,309	\$ 93,683	\$ 131,992
Payroll and related accruals	128,499	20,673	149,172
Compensated absences, due within one year	-	8,935	8,935
Claims payable	<u>455,740</u>	<u>-</u>	<u>455,740</u>
Total current liabilities	622,548	123,291	745,839
Noncurrent liabilities:			
Compensated absences, due in more than one year	-	26,806	26,806
Net pension liability	<u>123,069</u>	<u>440,171</u>	<u>563,240</u>
Total noncurrent liabilities	<u>123,069</u>	<u>466,977</u>	<u>590,046</u>
Total liabilities	<u>745,617</u>	<u>590,268</u>	<u>1,335,885</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow of resources related to pension	<u>2,755</u>	<u>9,854</u>	<u>12,609</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	298,788	298,788
Restricted for employee section 125 plan	120,166	-	120,166
Unrestricted	<u>2,528,972</u>	<u>1,184,028</u>	<u>3,713,000</u>
Total net position	<u>2,649,138</u>	<u>1,482,816</u>	<u>4,131,954</u>
Total liabilities, deferred inflows and net position	<u>\$ 3,397,510</u>	<u>\$ 2,082,938</u>	<u>\$ 5,480,448</u>

**CITY OF MEDFORD**

Internal Service Funds

Combining Statement of Revenue, Expenses, and Changes in Fund Net Position

Year ended June 30, 2017

	Risk Management Fund - 700	Fleet Maintenance Fund - 540	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,779,131	\$ 1,362,018	\$ 3,141,149
Other revenue	<u>256</u>	<u>641</u>	<u>897</u>
Total operating revenues	<u>1,779,387</u>	<u>1,362,659</u>	<u>3,142,046</u>
<b>OPERATING EXPENSES</b>			
Salaries and fringe benefits	1,019,820	673,896	1,693,716
Operating supplies	29,725	496,659	526,384
Professional services	127,818	8,633	136,451
Repairs and maintenance	-	5,247	5,247
Premiums and claims	393,853	6,130	399,983
Utilities	-	2,699	2,699
General, administrative, and engineering	18,730	11,038	29,768
Depreciation	<u>-</u>	<u>39,486</u>	<u>39,486</u>
Total operating expenses	<u>1,589,946</u>	<u>1,243,788</u>	<u>2,833,734</u>
Operating income (loss)	<u>189,441</u>	<u>118,871</u>	<u>308,312</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	<u>25,924</u>	<u>7,173</u>	<u>33,097</u>
Income before contributions and transfers	215,365	126,044	341,409
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Transfers out	<u>(77,317)</u>	<u>(45,138)</u>	<u>(122,455)</u>
Change in net position	138,048	80,906	218,954
Beginning net position	<u>2,511,090</u>	<u>1,401,910</u>	<u>3,913,000</u>
Ending net position	<u><u>\$ 2,649,138</u></u>	<u><u>\$ 1,482,816</u></u>	<u><u>\$ 4,131,954</u></u>



**CITY OF MEDFORD**  
Internal Service Funds  
Combining Statement of Cash Flows  
Year ended June 30, 2017

	Risk Management Fund - 700	Fleet Maintenance Fund - 540	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ -	\$ 168,553	\$ 168,553
Receipt from interfund services provided	1,844,396	1,189,398	3,033,794
Payments to suppliers	(302,594)	(665,637)	(968,231)
Payments to employees	(991,195)	(634,470)	(1,625,665)
Net cash provided (used) by operating activities	<u>550,607</u>	<u>57,844</u>	<u>608,451</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	(77,317)	(45,138)	(122,455)
Net cash provided (used) by noncapital financing activities	<u>(77,317)</u>	<u>(45,138)</u>	<u>(122,455)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	25,924	7,173	33,097
Increase (decrease) in cash	499,214	19,879	519,093
Cash at beginning of year	2,836,416	763,921	3,600,337
Cash at end of year	<u>\$ 3,335,630</u>	<u>\$ 783,800</u>	<u>\$ 4,119,430</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ 189,441	\$ 118,871	\$ 308,312
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	39,486	39,486
Net reduction of expenses under GASB 68	25,786	46,498	72,284
(Increase) decrease in accounts receivable	65,009	(4,708)	60,301
(Increase) decrease in inventory	-	(177,971)	(177,971)
(Increase) decrease in prepaids	422,483	-	422,483
Increase (decrease) in accounts payable	(62,723)	42,740	(19,983)
Increase (decrease) in accrued payroll and related expenses	2,839	(7,072)	(4,233)
Increase (decrease) in claims payable	(92,228)	-	(92,228)
Total adjustments	<u>361,166</u>	<u>(61,027)</u>	<u>300,139</u>
Net cash provided (used) by operating activities	<u>\$ 550,607</u>	<u>\$ 57,844</u>	<u>\$ 608,451</u>

CITY OF MEDFORD  
Risk Management Fund - 700  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Charges for services	\$ 3,156,320	\$ 3,324,730	\$ 1,869,573	\$ 1,779,130	\$ 3,648,703	\$ 323,973
Investment earnings	28,200	28,200	17,836	25,924	43,760	15,560
Other revenue	-	-	9,137	256	9,393	9,393
Total revenues	<u>3,184,520</u>	<u>3,352,930</u>	<u>1,896,546</u>	<u>1,805,310</u>	<u>3,701,856</u>	<u>348,926</u>
Expenditures:						
Risk management	3,044,160	3,344,160	1,545,292	1,656,388	3,201,680	142,480
Contingency	<u>1,500,000</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350,000</u>
Total expenditures	<u>4,544,160</u>	<u>4,694,160</u>	<u>1,545,292</u>	<u>1,656,388</u>	<u>3,201,680</u>	<u>1,492,480</u>
Excess revenues over (under) expenditures	(1,359,640)	(1,341,230)	351,254	148,922	500,176	1,841,406
Other financing sources (uses):						
Transfers out	<u>(143,480)</u>	<u>(161,890)</u>	<u>(84,569)</u>	<u>(77,317)</u>	<u>(161,886)</u>	<u>4</u>
Net change in fund balance	(1,503,120)	(1,503,120)	266,685	71,605	338,290	1,841,410
Fund Balance:						
Beginning	<u>2,572,800</u>	<u>2,572,800</u>	<u>2,830,839</u>	<u>3,097,524</u>	<u>2,830,839</u>	<u>258,039</u>
Ending	<u>\$ 1,069,680</u>	<u>\$ 1,069,680</u>	<u>\$ 3,097,524</u>	<u>3,169,129</u>	<u>\$ 3,169,129</u>	<u>\$ 2,099,449</u>
Reconciliation to GAAP Basis:						
Claims payable				(455,740)		
Net pension liability				(123,069)		
Deferred outflow of resources				61,573		
Deferred inflow of resources				<u>(2,755)</u>		
Total net position - end of year				<u>\$ 2,649,138</u>		

CITY OF MEDFORD  
Fleet Maintenance Fund - 540  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Charges for services	\$ 2,401,000	\$ 2,716,600	\$ 1,380,975	\$ 1,362,018	\$ 2,742,993	\$ 26,393
Investment earnings	7,800	7,800	5,321	7,173	12,494	4,694
Other revenue	<u>2,000</u>	<u>2,000</u>	<u>958</u>	<u>641</u>	<u>1,599</u>	<u>(401)</u>
Total revenues	<u>2,410,800</u>	<u>2,726,400</u>	<u>1,387,254</u>	<u>1,369,832</u>	<u>2,757,086</u>	<u>30,686</u>
Expenditures:						
Fleet maintenance and operations	2,383,960	2,699,560	1,289,049	1,163,074	2,452,123	247,437
Contingency	<u>292,000</u>	<u>292,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,000</u>
Total expenditures	<u>2,675,960</u>	<u>2,991,560</u>	<u>1,289,049</u>	<u>1,163,074</u>	<u>2,452,123</u>	<u>539,437</u>
Excess revenues over (under) expenditures	(265,160)	(265,160)	98,205	206,758	304,963	570,123
Other financing sources (uses):						
Transfers out	<u>(155,720)</u>	<u>(155,720)</u>	<u>(84,336)</u>	<u>(45,138)</u>	<u>(129,474)</u>	<u>26,246</u>
Net change in fund balance	(420,880)	(420,880)	13,869	161,620	175,489	596,369
Fund Balance:						
Beginning	<u>633,700</u>	<u>633,700</u>	<u>1,274,085</u>	<u>1,287,954</u>	<u>1,274,085</u>	<u>640,385</u>
Ending	<u>\$ 212,820</u>	<u>\$ 212,820</u>	<u>\$ 1,287,954</u>	<u>\$ 1,449,574</u>	<u>\$ 1,449,574</u>	<u>\$ 1,236,754</u>
Reconciliation to GAAP Basis:						
Capital assets, net				298,788		
Net pension liability				(440,171)		
Deferred outflow of resources				220,220		
Compensated absences				(35,741)		
Deferred inflow of resources				<u>(9,854)</u>		
Total net position - end of year				<u>\$ 1,482,816</u>		



**OTHER FINANCIAL SCHEDULES**

CITY OF MEDFORD  
Schedule of Expenditures by Division  
Budget and Actual  
For the Year Ended June 30, 2017

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Expenditures:						
Mayor and council	\$ 16,120	\$ 1,429,540	\$ 528,868	\$ 568,557	\$ 1,097,425	\$ 332,115
Community promotion	3,857,320	4,085,350	1,692,934	1,702,622	3,395,556	689,794
Technology services	5,077,810	5,144,810	2,071,005	2,348,746	4,419,751	725,059
Technology services - capital improvements	1,817,700	2,517,700	569,332	920,301	1,489,633	1,028,067
City management	301,610	3,331,500	1,331,123	1,523,743	2,854,866	476,634
City management - facilities management	4,474,820	-	-	-	-	-
Facilities management	-	4,635,020	1,994,005	2,509,808	4,503,813	131,207
Facilities management - capital improvements	-	2,288,560	1,424,665	227,148	1,651,813	636,747
City attorney	1,239,080	1,355,020	614,818	620,466	1,235,284	119,736
Municipal court	1,545,710	2,518,310	1,107,263	1,162,714	2,269,977	248,333
Human resources	1,262,240	4,748,600	2,227,390	2,300,972	4,528,362	220,238
Finance	2,497,900	2,965,840	1,374,722	1,511,806	2,886,528	79,312
Bond interest & redemption	27,055,860	27,305,860	8,660,823	18,484,167	27,144,990	160,870
General expense	576,400	576,400	111,063	134,921	245,984	330,416
Police - administration	3,550,300	3,755,890	1,993,569	2,055,384	4,048,953	(293,063)
Police - patrol	21,071,480	21,491,730	10,181,111	10,684,373	20,865,484	626,246
Police - records	3,280,540	3,328,760	1,510,926	1,590,875	3,101,801	226,959
Police - Medford area drug gang enforcement	4,926,770	5,264,100	2,446,361	2,535,773	4,982,134	281,966
Police - police investigation	5,876,460	5,891,660	2,787,992	2,805,067	5,593,059	298,601
Police - administrative support	2,865,590	5,819,960	2,729,318	2,964,044	5,693,362	126,598
Police - capital improvements	102,690	19,227,620	16,179,682	2,972,126	19,151,808	75,812
Fire - administration	482,450	483,450	235,148	244,010	479,158	4,292
Fire - operations	13,266,470	25,646,140	12,797,825	12,633,044	25,430,869	215,271
Fire - life and safety	1,604,620	1,620,220	780,404	824,121	1,604,525	15,695
Fire - training	395,430	476,830	244,772	247,115	491,887	(15,057)
Fire - emergency management	282,090	343,840	164,119	166,926	331,045	12,795
Fire - capital improvements	102,690	10,356,880	1,753,297	6,659,707	8,413,004	1,943,876
Engineering and development	6,933,920	8,110,270	2,745,819	2,929,094	5,674,913	2,435,357
Engineering - capital improvements	1,072,500	44,806,590	3,430,225	3,103,743	6,533,968	38,272,622
PW - administration	1,601,430	1,649,430	772,275	767,373	1,539,648	109,782
PW - traffic maintenance	4,211,150	4,901,650	2,187,338	2,216,958	4,404,296	497,354
PW - street maintenance	6,353,620	6,655,020	3,160,838	2,661,832	5,822,670	832,350
PW - sewer maintenance	2,256,740	3,229,040	1,512,186	1,424,169	2,936,355	292,685
PW - storm drain maintenance	3,269,250	3,713,750	1,509,526	1,745,161	3,254,687	459,063
PW - fleet maintenance	2,297,940	2,631,540	1,291,623	1,132,654	2,424,277	207,263
PW - capital improvements	4,000	6,740,000	2,442,764	2,041,160	4,483,924	2,256,076
PW - utility billing services	1,641,360	2,134,360	887,715	881,162	1,768,877	365,483
Water reclamation division	8,111,800	9,002,280	4,193,392	4,272,141	8,465,533	536,747
Water reclamation - capital improvements	-	4,319,000	1,768,231	1,976,426	3,744,657	574,343
Planning	3,853,710	4,168,410	1,909,783	1,519,517	3,429,300	739,110

Continued on next page

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Expenditures:						
Parks - administration	252,490	961,100	453,940	394,770	848,710	112,390
Parks - general recreation	3,190,450	3,241,450	1,553,246	1,509,586	3,062,832	178,618
Parks - arts & cultural events	136,160	149,360	43,145	54,809	97,954	51,406
Parks - maintenance	5,104,140	5,489,940	2,488,689	2,685,741	5,174,430	315,510
Parks - special restricted funds	63,300	69,300	27,635	29,423	57,058	12,242
Parks - city tree program	297,680	301,080	156,199	152,267	308,466	(7,386)
Parks - capital improvements	425,870	7,521,670	2,238,305	1,001,379	3,239,684	4,281,986
Parks - UCC special events	149,550	234,150	95,735	67,279	163,014	71,136
Building safety	3,199,240	3,315,440	1,348,069	1,424,123	2,772,192	543,248
Urban renewal agency						
administration	13,662,100	14,072,100	2,377,268	11,676,525	14,053,793	18,307
Contingency	<u>23,674,010</u>	<u>22,519,460</u>	-	-	-	<u>22,519,460</u>
Total expenditures	199,292,560	326,545,980	116,106,481	126,065,828	242,172,309	84,373,671
Other financing sources:						
Interfund transfers & loans	<u>43,152,210</u>	<u>49,379,420</u>	<u>23,754,410</u>	<u>24,157,551</u>	<u>47,911,961</u>	<u>1,467,459</u>
Total appropriations	<u>\$ 242,444,770</u>	<u>\$ 375,925,400</u>	<u>\$ 139,860,891</u>	<u>\$ 150,223,379</u>	<u>\$ 290,084,270</u>	<u>\$ 85,841,130</u>





**CITY OF MEDFORD, OREGON**  
**INTRODUCTION TO THE STATISTICAL SECTION**

(Unaudited)

This section provides financial statement users with additional historic perspective, context and detail to assist in using the information in the financial statements, note disclosures and required supplemental information to understand and assess the city's economic condition.

<b>Contents</b>	<b>PAGE</b>
<b><u>Financial Trends</u></b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Schedule 1 -- Net Position by Component	100
Schedule 2 -- Changes in Net Position	101
Schedule 3 -- Fund Balances	102
Schedule 4 -- Changes in Fund Balances	103-104
<b><u>Revenue Capacity</u></b>	
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its own source revenue such as property taxes.	
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Schedule 7 -- Principal Property Taxpayers	107
Schedule 8 -- Property Tax Levies and Collections	108
<b><u>Debt Capacity</u></b>	
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
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Schedule 11 -- Direct & Overlapping Governmental Activities Debt	111
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<b><u>Demographic and Economic Information</u></b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments	
Schedule 14 -- Demographic and Economic Statistics	114
Schedule 15 -- Largest Employers	115
<b><u>Operating Information</u></b>	
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it provides	
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**Sources:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in Fiscal Year 2003; schedules presenting government-wide information include information beginning in that year.



City of Medford, Oregon

**Schedule 1**

**Net Position by Component**

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

(Accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	195,552,099	208,801,287	214,648,301	225,070,486	214,017,088	230,304,448	233,292,847	230,039,491	265,499,121	235,720,103
Restricted										
Public Safety				1,710,116	304,287	599,884	1,122,668	1,368,286	1,401,309	1,488,800
Employee section 125 plan	39,850	58,002	41,139	-	-	-	-	100,793	-	-
Highways and streets	10,227,655	12,059,374	17,995,987	18,355,893	12,367,765	16,696,007	18,475,789	22,705,617	15,079,266	16,100,310
Culture & recreation	11,888,260	1,934,604	1,741,936	1,847,405	1,308,384	2,004,134	8,119,399	4,948,229	6,746,706	8,575,469
Community development	3,032,664	1,112,862	3,703,587	3,766,736	1,688,873	11,981,400	6,208,364	3,046,548	3,701,166	4,654,293
Debt service	3,681,053	4,082,382	4,146,973	3,778,977	3,188,173	149,022	192,619	232,034	273,483	241,508
Unrestricted	23,765,001	25,496,752	19,541,765	14,466,647	38,250,316	23,166,428	18,345,502	5,592,837	(29,259,072)	(429,335)
<b>Total governmental activities</b>	<b>248,186,582</b>	<b>253,545,263</b>	<b>261,819,688</b>	<b>268,996,260</b>	<b>271,124,886</b>	<b>284,901,323</b>	<b>285,757,188</b>	<b>268,033,835</b>	<b>263,441,979</b>	<b>266,351,148</b>
<b>Business type activities</b>										
Invested in capital assets	75,594,516	73,165,671	73,620,645	76,190,298	80,445,022	82,369,791	82,026,363	82,234,047	82,627,772	81,772,691
Restricted										
Future system development	13,011,448	13,343,828	13,040,845	11,544,184	7,154,013	6,023,646	6,811,138	7,498,708	9,326,458	10,753,119
Unrestricted	6,441,849	7,822,336	8,912,358	8,994,238	10,571,254	12,055,882	14,626,227	13,637,545	14,613,099	16,566,948
<b>Total business-type activities net assets</b>	<b>95,047,813</b>	<b>94,331,835</b>	<b>95,573,848</b>	<b>96,728,720</b>	<b>98,170,289</b>	<b>100,449,319</b>	<b>103,463,728</b>	<b>103,370,300</b>	<b>106,567,329</b>	<b>109,092,758</b>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	271,146,615	281,966,958	288,268,946	301,260,784	294,462,110	312,674,239	315,319,210	312,273,538	348,126,893	317,492,794
Restricted										
Future system development	13,011,448	13,343,828	13,040,845	11,544,184	7,154,013	6,023,646	6,811,138	7,498,708	9,326,458	10,753,119
Public Safety				1,710,116	304,287	599,884	1,122,668	1,368,286	1,401,309	1,488,800
Employee section 125 plan	39,850	58,002	41,139	-	-	-	-	100,793	-	-
Highways and streets	10,227,655	12,059,374	17,995,987	18,355,893	12,367,765	16,696,007	18,475,789	22,705,617	15,079,266	16,100,310
Culture & recreation	11,888,260	1,934,604	1,741,936	1,847,405	1,308,384	2,004,134	8,119,399	4,948,229	6,746,706	8,575,469
Community development	3,032,664	1,112,862	3,703,587	3,766,736	1,688,873	11,981,400	6,208,364	3,046,548	3,701,166	4,654,293
Debt service	3,681,053	4,082,382	4,146,973	3,778,977	3,188,173	149,022	192,619	232,034	273,483	241,508
Unrestricted	30,206,850	33,319,088	28,454,123	23,460,885	48,821,570	35,222,310	32,971,729	19,230,382	(14,645,973)	16,137,613
<b>Total primary government net assets</b>	<b>343,234,395</b>	<b>347,877,098</b>	<b>357,393,536</b>	<b>365,724,980</b>	<b>369,295,175</b>	<b>385,350,642</b>	<b>389,220,916</b>	<b>371,404,135</b>	<b>370,009,308</b>	<b>375,443,906</b>

**Schedule 2**

**Change in Net Position**

Last Ten Fiscal Years - Unaudited  
(Amounts in dollars)

(Accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental Activities										
General government	\$ 9,650,054	\$ 11,067,765	\$ 9,099,299	\$ 7,943,745	\$ 8,930,685	\$ 8,641,807	\$ 9,147,201	\$ 7,228,471	\$ 9,172,301	\$ 10,144,563
Public safety	28,741,920	30,639,676	29,113,251	33,360,267	33,766,228	30,763,148	34,509,062	30,837,168	44,619,287	41,444,039
Highways and streets	25,716,151	13,994,665	14,330,802	14,115,089	15,769,938	15,847,096	10,934,221	10,962,421	16,731,000	14,076,169
Culture and recreation	8,155,051	8,349,507	7,095,384	7,573,132	8,373,605	8,324,613	8,589,430	10,682,389	11,741,062	9,830,669
Community development	4,202,157	3,883,346	5,712,703	6,044,328	6,103,180	7,230,916	6,161,258	5,923,238	7,926,878	7,829,634
Interest on long-term debt	76,465,333	68,374,472	68,879,588	72,331,049	75,202,265	75,179,914	78,698,252	71,539,828	95,200,628	88,171,774
Total governmental activities expenses										
Business type activities										
Sewer services	9,592,039	10,150,933	10,179,351	12,485,964	10,433,372	10,661,977	11,184,462	12,013,563	15,734,500	15,279,007
Parking services	416,670	386,800	411,681	332,673	379,767	384,553	388,584	454,410	563,198	609,176
Total business-type activities expense:	10,008,709	10,537,733	10,591,032	12,818,637	10,813,139	11,046,530	11,573,046	12,467,973	16,297,698	15,888,183
Total primary Government expenses	\$ 86,474,042	\$ 78,912,205	\$ 79,470,620	\$ 85,149,686	\$ 85,015,404	\$ 86,226,454	\$ 90,271,298	\$ 84,007,801	\$ 111,498,326	\$ 104,050,957
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General government	\$ 8,253,978	\$ 7,840,536	\$ 5,758,207	\$ 4,921,821	\$ 3,617,405	\$ 5,127,014	\$ 5,761,672	\$ 4,557,513	\$ 9,729,778	\$ 3,538,171
Public safety	2,535,764	2,485,855	2,585,990	2,799,003	2,229,342	1,337,617	3,523,187	3,830,132	4,972,018	6,531,071
Highways and streets	7,718,496	7,323,231	6,505,957	7,241,299	8,132,177	7,907,387	9,468,041	13,453,383	8,919,838	7,472,821
Culture and recreation	2,298,502	2,292,263	2,645,391	3,123,140	2,354,531	1,337,631	2,851,023	3,266,037	3,465,813	2,166,861
Community development	1,693,151	1,110,204	1,436,003	1,716,297	630,913	1,921,074	1,847,670	890,765	977,437	993,442
Operating Grants and Contributions										
General government	-	7,072	7,075	54,660	4,180,320	4,586,629	4,429,715	2,845,401	4,866,568	4,568,469
Public safety	-	3,628,824	5,225,536	1,028,922	1,800,297	246,825	474,873	265,504	16,326	16,326
Highways and streets	3,319,986	886,523	88,340	3,751,548	5,249,324	4,255,860	4,342,965	1,762,886	37,468	5,308,119
Culture and recreation	96,023	576,694	1,890,849	18,000	3,225	1,279,406	729,640	500,854	1,388,629	1,509,726
Community development	-	-	3,142,514	7,914,014	3,090,688	12,654,060	2,115,707	1,788,691	5,129,041	2,542,567
Highways and streets	5,827,494	4,704,449	-	1,835,134	544,778	1,448,730	1,177,600	1,035,203	1,372,090	1,572,584
Culture and recreation	1,347,500	-	-	-	-	379,047	-	-	-	-
Community development	33,090,894	30,478,957	28,935,426	36,294,687	32,328,809	42,490,263	35,517,680	34,594,524	40,236,409	36,608,766
Total governmental activities program revenue										
Business type activities										
Sewer services	9,409,181	9,939,154	10,237,379	10,740,971	11,599,953	12,507,099	13,405,162	12,961,499	14,421,187	15,652,898
Charges for services	61,727	350,809	228,961	2,767	7,320	18,278	19,899	4,624	-	-
Operating grants and contributions	4,769,355	1,706,725	1,561,257	1,110,753	802,288	1,004,292	1,272,724	1,107,321	3,464,088	2,732,852
Capital grants and contributions										
Charges for services	349,748	293,815	487,696	272,916	425,426	498,970	517,155	598,685	663,726	714,739
Total business type activities program revenues	\$ 14,590,011	\$ 12,290,503	\$ 12,289,129	\$ 12,353,601	\$ 12,834,987	\$ 14,026,639	\$ 15,199,665	\$ 14,687,404	\$ 18,549,001	\$ 19,100,489
Total primary government program revenues	\$ 47,680,905	\$ 42,769,460	\$ 41,224,557	\$ 48,648,288	\$ 45,163,796	\$ 58,519,902	\$ 50,717,245	\$ 49,281,928	\$ 58,785,410	\$ 55,703,275
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (43,374,439)	\$ (37,895,515)	\$ (39,944,160)	\$ (36,036,362)	\$ (42,873,456)	\$ (32,689,651)	\$ (43,180,672)	\$ (36,945,304)	\$ (54,964,219)	\$ (51,562,988)
Business Type activities	4,581,302	1,752,770	1,698,097	(485,036)	3,021,848	2,983,099	3,626,619	2,219,431	2,251,303	3,212,306
Total primary government net expenses	\$ (38,793,137)	\$ (36,142,745)	\$ (38,246,063)	\$ (36,501,398)	\$ (40,851,608)	\$ (29,706,552)	\$ (39,554,053)	\$ (34,725,873)	\$ (52,712,916)	\$ (48,350,682)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property Taxes	32,063,487	33,227,657	33,669,718	34,837,199	34,777,008	34,374,090	36,009,226	38,410,779	39,659,600	41,421,349
Other taxes	10,034,787	9,501,990	13,188,961	8,840,324	9,354,732	9,458,020	9,847,977	10,374,157	10,684,603	11,041,994
Unrestricted investment earnings	3,519,750	1,224,645	625,355	343,150	565,817	474,987	675,501	643,510	743,326	844,262
Gain (Loss) on disposal of capital assets	17,161	59,150	(46,097)	(46,097)	103,888	10,889	(190,062)	46,227	197,066	197,066
Transfers	682,729	708,943	693,198	696,058	778,140	831,714	722,390	895,300	(761,393)	967,486
Total Governmental Activities	46,297,914	43,254,196	48,218,582	44,670,634	45,579,555	45,149,700	47,065,032	50,323,746	50,372,363	54,472,157
Business type activities										
Investment earnings	820,288	418,642	237,114	130,587	173,844	127,646	110,179	133,831	184,498	280,809
Gain (Loss) on disposal of capital assets	-	6,272	-	-	24,129	-	-	-	-	-
Loss on abandonment of capital expenditures	(662,729)	(708,943)	(693,198)	(696,058)	(778,140)	(831,714)	(722,390)	(895,300)	761,393	(967,486)
Transfers	157,539	(456,084)	(458,747)	(565,471)	(580,167)	(704,068)	(612,211)	(761,469)	945,891	(686,877)
Total Business-type activities	\$ 46,455,453	\$ 40,785,449	\$ 47,762,498	\$ 44,105,163	\$ 44,999,388	\$ 44,445,632	\$ 46,452,821	\$ 49,562,277	\$ 51,318,254	\$ 53,785,280
Total primary government										
<b>Change in Net Assets</b>										
Governmental activities	\$ 2,923,475	\$ 5,355,681	\$ 8,274,422	\$ 8,634,272	\$ 2,706,099	\$ 12,460,049	\$ 3,884,360	\$ 13,378,442	\$ (4,591,856)	\$ 2,909,169
Business type activities	4,738,841	(1,715,977)	1,242,013	(1,030,507)	1,441,681	2,279,013	3,014,408	1,457,962	3,197,194	2,525,429
Total Primary Government	\$ 7,662,316	\$ 4,642,704	\$ 9,516,435	\$ 7,603,765	\$ 4,147,780	\$ 14,739,060	\$ 6,898,768	\$ 14,836,404	\$ (1,394,652)	\$ 5,434,598

**Note:** The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Beginning in 2010, the City began reporting a new functional category of Community Development that had previously been reported under the

General Government line item

City of Medford, Oregon

**Schedule 3**

**Fund Balances, Governmental Funds**

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

(Modified accrual basis of accounting)

<b>Fiscal Year ending 6/30/XX</b>	<b>2008</b>	<b>2009</b>	<b>2010<sup>1</sup></b>	<b>2011</b>	<b>2012<sup>2</sup></b>	<b>2013<sup>2</sup></b>	<b>2014<sup>2</sup></b>	<b>2015<sup>2</sup></b>	<b>2016<sup>2</sup></b>	<b>2017<sup>2</sup></b>
<b>General Fund</b>										
Nondisposable										
Inventory	\$ -	\$ -	\$ -	\$ 56,353	\$ 66,104	\$ 57,553	\$ 53,840	\$ 43,194	\$ 44,418	\$ 44,103
Advances to other Funds					20,950,000	19,700,000	18,355,000	16,985,000	15,575,000	4,400,000
Unassigned	19,627,721	16,700,620	19,022,954	17,820,875	18,107,099	17,240,916	18,097,582	1,739,021	538,182	252,888
Assigned										
20157-17Budget				1,457,607	2,035,080	2,617,712	3,028,488	16,615,670	16,615,670	17,411,900
Committed for PERS Debt								3,441,896	3,767,201	4,104,713
Total General Fund	\$ 19,627,721	\$ 16,700,620	\$ 19,022,954	\$ 19,334,835	\$ 41,158,283	\$ 39,616,181	\$ 39,534,910	\$ 38,824,781	\$ 36,540,471	\$ 26,213,604
<b>All Other Governmental Funds</b>										
Reserved										
Highways and streets	\$ 10,227,655	\$ 12,059,374	\$ 17,995,987							
Culture and recreation	11,888,260	1,934,604	1,741,936							
Community Development			3,703,587							
Debt service	3,681,053	4,082,382	4,146,970							
Capital outlay	-	-	-							
Unreserved, reported in:										
Special revenue funds	3,810,465	3,825,743	3,606,787							
Capital projects funds	7,497,964	4,992,011	-	-	-	-	-	-	-	-
<b>Restricted for:</b>										
Public safety				\$ 108,594	\$ 304,287	\$ 599,884	\$ 1,122,668	\$ 1,368,286	\$ 1,401,309	\$ 1,488,800
Highways and streets				9,867,064	12,367,765	16,696,007	18,475,790	22,705,617	14,839,822	16,100,310
Culture and recreation				1,504,922	1,308,384	2,044,134	8,119,399	4,948,229	6,746,706	8,575,469
Community development				3,766,736	1,688,873	11,981,400	6,208,364	3,046,548	3,684,406	4,654,293
Debt Service				3,778,977	3,188,173	149,022	192,619	232,034	273,483	241,508
Committed for:										
Public safety				1,601,522	1,578,026	1,778,011	34,456,786	30,138,696	12,216,832	3,445,154
Highways and streets				8,487,026	7,568,251	4,378,330	5,399,629	6,249,318	19,942,838	22,920,738
Culture and recreation				344,286	431,636	494,435	528,012	523,437	507,026	593,891
Unassigned				17,820,875	(4,868,989)	(16,550,028)	(12,837,550)	(12,691,861)	(7,159,903)	(1,399,165)
Total of all other governmental funds	\$ 37,105,397	\$ 26,894,114	\$ 31,195,267	\$ 47,280,002	\$ 23,566,406	\$ 21,571,196	\$ 61,665,717	\$ 56,520,304	\$ 52,452,519	\$ 56,620,998

**Note:** The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

<sup>1</sup> 2010 and later - Community Development was reported separately

<sup>2</sup> The 2011C series bonds were issued to enable the City to loan funds to the Medford Urban Renewal Agency. This appears as a negative unassigned balance due to the interfund loan.  
The balance due as of 6/30/16 was \$15,575,000

City of Medford, Oregon  
**Schedule 4**  
**Changes in Fund Balances, Governmental Funds**  
 Last Ten Fiscal Years - Unaudited  
 (Amounts in dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes										
Property	30,938,364	32,716,967	33,550,863	34,558,484	34,817,095	34,685,616	36,499,226	38,140,648	40,094,803	41,430,063
Franchise	7,805,599	7,498,935	7,417,721	7,667,517	8,103,753	8,135,229	8,383,706	8,716,866	8,772,600	9,108,862
Lodging <sup>1</sup>	2,553,494	2,282,538	2,273,219	2,373,254	2,501,953	2,645,582	2,928,540	3,314,578	3,824,002	3,866,282
State gas tax	3,256,822	2,938,714	3,201,504	3,751,548	4,089,443	4,122,907	4,328,786	4,409,077	4,591,902	4,674,310
State Shared Revenues	-	-	-	-	-	-	-	-	-	-
Car Rental Tax <sup>2</sup>	314,066	291,150	296,517	313,011	338,587	408,345	702,932	1,085,049	1,165,994	1,203,386
Special Assessments	27,084	13,988	2,122	11,533	88,037	33,955	6,534	4,094	-	-
System development charges	2,684,561	3,300,889	1,516,968	1,322,155	3,625,466	2,589,940	3,293,306	2,824,164	5,323,344	1,736,139
Charges for services	7,234,145	6,336,212	8,168,600	2,102,585	1,549,305	1,567,208	1,744,325	1,773,929	1,894,652	1,236,599
Fines and penalties	1,376,390	1,303,508	1,332,950	1,395,800	1,187,906	1,448,684	1,348,188	1,294,691	1,246,507	1,236,599
Intergovernmental	4,493,337	4,733,885	5,038,659	4,105,206	4,257,320	4,003,532	3,740,102	7,408,139	4,337,855	4,329,680
Licenses and permits	3,887,457	3,298,628	3,107,511	11,074,896	11,467,015	12,145,376	13,525,857	14,392,673	15,230,779	14,930,016
Investment earnings	3,468,143	1,192,367	604,692	330,493	479,874	493,331	675,501	643,510	737,260	906,818
Grants and contributions	1,832,981	2,871,864	7,342,141	9,092,639	3,390,654	1,865,169	2,583,446	2,578,882	2,752,293	5,640,343
Miscellaneous	323,972	256,309	227,260	246,902	747,399	1,949,911	2,870,925	1,072,814	1,438,394	2,083,145
Rental income	80,733	72,220	-	24,842	21,987	-	-	-	-	-
	70,277,148	69,108,173	74,080,728	78,370,865	76,665,794	76,094,785	82,631,374	87,659,114	91,410,385	91,145,623
<b>Expenditures</b>										
General government	7,314,274	8,410,989	7,287,388	7,943,745	8,061,216	7,761,943	7,098,188	7,836,743	7,518,464	8,355,723
Public Safety	27,728,314	29,647,717	28,599,595	30,497,243	30,880,952	31,418,003	32,927,779	34,957,250	37,505,671	36,179,527
Highway and streets	18,876,974	6,816,248	6,876,039	6,756,904	7,397,912	8,104,918	7,867,330	7,972,227	8,631,470	7,706,527
Culture and recreation	6,339,937	6,514,950	4,874,990	5,116,189	5,780,817	5,806,654	6,062,980	6,346,620	8,139,941	7,311,031
Community development	1,200,344	1,149,696	4,350,674	4,386,927	3,976,038	5,687,988	4,695,190	4,706,126	4,589,668	4,158,153
Capital Outlay	22,425,555	20,814,762	9,384,274	16,897,242	14,879,091	12,744,837	15,846,426	18,583,618	23,457,818	15,903,642
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	5,329,516	5,816,101	6,085,693	6,202,289	14,673,892	4,120,801	4,430,000	8,134,000	3,958,000	13,965,000
Interest	4,298,916	3,930,894	3,811,248	3,562,294	3,353,562	4,551,366	4,201,307	6,078,671	5,274,848	5,020,692
Total Expenditures	93,513,830	83,101,347	71,269,901	81,362,833	89,003,480	80,196,510	83,129,200	94,615,255	99,075,880	98,600,295
Excess of revenues over (under) expenditures	(23,236,682)	(13,993,174)	2,810,827	(2,991,968)	(12,337,686)	(4,101,725)	(497,826)	(6,956,141)	(7,665,495)	(7,454,672)

Continued on next page

**Schedule 4**

**Changes in Fund Balances, Governmental Funds**

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing sources (uses)										
Transfers in	4,927,244	7,742,212	8,567,765	8,311,152	9,587,321	16,283,175	11,302,403	10,453,945	12,025,891	24,825,388
Transfers out	(4,175,245)	(6,997,227)	(7,770,336)	(7,536,654)	(8,813,263)	(15,787,335)	(10,748,880)	(9,535,002)	(10,925,291)	(23,735,447)
Issuance of Debt (Bonds)	21,535,000	-	-	3,000,000	-	27,649,094	-	39,592,143	-	-
Issuance of Debt (State Loan)	-	-	-	-	-	-	-	-	-	-
Land purchase contract	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	375,175	-	-	-	-	-
Sale of capital assets	53,236	17,161	57,360	38,163	418,476	123,482	10,889	-	-	206,342
Total other financing sources	22,340,235	762,146	854,789	3,812,661	1,567,709	28,288,416	564,412	40,511,086	1,100,600	1,296,283
Net change in fund balances	\$ (896,447)	\$ (13,231,028)	\$ 3,665,616	\$ 820,693	\$ (10,769,977)	\$ 24,166,691	\$ 66,586	\$ 33,554,945	\$ (6,564,895)	\$ (6,158,389)

Debt service as % of noncapital expenditures (3)

23.15%

**Note:**

1 Transient Lodging tax is 9%.

2 The Car Rental tax was implemented in August 2005. As of 11/1/13 the tax went from 5% to 12.5% per Council Bill 2013-137 in order to repay bonds sold to finish the Phase 4 of the Sports Park

3 The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance

**Schedule 5**

**Assessed and Estimated Actual Value of Taxable Property**

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

6/30/2017

Fiscal Year Ended June 30,	Real Property		Personal Property		Other		Less	Total Taxable Assessed Value	Total Direct Tax Rate	(M\$) Estimated Actual Value (RMV)	Tax District totals RMV	Taxable Assessed Value as a Percentage of Estimated Actual Value
	Real Property Structures	Real Manufactured Structures	Personal Manufactured Structures	Personal Properties	Utilities	Non Profit						
2008	4,857,400,615	-	32,039,870	244,176,970	154,695,800	8,883,070	(184,855,860)	5,112,340,465	5.19	10,623,830,705	10,668,403,922	48.12%
2009	5,150,506,322	-	33,163,462	247,498,040	160,915,950	9,149,550	(193,511,188)	5,407,722,136	5.19	10,588,663,984	10,652,766,542	51.07%
2010	5,338,273,270	-	32,809,408	229,451,500	165,013,840	9,424,020	(186,107,901)	5,588,864,137	5.20	9,681,294,553	9,738,243,291	57.73%
2011	5,476,716,488	-	27,158,724	225,461,750	178,745,740	9,706,730	(188,784,717)	5,729,004,715	5.21	8,518,457,598	8,579,118,921	67.25%
2012	5,499,014,979	-	28,031,361	214,245,370	182,769,465	9,997,920	(186,164,393)	5,747,894,702	5.21	7,641,323,994	7,690,447,934	75.22%
2013	5,449,584,198	-	24,723,801	209,164,320	190,096,600	10,297,840	(187,851,764)	5,696,014,995	5.21	7,151,504,446	7,192,243,450	79.65%
2014	5,648,610,371	-	23,765,676	215,788,310	186,000,500	10,413,330	(206,805,088)	5,877,773,099	5.19	6,999,431,817	7,039,970,253	83.98%
2015	5,976,625,494	-	24,754,412	222,653,360	220,821,781	10,621,750	(227,154,169)	6,228,322,628	5.18	7,805,391,223	7,818,942,393	79.80%
2016	6,230,285,131	-	24,174,838	221,839,250	242,941,600	10,782,000	(242,241,543)	6,487,781,276	5.18	8,290,018,484	8,303,569,654	78.26%
2017	6,459,722,797	-	23,948,147	235,777,110	261,869,100	10,841,090	(250,117,121)	6,742,041,123	5.16	8,722,636,821	8,735,915,991	77.29%

Data Source: Jackson County Assessor

**Notes:** Real Market Value is assigned to every property in the County by the Assessor. Up until several years ago all properties were physically reappraised once every six years. Now properties within a market area are physically reappraised when statistical indicators suggest that the values within that group are out of alignment with the market. There is no longer a pre-established cycle for reappraisal. However, properties that are changed or have new construction in an assessment year are reappraised to reflect the change.

All sales of real estate that occur in Jackson County are collected and the sales price is compared to the Assessor's real market value for property. These sales are grouped by like kinds of properties and these groupings are broken down into market areas. The value of properties may be adjusted to reflect these market trends without a physical reappraisal (trending)

Taxable personal property includes machinery, furniture, etc. held for use in a business.

Estimated Actual Value (RMV) is less the UR Excess.



City of Medford, Oregon  
**Schedule 6**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
 Last Ten Fiscal Years - Unaudited  
 6/30/2017

City of Medford					Overlapping Rates											Total Direct & Overlapping Rates								
Fiscal Year Ended June 30,	General Fund	Special Revenue Funds	Debt Service Fund	Total Direct Rate	Jackson County		Education Service District		Medford School District		Library District		Transpor- tation District		RCC Community College		4H Ag Ext		Vector Control		JC Soil Wtr		Urban Renewal District	
2008	5.11	-	0.08	5.19	2.10	0.33	6.05		0.16	0.60		0.04	0.05	1.27	15.79									
2009	5.11		0.08	5.19	2.19	0.33	6.36		0.16	0.59		0.04	0.05	1.02	15.93									
2010	5.12	-	0.07	5.20	2.29	0.34	6.31		0.17	0.61		0.04	0.05	0.85	15.86									
2011	5.13	-	0.09	5.21	2.25	0.34	6.30		0.17	0.62		0.04	0.05	0.84	15.82									
2012	5.13	-	0.08	5.21	2.14	0.34	5.08		0.17	0.60		0.04	0.05	0.65	14.28									
2013	5.13	-	0.08	5.21	2.13	0.34	6.16		0.17	0.61		0.04	0.05	0.84	15.55									
2014	5.11	-	0.08	5.19	2.12	0.34	6.20		0.17	0.61		0.04	0.05	0.91	15.62									
2015	5.11	-	0.07	5.18	2.16	0.34	6.10	0.50	0.17	0.60		0.04	0.05	0.92	16.07									
2016	5.10	-	0.07	5.18	2.10	0.34	5.92	0.50	0.17	0.60	0.04	0.04	0.05	0.95	15.88									
2017	5.11	-	0.06	5.16	2.10	0.34	5.92	0.50	0.30	0.65	0.04	0.04	0.05	0.94	16.04									

Data Source: Jackson county

The 2016-17 Taxable Assessed Value to compute the tax rate code area of 4901 is \$5,935,491,668 which is 88.02% of the Total Taxable Assessed Value of the City (Table 1a of Jackson County). The above tax rates are representative of the City of Medford's tax rate codes: 4901, 4950, 0407 and 0635.

Beginning in FY1997-1998, tax rates were adjusted under Oregon Ballot Measure 50. The tax rates under Measure 50 are applied against a reduced level of assessed value.

The city's basic property tax rate may be increased only by a majority vote of the city's residents. Rates for debt service are set based on each years requirements.

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

**Schedule 7****Principal Property Taxpayers**

Current year and nine years ago

(Amounts in dollars)

6/30/2017

6/30/2017		2016 Top 10 All Roll Taxpayers for City of Medford				2007 Top Tax Payers		
Taxpayer	Type of Business	2016	2016-17	Rank	Percentage of Total Taxable Assessed Value	6/30/2005 Taxable	Rank	Percentage of Total Taxable Assessed Value
		Current Taxes Imposed	Taxable Assessed Value			Assessed Value		
Rogue Valley Manor	Retirement Housing	1,429,746	99,364,433	1	1.47%	61,322,070	1	1.28%
Charter Communications	Television	1,142,052	73,799,800	2	1.09%			
Avista Corp DBA Washington	Gas Utility	876,615	57,524,300	3	0.85%	23,538,500	5	0.49%
Brixton Rogue LLC	Shopping Mall	784,954	51,318,500	4	0.76%	48,383,400	2	1.01%
Pacificorp (PP&L)	Electric Utility	635,943	41,768,000	5	0.62%	21,495,000	7	0.45%
Wal-Mart Real Estate Business	Shopping Center	527,647	34,302,540	6	0.51%			
Kogap Enterprises	Commercial Contractor	520,430	34,609,823	7	0.51%	20,597,144	9	0.43%
Lithia Real Estate Inc.	Automobile Dealership	517,638	33,640,220	8	0.50%			
AT&T Inc	Telephone Utility	447,515	29,383,200	9	0.44%			
Charles Point	Apartments	401,101	27,330,779	10	0.41%			
Asante	Health Organization					21,193,960	8	0.44%
Key West Properties	Developer					16,241,190	10	0.34%
Edge Wireless	Telephone Utility					22,814,300	6	0.48%
Qwest Corporation	Telephone Utility					34,853,300	4	0.73%
PK Sale LLC						44,837,180	3	0.94%
Total		7,283,642	483,041,595		7.16%	315,276,044		6.58%

Note: The 2016-17 Taxable Assessed Valuation for the City of Medford is: 6,742,041,123

The Taxable Assessed Valuation for year ended 6/30/2007 was: 4,492,708,015

This schedule includes the ten largest tax payers of the city of Medford, unless fewer are required to reach 50% of the revenue base.

Data Source: Jackson County Assessor's Office

City of Medford, Oregon  
**Schedule 8**  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years - Unaudited  
 (Amounts in dollars)  
**6/30/2017**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Tax Collections	Total Collections as percent of current Levy	Outstanding Taxes	Outstanding Taxes as Percent of Current Levy
		Amount	Percentage of the Levy	Percentage of the Levy					
2008	32,206,133	30,272,542	94.0%		929,482	31,202,024	96.882%	1,928,079	6.0%
2009	34,234,682	32,021,550	93.5%		999,767	33,021,317	96.456%	2,420,801	7.1%
2010	34,874,113	32,691,353	93.7%		1,303,906	33,995,259	97.480%	2,224,171	6.4%
2011	35,347,185	33,063,713	93.5%		1,210,632	34,274,345	96.965%	2,840,074	8.0%
2012	35,866,964	34,469,488	96.1%		1,388,313	35,857,801	99.974%	2,779,475	7.7%
2013	35,504,544	33,129,361	93.3%		1,463,825	34,593,186	97.433%	2,755,186	7.8%
2014	37,142,598	34,898,432	94.0%		1,398,966	36,297,398	97.724%	2,506,525	6.7%
2015	39,335,111	37,246,678	94.7%		893,970	38,140,648	96.963%	2,510,933	6.4%
2016	41,120,671	39,171,211	95.3%		923,592	40,094,803	97.505%	2,646,653	6.4%
2017	42,561,713	40,357,090	94.8%		1,072,973	41,430,063	97.341%	2,728,936	6.4%

Note: Amounts are for both the City of Medford and Medford Urban Renewal Agency (MURA)

Data Source: Jackson County Assessors Office

City of Medford, Oregon

**Schedule 9**

**Ratios of Outstanding Debt by Type**

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

6/30/2017

Fiscal Year Ended June 30,	Governmental Activities					Business Type Activities					Total Primary Government	Per Capita <sup>1</sup>	Percentage Per Capita <sup>1</sup>	Percentage of Personal Income
	General Obligation Bonds	GO Supported Revenue Bonds	Capital Leases	Medford Urban Renewal (Mura) Bonds	Contract/ Loan (Mura) <sup>2</sup>	Sewer Bonds	General							
							Obligation Bonds	Obligation Bonds	Capital Leases					
2008	38,900,000	25,100,000	-	17,689,000	424,689	-	-	-	-	82,113,689	1,085	0.09%	1.20%	
2009	37,905,000	23,260,000	-	14,767,000	365,587	-	-	-	-	76,297,587	993	0.10%	1.11%	
2010	36,835,000	21,350,000	-	14,721,000	305,894	-	-	-	-	73,211,894	977	0.10%	1.06%	
2011	36,185,000	19,365,000	-	11,214,000	245,693	-	-	-	-	67,009,693	894	0.11%	0.95%	
2012	31,935,000	41,883,000	-	4,966,000	184,801	-	-	-	-	78,968,801	1,045	0.10%	1.14%	
2013	50,985,000	19,056,000	-	4,807,000	-	-	-	-	-	74,848,000	996	0.10%	1.06%	
2014	48,845,000	55,265,000	-	4,463,000	-	-	-	-	-	108,573,000	1,430	0.07%	1.45%	
2015	46,520,000	53,919,000	-	-	-	-	-	-	-	100,439,000	2,725	0.08%	1.31%	
2016	43,980,000	52,501,000	-	-	-	-	-	-	-	96,481,000	2,563	0.08%	1.22%	
2017	31,485,000	51,031,000	-	-	-	-	-	-	-	82,516,000	1,972	0.10%	0.91%	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
Includes General Obligation Revenue Bonds, Gas Tax Revenue Bonds, Bancroft Bonds and Urban Renewal Bonds.  
Interest not included.

Sources: City Finance Department and Medford Urban Renewal Agency (MURA)

<sup>1</sup> See the Demographic and Economic Schedule 14 for population and personal income data.

<sup>2</sup> The State Loan to MURA was paid in full on 8/1/12

**Schedule 10****Ratios of Net General Bonded Debt Outstanding**

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

**6/30/2017**

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>GO Supported Revenue Bonds</b>	<b>Medford Urban Ren. Bonds</b>	<b>Total Bonds</b>	<b>Less Amounts Available in Debt Service Fund <sup>3</sup></b>	<b>Net General Bonded Debt Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property <sup>2</sup></b>	<b>Per Capita <sup>1</sup></b>
2008	38,900,000	25,100,000	17,689,000	81,689,000	3,681,053	78,007,947	1.53%	1,030.42
2009	37,905,000	23,260,000	14,767,000	75,932,000	4,082,382	71,849,618	1.33%	934.73
2010	36,835,000	21,350,000	14,721,000	72,906,000	4,146,970	68,759,030	1.23%	917.93
2011	36,185,000	19,365,000	11,214,000	66,764,000	3,689,980	63,074,020	1.10%	841.21
2012	31,935,000	41,883,000	4,966,000	78,784,000	3,188,173	75,595,827	1.32%	1,000.67
2013	50,985,000	19,056,000	4,807,000	74,848,000	3,298,995	71,549,005	1.26%	951.70
2014	48,845,000	55,265,000	4,463,000	108,573,000	5,735,102	102,837,898	1.75%	1,354.56
2015	46,520,000	53,919,000	-	100,439,000	4,525,174	95,913,826	1.54%	1,251.32
2016	43,980,000	52,501,000	-	96,481,000	8,688,581	87,792,419	1.35%	1,130.54
2017	31,485,000	51,031,000	-	82,516,000	3,242,415	79,273,585	1.18%	996.02

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

(1) Population data can be found in the Demographic and Economic Schedule 14

(2) Details regarding the city's Estimated Actual Taxable value of property can be found in Schedule 5

(3) This column reflects amounts available both in the City and Medford Urban Renewal Agency.

City of Medford, Oregon  
**Schedule 11**  
**Direct and Overlapping Governmental Activities Debt**  
**Paid by Property Taxes**  
**As of June 30, 2017**  
(Amounts in dollars)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct &amp; Net Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Jackson County	11,023,053	34.32%	3,783,619
Jackson County Housing Authority	4,711,226	34.32%	1,617,109
JC School District #4 (Phoenix-Talent)	17,860,000	32.53%	5,810,090
JC School District #549C (Medford)	178,315,000	74.20%	132,300,993
JC School District #6 (Central Point)	8,892,238	1.25%	111,100
Rogue Community College	36,475,000	24.77%	9,035,332
Rogue Community College (Jackson Cty Bond)	14,635,000	24.32%	5,023,405
Rogue Valley Transit District	247,600	45.72%	113,196
Subtotal Overlapping Debt	272,159,117		157,794,844
<b>City Direct Debt</b>			
City Gross Property Tax Backed Direct Debt	92,236,000		92,236,000
	364,395,117		250,030,844

Sources: Oregon State Treasury, Debt Management Information System

**Notes:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Medford.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values.

The Oregon State Treasury, acting on behalf of the Municipal Debt Advisory Commission maintains debt information to assist municipalities in debt related matters. The overlapping debt is based on information obtained from sources believed to be reliable, however, per Oregon State Treasury Debt Management Information System, its accuracy cannot be guaranteed.

"Gross Property-tax Backed Debt" includes all General Obligation (GO) bonds and Full Faith & Credit Bonds. "Net Property Tax Backed Debt" is Gross Property Tax Backed Debt less Self supporting Unlimited tax GO and less Self-Supporting Full Faith & Credit debt. The following obligations are NOT included in Property-tax backed calculations: Appropriation Credits, Conduit Revenue Bonds, Dedicated Niche Obligations, Revenue Bonds, obligations issued for less than 13 months (e.g. Bond Anticipation Notes, Tax Anticipation Notes, lease purchase agreements, loans, lines of credit or other non-publicly offered financial obligations.

**Schedule 12****Legal Debt Margin Information**Last Ten Fiscal Years - Unaudited  
(Amounts in dollars)**6/30/2017**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	320,052,118	319,582,996	292,147,299	257,373,568	230,713,438	215,767,304	211,199,108	234,568,272	249,107,090	261,679,105
Total net debt applicable to limit	30,886,602	29,728,410	28,698,030	34,902,020	44,729,667	24,001,005	25,834,379	41,994,826	35,291,420	28,242,657
Legal debt margin	289,165,516	289,854,586	263,449,269	222,471,548	185,983,771	191,766,299	185,364,728	192,573,446	213,815,670	233,436,448
Total net debt applicable to the limit as a percentage of debt limit	10.68%	10.26%	10.89%	15.69%	24.05%	12.52%	13.94%	21.81%	16.51%	12.10%
<b>Legal Debt Margin Calculation for Fiscal Year 2017</b>										
Real Market Value	8,722,636,821									
Add Back: exempt real property	-									
Total Real Market Value (M5)	8,722,636,821									
Debt Limit (3% of total RMV Value)	261,679,105									
Amount of debt applicable to debt limit	82,516,000									
Total Bonded Debt:										
Deductions:										
Assets in debt service funds available for payment of principal	241,508									
Special assessment bonds (Urban Renewal)	3,000,835									
Revenue bonds	51,031,000									
Urban redevelopment bonds	-									
Total deductions	54,273,343									
Total net debt applicable to limit	28,242,657									
Legal Debt Margin	<b>233,436,448</b>									
Total net debt applicable to the limit as a percentage of the debt limit	<b>12.10%</b>									

Note: ORS 287.004 provides a debt limit of 3% of the true cash value of all taxable property within the Municipality's boundaries. According to ORS 287.004, the 3% limitation does not apply to bonds issued for water, sanitary or storm sewers, sewage disposal plants, hospitals, power or lighting purposes, nor to bonds issued pursuant to applications to pay assessments for improvements or installments for benefited property owners.

Under ORS 287.001(1) "Bonds" means general obligation bonds

Note: Total Bonded debt includes Medford Urban Renewal (as of 6/30/17 MURA had no bonded debt)

Sources: Jackson County Assessor's Office; audited financial statements; Oregon Revised Statutes (ORS) 287.004; and City of Medford Finance Department

**Schedule 13****Pledged Revenue Coverage 06/30/17**

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

Parks Revenue Bonds						
Fiscal Year Ended June 30,	Gross Revenues <sup>1</sup>	Operating Expenses	Net Revenue Available For Debt Service	Total Parks Bonds Paid during year		Coverage Actual Debt Service
				Principal	Interest	
2008	4,143,944	311,782	3,832,162	705,000	1,125,434	2.09
2009 <sup>2</sup>	3,531,259	340,506	3,190,752	895,000	947,280	1.73
2010	2,828,662	178,369	2,650,292	930,000	911,480	1.44
2011	2,889,686	195,467	2,694,219	965,000	873,667	1.47
2012 <sup>3</sup>	2,901,938	500,107	2,401,831	4,528,000	926,641	0.44
2013 <sup>4</sup>	4,068,145	185,455	3,882,689	1,076,000	746,619	2.13
2014 <sup>5</sup>	4,045,678	317,608	3,728,070	1,124,000	705,905	2.04
2015	4,315,628	360,458	3,955,170	1,346,000	961,398	1.71
2016	5,036,069	359,278	4,676,791	1,213,000	619,245	2.55
2017	3,973,220	385,286	3,587,933	1,470,000	838,406	1.55
	\$ 37,734,228	\$ 3,134,317	\$ 34,599,911	\$ 14,252,000	\$ 8,656,075	

Source: City of Medford Finance Department

**Notes:**

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

<sup>1</sup> Parks revenue comes from a portion of the Transient Lodging Tax (25%) and Car Rental Tax and a Parks Utility Fee.<sup>2</sup> Gross Revenues do not include Bond proceeds of \$18,965,000<sup>3</sup> Gross Revenues were higher in FY09 due to receipt of grants for the Santo Center & the Sports Park.<sup>4</sup> The 2002 Parks bond was defeased in FY11/12 and \$3,673,000 was reissued.<sup>5</sup> SDC revenue was up from prior year due to increased building. We also received a \$400,000 grant<sup>6</sup> The Gross revenues do not include bond proceeds of \$6,384,942.82



City of Medford, Oregon  
**Schedule 14**  
**Demographic and Economic Statistics**  
 Last Ten Fiscal Years - Unaudited  
 6/30/2017

**Significant Dates/Form of Government**

Date of Incorporation - as a Town 1885  
 Date of Incorporation - as a City 1901  
 Form of Government Council-City Manager

Fiscal Year Ended June 30,	Population (1)	School Enrollment (2)	# of Schools (2)	Unemployment Rate (4)	Labor Force (6)	Personal Income (Thousands of Dollars (3))	Per Capita Personal Income (Dollars) (3)	Commercial Construction (5)		Residential Construction (5)	
								# of Units	Value (in thousands)	# of Units	Value (in thousands)
2007	75,675	12,490	20	5.3	36,735	6,670	33,516	458	91,063	385	103,895
2008	75,705	12,408	20	7.2	36,982	6,849	34,051	413	103,975	141	24,963
2009	76,867	12,252	21	13.2	37,715	6,849	34,051	382	146,729	107	18,930
2010	74,907	12,201	21	11.9	37,105	6,911	34,506	263	23,444	115	21,702
2011	74,980	12,583	23	11.7	37,851	7,073	34,314	348	56,595	98	17,257
2012	75,545	11,181	17	11.1	102,500	6,951	34,168	438	100,539	100	21,096
2013	75,180	12,681	19	9.8	97,500	7,087	34,602	668	130,699	209	45,103
2014	75,920	12,705	19	8	95,500	7,490	36,289	650	249,864	267	70,937
2015	76,650	13,628	14	7.1	95,900	7,687	36,861	680	266,182	246	59,738
2016	77,655	13,836	24	6.3	97,648	7,914	37,637	638	199,162	249	59,079
2017	79,590	14,081	24	4.6	82,180	9,062	41,852	594	151,776	341	78,627

- (1) Portland State University - July 2017  
 (2) Oregon Department of Education (for Medford SD549C)  
 (3) Per Bureau of Economic Analysis (Regional Economic Accounts) (www.bea.gov/) (Jackson County)  
 The latest personal income & per capita personal income available was in 2016 by BEA economic area  
 (4) US Department of Labor Bureau of Labor Statistics Data (www.bls.gov) (Local Area Unemployment Statistics)  
 (5) City Building Dept.  
 (6) US Department of Labor, Bureau of Labor Statistics

City of Medford, Oregon  
**Schedule 15**  
**Largest Employers for Jackson County**  
**2015 and 9 years ago**  
**6/30/2017**

Employer		2017 <sup>1</sup>			Feb 2008		
		Employees (1)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Asante (RV Medical)	Health Care	4,231	1	4.33%	2,943	2	2.84%
Lithia Motors	Auto Dealership	3,000	2	3.07%	800	4	0.77%
Harry & David Operations	Gourmet Fruit & Gifts	2,000	3	2.05%	3,500	1	3.38%
Rogue Valley Medical Center	Hospitals	1,638	4	1.68%			
Allegiant Air	Commercial Airline	1,500	5	1.54%			
Providence Medical Center	Health Care	1,300	6	1.33%	1,271	3	1.23%
Medford School District 549C	Schools	1,157	7	1.18%	-		0.00%
Jackson County	County Government	1,027	8	1.05%	-		0.00%
Wal-Mart Stores	Department Stores	930	9	0.95%			
Boise	Plywood Mills	875	10	0.90%			
Boise Building Solutions	Secondary Wood				750	5	0.72%
Timber Products	Secondary Wood				650	6	0.63%
City of Medford	Government	405	16	0.41%	457	8	0.44%
Rogue Valley Manor	Health Care/Retirement	450	14	0.46%	436	9	0.42%
Regency Blue Cross Blue Shield	Health Care				460	7	0.44%
Costco	Retail	<b>235</b>			309	10	0.30%

Note: Information is for the largest employers in Jackson County per the Chamber of Commerce 10/16/15

Source

(1) Chamber of Commerce 1/29/2018 website -- Largest employers in Jackson County

**Schedule 16****Number of Full Time (FT) Employees and FT Equivalent at end of each Fiscal Year**

Last Ten Fiscal Years - Unaudited

**6/30/2017**

	(1) <b><u>07-08</u></b>	(1) <b><u>08-09</u></b>	(1) <b><u>09-10</u></b>	1, 2 <b><u>10-11</u></b>	<b><u>11-12</u></b>	<b><u>12-13</u></b>	<b><u>13-14</u></b>	<b><u>14-15</u></b>	<b><u>15-16</u></b>	<b><u>16-17</u></b>
City Manager	9.3	8.0	8.0	9.0	8.0	7.0	9.0	10.2	8.0	8.0
Facilities Management									12.9	18.1
Information Services	12.0	13.5	13.0	12.0	11.0	10.0	12.0	10.0	10.0	11.0
Recorder	1.0	1.0	1.0	-	-	-	-	-	-	-
Human Resources	4.4	4.2	4.0	4.0	4.0	4.3	5.4	6.0	7.0	7.3
Finance	11.4	11.3	11.2	10.2	11.4	11.2	10.2	11.2	10.3	9.2
Planning	17.0	16.0	16.5	17.0	17.0	16.0	17.0	17.0	14.4	17.1
Building Inspection	14.6	11.2	11.2	9.0	8.0	8.3	9.0	11.0	11.1	11.2
Business Licenses									2.0	2.0
Public Works										
Engineering	34.7	34.0	32.5	32.6	32.4	33.1	34.2	34.6	38.5	39.6
Maintenance	57.1	57.6	58.0	52.8	57.0	55.6	56.0	58.4	56.1	58.4
WRD	25.7	25.5	24.9	23.0	24.8	24.7	25.0	24.3	23.1	24.2
City Attorney	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.0
Municipal Court	7.5	7.5	7.5	7.5	7.9	7.5	7.6	8.0	7.4	7.2
Police										
Sworn Officers	99.0	99.0	101.0	101.3	103.8	102.8	103.0	100.3	98.9	103.0
Civilians	69.3	68.1	68.7	41.6	44.5	37.3	39.1	36.4	40.3	40.0
Fire										
Firefighters/officers	67.0	72.0	73.0	66.0	72.0	71.0	74.0	72.0	72.0	71.0
Civilians	7.9	7.2	6.3	8.9	9.5	6.4	3.5	7.1	7.1	10.1
Parks & Recreation	53.7	55.7	56.7	60.5	61.6	50.8	54.1	44.0	42.7	38.6
Urban Renewal	4.0	4.0	1.0	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>499.6</b>	<b>499.8</b>	<b>498.6</b>	<b>459.5</b>	<b>477.0</b>	<b>450.1</b>	<b>463.3</b>	<b>454.6</b>	<b>466.2</b>	<b>480.0</b>

Source: City Finance Department

(1) FY10/11 A new entity was created combining County and City dispatch services creating a reduction in police of 29 employees

(2) The Risk Manager is now part of Human Resources instead of Finance

and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2080.

## Schedule 17

Operating Indicators by Function  
Last Ten Fiscal Years - Unaudited

Fiscal Year Ending 6/30/XX		2008	2009	2010	2011	2012 <sup>1</sup>	2013 <sup>1</sup>	2014	2015	2016	2017
Function											
Police											
Part I - Major Crimes		4,379	4,285	4,706	5,510	5,999	6,698	6,892	6,291	6,805	7,608
Part II - Other Crimes		10,525	11,087	11,903	14,093	15,964	17,369	17,529	17,615	19,626	22,386
<b>Total Part I &amp; II</b>		<b>14,904</b>	<b>15,372</b>	<b>16,609</b>	<b>19,603</b>	<b>21,963</b>	<b>24,067</b>	<b>24,421</b>	<b>23,906</b>	<b>26,431</b>	<b>29,994</b>
Clearance Rate Part I & II		73.53%	77.49%	79.28%	73.15%	73.10%	73.10%	76.40%	74.40%	75.20%	72.70%
Cases Cleared Part I & II		6,434	6,675	12,749	14,085	15,082	17,266	17,474	16,890	18,562	20,681
# of Juvenile Charges Part I & II		2,098	1,219	1,819	1,500	13,666	1,086	986	1,161	881	648
# of Adult Arrest Charges Part I & II		9,065	5,250	9,390	11,909	14,049	16,630	16,353	15,838	18,325	21,285
Traffic Accidents - Fatal		3	2	1	2	2	1	2	5	3	4
Traffic Accidents - Injury		180	324	370	377	329	325	387	433	528	532
Traffic Accidents - Prop Damage		1241	1,161	1,184	1,141	1,132	1,089	1,063	1,242	1,370	1,372
<b>Total Accidents</b>		<b>1,424</b>	<b>1,487</b>	<b>1,555</b>	<b>1,520</b>	<b>1,463</b>	<b>1,415</b>	<b>1,452</b>	<b>1,680</b>	<b>1,901</b>	<b>1,908</b>
Fire											
Number of Fires		362	348	288	270	328	341	320	475	320	372
Overpressure, heat, explosion		13	14	14	16	20	20	13	29	13	6
EMS, Rescue, MVA		5,665	5,496	5,189	5,501	5,872	6,560	6,819	6,544	6,819	7,388
Hazardous Conditions		160	132	134	124	119	140	117	1	117	221
Service Call		261	272	218	210	267	23	374	361	374	658
Good Intent Calls		3,170	1,226	953	933	922	1,232	1,456	1,180	1,456	1,959
False Alarm		529	444	457	437	468	544	504	420	504	484
Severe Weather		3	2	7	4	2	-	5	4	5	8
Special Incident		13	17	9	9	10	10	15	294	15	10
Uncategorized		9	-	-	-	-	-	7	0	7	0
Total Incident Responses		10,185	7,951	7,269	8,078	8,626	9,268	9,630	9,308	9,630	11,106
Total City only		553	6,897	6,899	7,108	7,552	6,180	8,410	8,254	8,410	N/A
Total Rural Only		9,461	725	616	703	687	558	656	651	656	N/A
Out of District Responses									403	564	N/A
Mutual Aid Received			62	52	44	71	66	N/A	N/A	N/A	N/A
Mutual Aid Given			115	118	107	96	194	N/A	N/A	N/A	N/A
Highways and streets											
Miles of Streets Added		5.59	2.74	2.58	0.98	0.12	3.77	2.54	1.08	2.09	1.94
Streetslights added		233	54	87	56	-171	-190	276	83	152	171
Culture and recreation (2)											
Aquatics		35,665	30,260	27,434	28,639	29,000	22,000	22,000	22,000	22,000	20,000
Youth & Adult Sports		6,811	8,740	9,614	19,043	10,000	10,000	10,000	10,000	10,000	12,000
Youth Programs/Day Camps		1,641	1,856	2,146	3,046	2,000	2,000	2,000	2,000	2,000	3,000
Community Recreation		18,200	9,717	10,623	25,950	15,000	15,000	15,000	15,000	15,000	16,000
Special Interest Classes		3,040	1,429	1,571	1,791	2,000	2,000	2,000	2,000	2,000	2,200
Wastewater											
Miles of Sanitary Sewers Added		3.65	0.77	0.42	0.18	0.32	1	1.11	1	1	1
Miles of Storm Sewers Added		5.7	2.17	1.69	1.08	0.05	3.49	2.44	0	3	2
Average Daily Million Gallons Treated		18,850	16,800	16,700	19,480	17,500	18,100	16,500	17,500	18,800	20,300
Building/Planning/Engineering											
Total Permits		5,491	3,998	3,631	3,861	4,107	5,978	6,515	6,074	5,815	6,331
Commercial Building Permits Issued		413	382	263	348	438	668	650	680	638	594
Value Commercial Construction		103,975,011	146,729,009	23,444,266	56,595,164	100,538,768	130,698,992	229,864,567	266,181,937	199,162,002	151,775,643
Single Family Residence Issued		141	107	115	98	100	209	267	246	249	341
Value Residential		24,963,894	18,930,470	21,702,285	17,257,053	21,095,566	45,102,560	70,936,549	59,738,022	59,078,945	78,626,552
Square miles Added to City		0.32	0.10	0.10	-	-	0.01	-	-	-	-

Sources: Various City departments

(1) Street Lights from 2012 on only include actual street lights (not parking lots)

City of Medford, Oregon

**Schedule 18**

**Capital Asset Statistics by Function**

Last Ten Fiscal Years - Unaudited

6/30/2017

**Fiscal Year Ending 6/30/XX**

	2008	2009	2010	2011	2012	2013 <sup>6</sup>	2014 <sup>6</sup>	2015 <sup>6</sup>	2016	2017
<b>Public Safety</b>										
<b>Fire Protection:</b>										
Number of Stations	5	5	5	5	5	5	5	5	5	5
<b>Police Protection:</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
<b>Sewers:</b>										
Miles of Sanitary Sewers	257	258	258	258	259	260	261	262	263	265
Miles of Storm Sewers	162	164	166	167	167	170	173	173	176	179
<b>Public Works</b>										
Area -- Square Miles	25.62	25.72	25.72	25.72	25.72	25.73	25.73	25.73	25.73	25.73
Miles of Streets	252.61	255.35	257.93	258.91	259.03	262.80	265.34	266.42	268.51	270.45
Number of Street Lights	6,340	6,394	6,481	6,537	6,366	6,176	6,452	6,535	6,687	6,858
<b>Culture and recreation:</b>										
Number of Parks	48	48	45	46	46	37	36	36	36	36
Total Park Acreage	2,393	2,393	2,393	2,399	2,392	2,392	2,396	2,396	2,396	2,396
Number of Libraries	1	1	1	1	1	1	1	1	1	1

**Sources:**

- (1) City Public Works Department
- (2) City Fire Chief
- (3) City Police Department
- (4) City Parks Department
- (5) Previous Number of Parks included school areas maintained by the City.
- (6) The total number of parks includes 19 Developed Parks and 7 Undeveloped Parks.  
It also includes Greens and Bike Trails. Counts Previous to 2013 included traffic islands, areas along Bear Creek and I-5 and SE pathway property of varying sizes. The count of 36 includes developed and undeveloped parks only

Note: The Jackson County Medford Branch Library was closed in April 2007 due to funding concerns. It has since reopened with limited hours in November 2007.



## OTHER SCHEDULES

### CONTINUING DISCLOSURE

This section provides financial statement users with additional historic perspective, context and detail to assist in using the information in the financial statements, note disclosures and required supplemental information to understand and assess the city's economic condition

This section also satisfies additional continuing disclosures required by several of our bond documents.

#### Contents

#### PAGE

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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#### Sources:

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in Fiscal Year 2003.





## CITY OF MEDFORD - UNAUDITED

Table 1 as of 6/30/17

## Outstanding Obligations

Continuing Disclosure for the following:  
Series 2006 Sidewalk Bonds Table 12

	Issue Date	Maturity Date	Amount Issued	Amount Outstanding as of 6/30/17
<b>General Obligation Bonds</b>				
General Obligation Bonds, Series 2006	6/27/2006	6/1/2026	4,600,000	1,525,000
<b>Total G.O. bonds</b>			<b>4,600,000</b>	<b>1,525,000</b>
<b>Full Faith &amp; Credit Obligations or Limited Tax Bonds Paid from Tax Sources (NOT subject to annual appropriation)</b>				
General Obligation Bonds, Series 2011C	12/15/2011	1/10/2025	20,950,000	4,400,000
Pension Obligations, Series (2004) (Taxable) <sup>(1)</sup>	5/27/2004	6/1/2028	29,205,000	25,560,000
<b>Total FF&amp;C Obligations &amp; Limited Tax Bonds</b>			<b>50,155,000</b>	<b>29,960,000</b>
<b>Total Net Direct Debt (Including Pension Obligations) <sup>(2)</sup></b>			<b>54,755,000</b>	<b>31,485,000</b>
<b>Total Net Direct Debt (Excluding Pension Obligations) <sup>(2)</sup></b>			<b>25,550,000</b>	<b>5,925,000</b>
<b>Revenue Obligations (Self-Supporting, not included in Net direct Debt)</b>				
Parks Police Fire 2013	12/18/2013	7/1/2043	38,155,000	37,560,000
Limited Tax Revenue Bonds, Series 2011B (Parks)	8/4/2011	6/1/2022	3,673,000	1,966,000
Limited Tax Revenue Bonds, Series 2007 (Parks)	3/20/2007	6/1/2027	18,965,000	11,505,000
				-
<b>Total Self-Supporting Revenue Obligations</b>			<b>60,793,000</b>	<b>51,031,000</b>
<b>Other Self-Supporting Obligations (paid from non-tax sources)</b>				
The Limited Tax Bond Series A & B were paid off in full as of 9/1/2006.			-	-
<b>Total Other Self Supporting Obligations</b>			<b>-</b>	<b>-</b>
<b>Total Gross direct Debt (including Pension Obligations) <sup>(3)</sup></b>			<b>115,548,000</b>	<b>82,516,000</b>
<b>Total Gross direct Debt (excluding Pension Obligations) <sup>(3)</sup></b>			<b>86,343,000</b>	<b>56,956,000</b>

1. This debt was issued as part of a \$126,260,000 pooled pension obligation financing involving multiple Oregon cities & counties.

2. Net Direct Debt is Gross Direct Debt less obligations or leases paid from non-tax sources.

3. Gross Direct Debt includes all voter approved General Obligation bonds. Limited Tax bonds and any other obligations, Certificates of Participation or leases backed by the full faith and credit of the City. Debt whose term is less than one year is not included.

Note: The city also administers an urban renewal agency; the Agency has outstanding tax increment debt which is not an obligation of the City. As of June 30, 2017 the total outstanding debt of the Medford Urban Renewal Agency (MURA) was \$0. However, the City issued the 2011C bonds on behalf of MURA and MURA will repay these bonds (the balance was \$4,400,000 as of 6/30/17).

Source: City of Medford

## DEBT INFORMATION

### Debt Ratios <sup>(1)</sup>

Continuing Disclosure for the following:  
Series 2006 Sidewalk Bonds Table 11

	Including Pension Obligations			Excluding Pension Obligations		
	Values	Per Capita	Percent RMV	Values	Per Capita	Percent RMV
2017 Population	79,590			79,590		
2017 Real Market Value	8,722,636,821	\$ 109,595		8,722,636,821	\$ 109,595	
<b>Gross Direct Debt <sup>(2)</sup></b>	<b>82,516,000</b>	\$ 1,037	0.95%	56,956,000	\$ 716	0.65%
<b>Net Direct Debt <sup>(3)</sup></b>	<b>51,031,000</b>	\$ 641	0.59%	5,925,000	\$ 74	0.07%
Net Overlapping Debt	152,063,661	\$ 1,911	1.74%	152,063,661	\$ 1,911	1.74%
Net Direct & Net Overlapping Debt	203,094,661	\$ 2,552	2.33%	157,988,661	\$ 1,985	1.81%

(1) Outstanding Debt information is as of **06/30/17**

(2) Gross Direct Debt includes all voter-approved General Obligation bonds, Limited Tax bonds and any other obligations, Certificates of Participation or leases backed by the full faith and credit of the City. Debt whose term is less than one year is not included.

(3) Net Direct Debt is Gross Direct Debt less Self Supporting Unlimited Tax General Obligation and Self-Supporting Limited Tax Debt.

Source: City of Medford; Debt Management Division, Oregon State Treasury

## DEBT LIMITATIONS

Note: ORS 287.004 provides a debt limit of 3% of the true cash value of all taxable property within the Municipality's boundaries. According to ORS 287.004, the 3% limitation does not apply to self-supporting debt, revenue bonds, general obligation improvement bonds, bonds issued for water, sanitary or storm sewers, sewage disposal plants, hospitals, power or lighting purposes, nor to bonds issued pursuant to applications to pay assessments for improvements or installments for benefited property owners.

Under ORS 287.001(1) "Bonds" means general obligation bonds

2017 Real Market Value	8,722,636,821
Debt limitation (3% of RMV)	261,679,105
Total Applicable bonded debt	28,242,657
Debt Margin	233,436,448
Percent of limit issued	12.10%

Under ORS 223.295, cities may issue additional assessment related bonds and notes subject to a separate 3% statutory limitation.

The 2011C series bonds were issued to enable the City to loan the funds to the Medford Urban Renewal Agency. As of 6/30/16, the balance was \$15,575,000.

## FUTURE DEBT PLANS

The City of Medford executed a loan with the State of Oregon (ODOT) for \$10,000,000 to widen Foothill Road from Hillcrest to McAndrews. The city will have a matching obligation of \$3,000,000. As of 6/30/16, the project has not begun and the City did not draw down any of the loan.

**Overlapping Debt**

**Continuing Disclosure for:  
Series 2006 Sidewalk Bonds - Table 14**

The following table outlines the outstanding debt of overlapping entities.

<b>Overlapping district</b>	<b>Overlapping District Real Market Value</b>	<b>Percent Overlapping</b>	<b>Gross Direct Debt</b>	<b>Net Direct Debt</b>
Jackson County	25,412,233,281	34.3200%	11,023,053	3,783,619
Jackson County Housing Authority	25,412,233,281	34.3200%	4,711,226	116,864
JC School District #4 (Phoenix-Talent)	2,668,588,485	33.1600%	17,860,000	5,810,090
JC School District #549C (Medford)	10,532,954,005	74.9600%	178,315,000	132,300,993
JC School District #6 (Central Point)	3,167,611,652	1.3200%	8,892,238	111,100
Rogue Community College	35,212,668,568	25.1200%	36,475,000	4,804,394
Rogue Community College (Jackson Cty Bond)	25,412,233,281	34.5800%	14,635,000	5,023,405
Rogue Valley Transit District	19,079,535,459	46.1100%	247,600	113,196
<b>Totals</b>			<b>272,159,117</b>	<b>152,063,661</b>

**Notes:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Medford.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values.

The Oregon State Treasury, acting on behalf of the Municipal Debt Advisory Commission maintains debt information to assist municipalities in debt related matters. The overlapping debt is based on information obtained from sources believed to be reliable, however, per Oregon State Treasury Debt Management Information System, its accuracy cannot be guaranteed.

"Gross Property-tax Backed Debt" includes all General Obligation (GO) bonds and Limited-tax GO bonds. Full faith and credit obligations, revenue bonds and special assessment bonds are not included in the Debt Outstanding and direct debt.

Sources: State of Oregon, Debt Management Information System

## Future Debt Service

Continuing Disclosure for the following: <sup>1</sup>  
 Series 2007 Parks Bonds Table 11  
 Series 2006 Sidewalk Bonds Table 13

[illegible]

NOTE: The above table represents the outstanding debt service secured by the general fund of the City.

(1) The outstanding obligations include all debt (excluding lease obligations) that is guaranteed to be paid from the general revenues of the City.

(2) The 2011C Bond was secured for the Medford Urban Renewal Agency (MURA). Mura will repay this debt service that is guaranteed to be paid from the general revenues of the City.

CITY OF MEDFORD - UNAUDITED  
Table 5  
6/30/2017

Real Market Value of Taxable Property

Continuing disclosure for the following:  
Series 2006 - Sidewalk Bonds Table 16

FY Ended 6/30/XX	Real Market Value (RMV)	Percent Change	Total Assessed Value (AV)	Percent Change	AV as Percent of RMV
2008	10,668,403,922	11.94%	5,297,196,325	6.77%	49.65%
2009	10,652,766,542	-0.15%	5,601,233,324	5.74%	52.58%
2010	9,738,243,291	-8.58%	5,774,972,038	3.10%	59.30%
2011	8,579,118,921	-11.90%	5,917,789,432	2.47%	68.98%
2012	7,690,447,934	-10.36%	5,934,059,095	0.27%	77.16%
2013	7,192,243,450	-6.48%	5,696,014,995	-4.01%	79.20%
2014	7,039,970,253	-2.12%	6,074,164,857	6.64%	86.28%
2015	7,805,391,223	10.87%	6,455,476,797	6.28%	82.71%
2016	8,290,018,484	6.21%	6,487,781,276	0.50%	78.26%
2017	8,722,636,821	5.22%	6,742,041,123	3.92%	77.29%

1. Total Assessed Value of the City includes Medford Urban Renewal values and other offsets such as Non-Profit Housing Value. The Tax Collection Record Table which follows, reflects the Taxable Assessed Value (AV) which does not include Medford Urban Renewal excess value as calculated by the Jackson County Tax Assessor.

Source: Jackson County Assessor and financial statements of the city of Medford

Tax Collection Record

Series 2006 Sidewalk Bonds Table 17

FY Ended 6/30/XX	Taxable Assessed Valuation	Percent Change	Operating Levy	Bond Levy	Total Levy Per County	Permanent Tax Rate/ \$1,000	% Collected Year of Levy (2)	% Collected as of 6/30/2017
2008	5,112,340,465	6.68%	27,152,233	423,929	27,576,161	5.2953	0.96	0.9611
2009	5,601,233,324	9.56%	29,171,449	425,035	29,596,484	5.2953	0.96	0.9571
2010	5,774,972,038	3.10%	34,444,886	429,227	34,874,113	5.2953	0.96	0.9641
2011	5,917,789,432	2.47%	34,837,127	510,058	35,347,185	5.2953	0.96	0.9642
2012	5,934,059,095	0.27%	30,446,889	474,876	30,921,766	5.2953	0.96	0.9605
2013	5,696,014,995	-4.01%	31,304,017	477,467	31,781,484	5.2953	0.96	0.9637
2014	6,074,164,857	6.64%	32,993,860	474,656	33,468,516	5.2953	0.97	0.9685
2015	6,455,476,797	6.28%	33,468,516	474,656	33,943,173	5.2953	0.97	0.9698
2016	6,487,781,276	0.50%	40,645,586	475,085	41,120,671	5.2953	0.97	0.8213
2017	6,742,041,123	3.92%	35,726,980	400,233	36,127,213	5.2953	0.97	0.7884

1. Collection percentages are for Jackson County as a whole
  2. Operating Levy per Jackson County Assessor (Table 4A) does not include levy for bonds (Does not include MURA)
  3. Collection percentages as of 6/30/17 are for City of Medford
- Source: Jackson County Assessor and financial statements of the City

CITY OF MEDFORD - UNAUDITED  
Table 5 (page 2)

IMPACT OF TAX LIMITATION ON THE CITY

Series 2006 Sidewalk Bonds Table 18

Historical Impact of the \$10/\$1,000 Tax Limitation on City Property Tax Revenues

FY Ended 6/30/XX	Levy Used to Compute Rate	Loss Due to Tax Limitation	Percent Loss
2008	25,375,596	61.06	0.00024%
2009	27,071,783	67.81	0.00025%
2010	28,635,704	41.06	0.00014%
2011	29,594,947	52.71	0.00018%
2012	30,336,848	108.06	0.00036%
2013	30,436,685	91.11	0.00030%
2014	30,162,386	79.48	0.00026%
2015	32,980,912	119.97	0.00036%
2016	34,355,304	116.44	0.00034%
2017	35,701,130	340.71	0.00095%

## CITY OF MEDFORD - UNAUDITED

## Table 6

Period Ending 6/30/17

## Representative consolidated Tax Rates for Levy Code Area 49-01

## Continuing Disclosure for:

## Series 2006 - Sidewalk Bonds Table 20

Area	Tax Rate For Operations	Tax Rate for Bonds	Tax Rate Total
<b>Within the City of Medford</b>			
<b>Schools</b>			
School District 549C	4.237	1.6858	5.9228
Education Service district	0.3398		0.3398
Rogue CC	0.4945	0.1563	0.6508
<b>Total Education</b>	<b>\$ 5.0713</b>	<b>\$ 1.8421</b>	<b>\$ 6.9134</b>
<b>Local Government</b>			
Jackson County	1.9381	0.1597	2.0978
Library District	0.5014	-	0.5014
City of Medford	5.1059	0.0572	5.1631
Medford URA	0.5028	0.4350	0.9378
Vector	0.0414		0.0414
4H Ag/Ext	0.0396		0.0396
JC Soil Water	0.0483		0.0483
Rogue Valley TD	0.1709	0.1300	0.3009
<b>Total Local Government</b>	<b>\$ 8.3484</b>	<b>\$ 0.7819</b>	<b>\$ 9.1303</b>
	<b>\$ 13.4197</b>	<b>\$ 2.6240</b>	<b>\$ 16.0437</b>

1. The 2016-17 Taxable Assessed Value to compute the tax rate code of 49-01 is \$5,935,491,668 which is 85.02 percent of the Total Taxable Assessed Value of the City.

Source: Jackson County, Department of Assessment





**COMPLIANCE SECTION**





## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Medford, Oregon

1976 Garden Ave.  
Eugene, OR 97403  
541.342.5161  
www.islercpa.com

We have audited the basic financial statements of City of Medford, Oregon (City) as of and for the year ended June 30, 2017, and have issued our report thereon dated January 30, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, and *Government Auditing Standards*.

### Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320 of the Minimum Standards for Audit of Oregon Municipal Corporations, 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.

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

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

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

1. Deficit fund balance as described in Note II. B. to the financial statements.

### OAR 162-10-0230 Internal Control

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

Our reports on internal control are presented separately under this cover.

This report is intended solely for the information of the Honorable Mayor, members of the City Council, the City Manager, management for the City of Medford, and the Secretary of State, Division of Audits, of the State of Oregon. However, this report is a matter of public record and is not intended to be and should not be used by anyone other than those specified parties.

ISLER CPA

By Paul R Nielson, CPA, a member of the firm  
January 30, 2018



**INDEPENDENT AUDITOR'S 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**



1976 Garden Ave.  
Eugene, OR 97403  
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To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Medford, Oregon

We have audited, 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 governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of City of Medford ("City") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 30, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ISLER CPA

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

Paul R Nielson, CPA, a member of the firm  
Eugene, Oregon  
January 30, 2018



1976 Garden Ave.  
Eugene, OR 97403  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Medford, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited City of Medford's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the City's 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## Report on Internal Control Over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the City's 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

ISLER CPA

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

By Paul R Nielson, CPA, a member of the firm  
January 30, 2018



CITY OF MEDFORD  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance?	No

Identification of Major Federal Award Programs:

Name of Federal Program or Cluster	CFDA Number
Highway Planning and Construction	20.205

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Audit Findings

None

CITY OF MEDFORD  
Schedule of Expenditures of Federal Awards  
For the year ended 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>		
<b>CDBG Entitlement Grants:</b>		
<b>Direct programs:</b>		
Community Development Block Grant:		
B11-MC-410005	14.218	\$ <u>280,159</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Public Safety Partnership and Community Policing Grants	16.710	<u>25,942</u>
<b>DEPARTMENT OF INTERIOR</b>		
<b>Direct program:</b>		
Historic Preservation Fund Grants in Aid	15.904	<u>10,895</u>
<b>DEPARTMENT OF TRANSPORTATION</b>		
<b>Passed through Oregon Department of Transportation:</b>		
Highway Planning and Construction	20.205	428,782
Occupant Protection Incentive Grants	20.616	5,353
State and Community Highway Safety	20.600	3,777
<b>Passed through from Oregon Parks &amp; Recreation Department</b>		-
Recreations Trails Program Federal Aid Project Agreement	20.219	<u>52,054</u>
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>		<u>489,966</u>
<b>GENERAL SERVICES ADMINISTRATION</b>		
<b>Direct Program</b>		
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>		
<b>Passed through OR Criminal Justice Commission:</b>		
High Intensity Drug Trafficking Areas Program	95.001	<u>122,383</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
<b>Direct Program:</b>		
State Homeland Security Program	97.067	<u>9,988</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ <u>939,333</u></u>

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

### **1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Medford under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flow of the City.

### **2. Summary of Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Expenditures reported on this schedule are recognized following the cost principles in Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The City has not elected to use the 10% *de minimis* cost rate.

