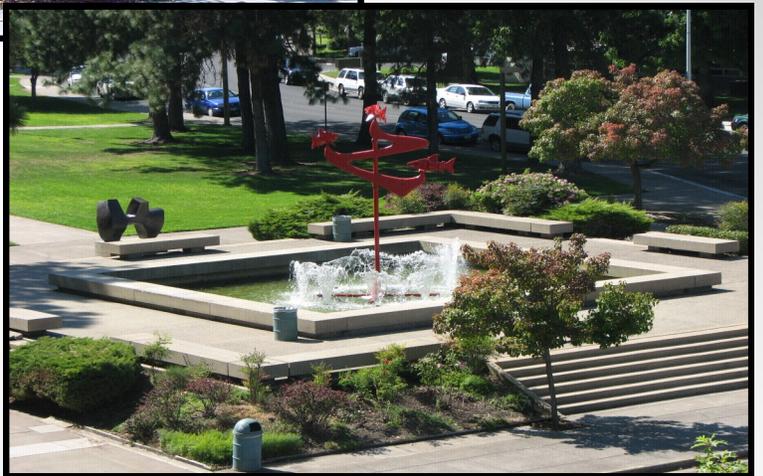


Comprehensive Annual Financial Report



**City of Medford
Oregon**

**For the Fiscal Year Ended
June 30, 2015**

CITY OF MEDFORD, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by:
City Finance Department

CITY OF MEDFORD

June 30, 2015

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June 30, 2015

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INTRODUCTORY SECTION



OFFICE OF
THE CITY MANAGER
E-mail: citymanager@ci.medford.or.us

CITY OF MEDFORD
411 WEST 8TH STREET
MEDFORD, OREGON 97501

TELEPHONE (541) 774-2000
FAX: (541) 618-1700
www.ci.medford.or.us

January 22, 2016

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, 2015 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, 2015 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 31 square miles, has a population of nearly 80,000 and a service population of 460,000. 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.

Continuous Improvement – Customer Service

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 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 is experiencing improved revenues which can be directly tied to the improving economy. Existing businesses continue to lead job creation with 85% 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 is the most active in the State and has eleven times the national average of electronic commerce businesses. This thriving sector has contributed to our ability to weather the past national and state economic downturn as well as leading the economic recovery. Medford had an increase in revenues from property taxes due to a 6% 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. Continued increases to assessed values were received this fall when tax assessed values increased by 4.2%.

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. Not considering categories, Harry and David is the largest private employer in the area with 2,500 year-round 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 accounts for over 4,200 jobs and sports tourism continues to grow in Jackson County and Medford.

Long-term financial planning:

The economic climate in Medford is improving. Development activity is stable and Medford continues to have increased inquiries from businesses considering relocation and expansion. The City makes the best use of taxpayer dollars by the City 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 and 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 vision plan for the City, work continues on the safe sidewalk project approved by voters in the fall of 2004 and work is nearing completion on the identified 17 street projects. In December of 2013 the City of Medford issued bonds for \$38.2 million. The proceeds from which are being used for the following projects:

1. Construct Police Headquarters and secure parking on city owned property
– construction began in April 2015 and completion anticipated in the fall of 2016.
2. Construct a newly located Fire Station 2 and a new Fire Station 4
– ground breaking in the spring of 2016.
3. Constructed three ball fields and additional parking at the USCC Sports Park
– project completed in 2014.

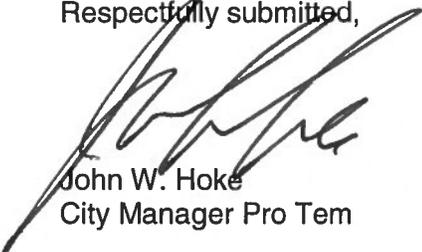
Awards and Acknowledgements:

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, 2014. 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 entire 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,



John W. Hoke
City Manager Pro Tem



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, 2014

Executive Director/CEO

CITY OF MEDFORD

Officials of the City

June 30, 2015

CITY COUNCIL

Term Expires December 31

| | | |
|--------------------|---------------------------------------|------|
| Gary Wheeler | Mayor | 2016 |
| Chris Corcoran | Council member Ward 3 | 2016 |
| Tim Jackle | Council member Ward 1 | 2018 |
| Dick Gordon | Council member Ward 1 | 2016 |
| Daniel Bunn | Council member Ward 4, President | 2016 |
| Eli Matthews | Council member Ward 2, Vice President | 2016 |
| Michael Zarosinski | Council member Ward 4 | 2018 |
| Clay Bearson | Council member Ward 2 | 2018 |
| Kevin Stine | Council member Ward 3 | 2018 |

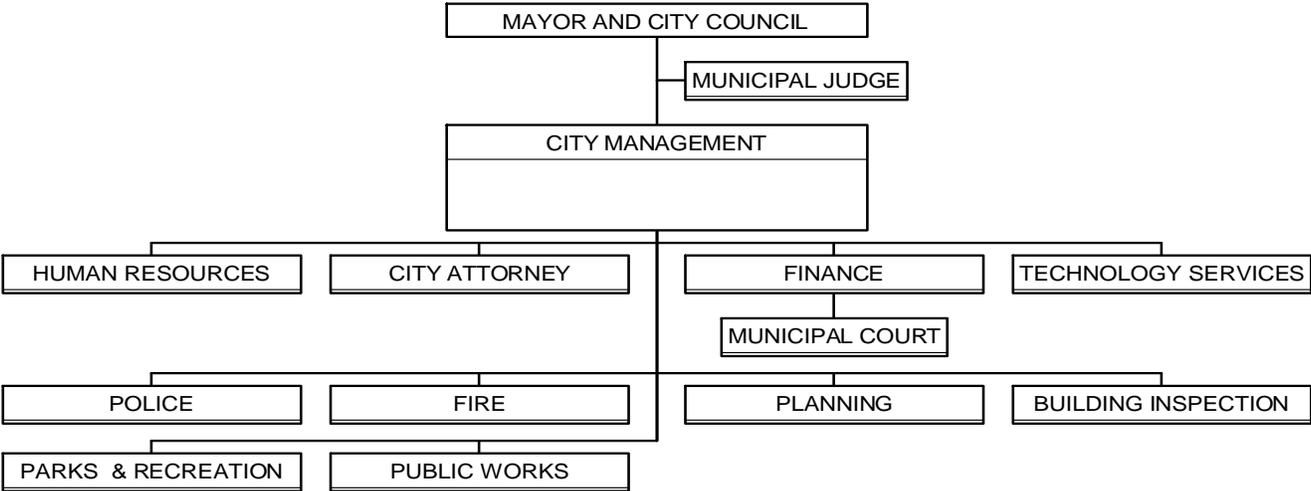
PRINCIPAL OFFICIALS

John W. Hoke, City Manager Pro Tem
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



An Independently Owned Member
McGLADREY ALLIANCE



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, 2015, 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, 2015, 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.

Emphasis of Matter

Change in Accounting Principle

The City adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27 and GASB Statement No. 71, Pensions Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

Restatement of the comparative financial data for the prior period presented is not practical due to the unavailability of information from the pension plan, therefore the provisions of GASB Statements No.68 and 71 were not applied to prior periods. The cumulative effects of applying the provisions of GASB Statements No. 68 and 71 have been reported as a restatement of beginning net position for the year ended June 30, 2015 in accordance with the Statements.

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, Public Safety Fund, and Street Utility 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 22, 2016 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 22, 2016 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



By Paul R Nielson, CPA, a member of the firm
January 22, 2016

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 \$396.3 million at June 30, 2015 consisting of \$278.1 million in net capital assets, \$103.0 million in cash and investments and \$15.2 million in receivables and other assets. The City's governmental activities liabilities totaled \$116.6 million at June 30, 2015 consisting of \$107.3 million in noncurrent liabilities and \$9.3 million in accounts payable and other liabilities. Total net position was \$268.0 million of which \$230.0 million were invested in capital assets, net of related debt, \$32.4 million were restricted and the remaining \$5.6 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, 3 new fire stations and 3 new ball fields with additional parking at the USCCP 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 \$13.3 million or 5.2 percent. Overall governmental activities revenue increased by \$2.0 million or 2.4 percent. The increase was most noticeable in taxes, which increased by \$2.9 million. The \$2.9 million increase was a reflection of assessed tax valuations increasing by 6% and property tax collections staying stable at 97.0%. The franchise and lodging taxes are also trending up with the improving economy. Charges for services increased by \$2.5 million. The increased revenues are attributable to a growing number of customers as well as increasing the fees. Operating grants and contributions decreases by \$3.0 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 \$106.4 million at June 30, 2015 consisting of \$81.4 million in capital assets, \$23.1 million in cash and investments and \$1.8 million in receivables and other assets. The City's business-type activities liabilities totaled \$1.6 million at June 30, 2015 consisting of \$0.3 million in noncurrent liabilities and \$1.3 million in accounts payable and other liabilities. Total net position was \$103.3 million of which \$82.2 million was invested in capital, \$7.5 million was restricted and the remaining \$13.6 million was unrestricted.

The City's business-type activities net position increased by \$1.5 million or 1.5 percent. Business-type activities total revenue decreased by \$0.4 million or 2.6 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
 - Schedule of Property tax transactions
- ◆ **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, 2015 AND 2014
(in millions)**

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total Government</u> | |
|-------------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|-------------------------|-----------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Cash and investments | \$ 103.0 | \$ 107.4 | \$ 23.1 | \$ 21.6 | \$ 126.1 | \$ 129.0 |
| Other assets | 7.9 | 29.6 | 1.1 | 1.2 | 9.0 | 30.8 |
| Net pension asset | 7.3 | - | 0.8 | - | 8.1 | - |
| Capital assets, net of depreciation | <u>278.1</u> | <u>275.7</u> | <u>81.4</u> | <u>82.0</u> | <u>359.5</u> | <u>357.7</u> |
| Total assets | <u>396.3</u> | <u>412.7</u> | <u>106.4</u> | <u>104.8</u> | <u>502.7</u> | <u>517.5</u> |
| Deferred outflows of resources | <u>2.5</u> | <u>-</u> | <u>0.3</u> | <u>-</u> | <u>2.8</u> | <u>-</u> |
| Total assets and deferred outflows | <u>\$ 398.8</u> | <u>\$ 412.7</u> | <u>\$ 106.7</u> | <u>\$ 104.8</u> | <u>\$ 505.5</u> | <u>\$ 517.5</u> |
| Other liabilities | \$ 9.3 | \$ 8.7 | \$ 1.3 | \$ 1.1 | \$ 10.6 | \$ 9.8 |
| Long-term debt outstanding | <u>107.3</u> | <u>115.2</u> | <u>0.3</u> | <u>0.3</u> | <u>107.6</u> | <u>115.5</u> |
| Total liabilities | <u>116.6</u> | <u>123.9</u> | <u>1.6</u> | <u>1.4</u> | <u>118.2</u> | <u>125.3</u> |
| Deferred inflow of resources | <u>14.3</u> | <u>-</u> | <u>1.7</u> | <u>-</u> | <u>16.0</u> | <u>-</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 230.0 | 233.3 | 82.2 | 82.0 | 312.2 | 315.3 |
| Restricted | 32.4 | 34.1 | 7.5 | 6.8 | 39.9 | 40.9 |
| Unrestricted | <u>5.6</u> | <u>21.4</u> | <u>13.6</u> | <u>14.6</u> | <u>19.2</u> | <u>36.0</u> |
| Total net position | <u>\$ 268.0</u> | <u>\$ 288.8</u> | <u>\$ 103.3</u> | <u>\$ 103.4</u> | <u>\$ 371.3</u> | <u>\$ 392.2</u> |

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

**TABLE 2
CITY OF MEDFORD - STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDING JUNE 30, 2015 AND 2014
(in millions)**

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total Government</u> | |
|--|--------------------------------|-----------------|---------------------------------|-----------------|-------------------------|-----------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| REVENUES | | | | | | |
| General revenues: | | | | | | |
| Taxes | \$ 48.7 | \$ 45.8 | \$ - | \$ - | \$ 48.7 | \$ 45.8 |
| Other | 0.6 | 0.5 | 0.1 | 0.1 | 0.7 | 0.6 |
| Program revenues: | | | | | | |
| Charges for services | 26.0 | 23.5 | 13.6 | 13.9 | 39.6 | 37.4 |
| Operating grants and contributions | 5.8 | 8.8 | - | - | 5.8 | 8.8 |
| Capital grants and contributions | 2.8 | 3.3 | 1.1 | 1.2 | 3.9 | 4.5 |
| Total revenues | <u>83.9</u> | <u>81.9</u> | <u>14.8</u> | <u>15.2</u> | <u>98.7</u> | <u>97.1</u> |
| EXPENSES | | | | | | |
| General government | 7.3 | 9.2 | - | - | 7.3 | 9.2 |
| Public safety | 30.8 | 34.5 | - | - | 30.8 | 34.5 |
| Highways and streets | 10.9 | 15.8 | - | - | 10.9 | 15.8 |
| Culture and recreation | 10.7 | 8.6 | - | - | 10.7 | 8.6 |
| Community development | 5.9 | 6.2 | - | - | 5.9 | 6.2 |
| Interest on long-term debt | 5.9 | 4.4 | - | - | 5.9 | 4.4 |
| Sewer services | - | - | 12.0 | 11.2 | 12.0 | 11.2 |
| Parking services | - | - | 0.4 | 0.4 | 0.4 | 0.4 |
| Total expenses | <u>71.5</u> | <u>78.7</u> | <u>12.4</u> | <u>11.6</u> | <u>83.9</u> | <u>90.3</u> |
| Increase (decrease) in net position before transfers | 12.4 | 3.2 | 2.4 | 3.6 | 14.8 | 6.8 |
| Transfers | 0.9 | 0.7 | (0.9) | (0.7) | - | - |
| Change in net position | 13.3 | 3.9 | 1.5 | 2.9 | 14.8 | 6.8 |
| *Beginning net position | <u>254.7</u> | <u>284.9</u> | <u>101.9</u> | <u>100.5</u> | <u>356.6</u> | <u>385.4</u> |
| Ending net position restated | <u>\$ 268.0</u> | <u>\$ 288.8</u> | <u>\$ 103.4</u> | <u>\$ 103.4</u> | <u>\$ 371.4</u> | <u>\$ 392.2</u> |

* Due to implementation of GASB 68, the FYE 2015 beginning net position was reduced by \$35.6 million (See Note III. N.).

Financial Analysis:

Governmental Funds. As of the end of the current year, the City's governmental funds reported a combined ending fund balance of \$95.3 million, a decrease from the prior year of \$5.9 million. A deficit of \$11.0 million constitutes unassigned fund balance. The deficit is primarily due to the unrestricted deficit balance in the MURA debt service fund of \$12.7. 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 \$1.7 million. Unassigned fund balance represents 3 percent of the total General Fund expenditures.

The Public Safety Fund had a \$4.3 million decrease in fund balance during the current fiscal year. This is due to the continued capital outlay of the 2013 bond proceeds.

The Street Utility Fund had a \$0.9 million increase in fund balance during the current fiscal year. This is due to the street development fees exceeding the current year street projects.

The MURA Debt Service Fund, fund balance had no significant change at a deficit of \$12.7 million.

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

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 \$13.1 million, restricted net position of \$7.5 million and invested in capital assets of \$81.1 million. Net position increased \$1.3 million to \$101.7 million. The Parking Facilities Fund had unrestricted net position of \$0.6 million and net position had no significant change at \$1.7 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 revenues increased by \$5.0 million. The main factor for this change were two transfers from the Medford Urban Renewal Agency that totaled \$2.5 million. The transfers were for two projects, the renovation of Hawthorne Park and to build a new parking lot on South Riverside. The remaining \$900,000 of revenues was other unbudgeted revenues and grants.

Capital Assets and Debt Administration:

Capital Assets. As of June 30, 2015, the City had \$359.5 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, 2015 AND 2014
(in millions)**

| | Governmental Activities | | Business-Type Activities | | Total Government | |
|--------------------------|--------------------------------|-----------------|---------------------------------|----------------|-------------------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Land | \$ 30.8 | \$ 29.9 | \$ 1.2 | \$ 1.2 | \$ 32.0 | \$ 31.1 |
| Land rights of way | 82.5 | 82.5 | - | - | 82.5 | 82.5 |
| Construction in progress | 11.2 | 7.3 | 0.4 | 0.5 | 11.6 | 7.8 |
| Buildings | 17.2 | 17.2 | 3.6 | 3.7 | 20.8 | 20.9 |
| Improvements | 25.9 | 22.9 | 14.2 | 14.8 | 40.1 | 37.7 |
| Equipment | 5.5 | 4.9 | 13.5 | 13.7 | 19.0 | 18.6 |
| Sewers | - | - | 16.9 | 16.4 | 16.9 | 16.4 |
| Storm drains | - | - | 31.6 | 31.7 | 31.6 | 31.7 |
| Infrastructure | 105.0 | 111.0 | - | - | 105.0 | 111.0 |
| Total | \$ 278.1 | \$ 275.7 | \$ 81.4 | \$ 82.0 | \$ 359.5 | \$ 357.7 |

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)**

| | Governmental Activities | Business-type Activities | Total |
|-------------------------|------------------------------------|-------------------------------------|-----------------|
| Beginning balance | \$ 275.7 | \$ 82.0 | \$ 357.7 |
| Additions | 20.2 | 4.4 | 24.6 |
| Transfers and deletions | (4.6) | (1.6) | (6.2) |
| Depreciation | (13.2) | (3.4) | (16.6) |
| Ending balance | \$ 278.1 | \$ 81.4 | \$ 359.5 |

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

Capital assets, net of depreciation for governmental activities increased \$2.4 million. Additions included acquisition of land of \$0.9 million, buildings and building improvements of \$5.7 million, equipment purchases of \$0.2 million, infrastructure of \$3.4 million, and construction in progress of \$8.3 million. Offsetting these additions were depreciation of \$13.2 and transfers and deletions of \$4.6 million.

Business-type activities capital assets, net of depreciation decreased \$(0.6) million. Additions included sewers of \$1.1 million, storm drains of \$0.8 million, equipment and other additions of \$1.1 million, and construction in progress of \$1.5 million. Offsetting these additions were depreciation of \$3.4 million and transfers and dispositions of \$115.6 million. For more detailed information on the City's capital asset activity, refer to Note III (C) of the financial statements.

Debt Administration. As of year-end, the City had \$107.6 million in debt outstanding compared to \$115.6 million last year. For more detailed information, refer to Note III (D) of the financial statements.

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

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--------------------------------|------------------------------------|-------------------------------------|-----------------|
| Bonds & notes payable | \$ 100.4 | \$ - | \$ 100.4 |
| Unamortized premium | 2.1 | - | 2.1 |
| Compensated absences | 2.7 | 0.3 | 3.0 |
| Other post-employment benefits | 2.1 | - | 2.1 |
| Total | <u>\$ 107.3</u> | <u>\$ 0.3</u> | <u>\$ 107.6</u> |

Economic Factors and the Biennium Budget:

The improving economy is beginning to positively impact the City's revenues; for the first time in several years the City saw noticeable increased tax valuations in the second year of the biennium, and increasing revenues in several other funds. The following are the major assumptions used in developing the 2013-2015 budget:

2015 assessed tax valuation for property taxes was projected to be \$6.16 billion. The assessed tax valuation for the second year 2015 came in at \$6.23 billion. Property tax collection rate was budgeted to be 94.5%. The better than assessed tax valuation resulted in actual tax collection exceeding the budget by \$240,000.

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

PERS costs were budgeted to be 15.4% of payroll in each year of the biennium. In late June of 2013, changes to PERS were discussed at the Legislature and a limited amount of change was enacted. That resulted in the rates remaining at the previous blended rate of 11.4%. Due to the late change, and the probability that the changes would be challenged in the courts, the budgeted PERS rates remained at 15.4%. Those legislative changes were challenged in the courts and the majority of the changes were disallowed.

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, 2015

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|-----------------------|--------------------------|
| | Governmental Activities | Business-type Activities | Total | Medford Water Commission |
| ASSETS | | | | |
| Cash and investments | \$ 102,966,890 | \$ 23,138,123 | \$ 126,105,013 | \$ 20,173,050 |
| Receivables: | | | | |
| Accounts | 4,498,415 | 875,303 | 5,373,718 | 1,008,278 |
| Taxes | 2,510,933 | - | 2,510,933 | - |
| Other | 169,963 | - | 169,963 | 397,467 |
| Due from Medford Water Commission | 5,138 | - | 5,138 | - |
| Due from City of Medford | - | - | - | 30,232 |
| Inventory | 546,901 | 20,574 | 567,475 | 720,791 |
| Other assets | - | 6,068 | 6,068 | 262,027 |
| Restricted cash and cash equivalents | 195,199 | - | 195,199 | - |
| Notes receivable | - | - | - | 2,413,178 |
| Net pension asset | 7,319,840 | 849,487 | 8,169,327 | 848,585 |
| Capital assets not being depreciated | 124,500,373 | 1,555,028 | 126,055,401 | 10,063,689 |
| Depreciable capital assets, net | <u>153,630,742</u> | <u>79,867,407</u> | <u>233,498,149</u> | <u>104,119,298</u> |
| Total assets | <u>396,344,394</u> | <u>106,311,990</u> | <u>502,656,384</u> | <u>140,036,595</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflow of resources related to pensions | <u>2,503,686</u> | <u>290,559</u> | <u>2,794,245</u> | <u>290,251</u> |
| Total assets and deferred outflows | <u>\$ 398,848,080</u> | <u>\$ 106,602,549</u> | <u>\$ 505,450,629</u> | <u>\$ 140,326,846</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 5,560,435 | \$ 445,546 | \$ 6,005,981 | \$ 1,813,739 |
| Payroll and related accruals | 2,031,020 | 247,535 | 2,278,555 | - |
| Deposits | 14,492 | 611,289 | 625,781 | 418,025 |
| Accrued interest payable | 958,282 | - | 958,282 | - |
| Due to Medford Water Commission | 30,232 | - | 30,232 | - |
| Due to City of Medford | - | - | - | 5,138 |
| Unearned revenue | 132,494 | - | 132,494 | - |
| Claims Payable | 523,045 | - | 523,045 | - |
| Long term liabilities: | | | | |
| Due within one year: | | | | |
| Bonds payable | 3,958,000 | - | 3,958,000 | - |
| Compensated absences | 539,660 | 54,753 | 594,413 | 380,207 |
| Due in more than one year: | | | | |
| Bonds payable, including unamortized premium of \$2,093,377 | 98,574,377 | - | 98,574,377 | - |
| Compensated absences | 2,161,046 | 219,013 | 2,380,059 | 77,332 |
| Other post-employment benefits | <u>2,078,049</u> | <u>-</u> | <u>2,078,049</u> | <u>-</u> |
| Total liabilities | <u>116,561,132</u> | <u>1,578,136</u> | <u>118,139,268</u> | <u>2,694,441</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflow of resources related to pensions | <u>14,253,113</u> | <u>1,654,113</u> | <u>15,907,226</u> | <u>1,652,357</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 230,039,491 | 82,234,047 | 312,273,538 | 114,182,987 |
| Restricted for: | | | | |
| Future system development | - | 7,498,708 | 7,498,708 | 1,236,543 |
| Employee section 125 plan | 100,793 | - | 100,793 | - |
| Public safety | 1,368,286 | - | 1,368,286 | - |
| Highways and streets | 22,705,617 | - | 22,705,617 | - |
| Culture and recreation | 4,948,229 | - | 4,948,229 | - |
| Community development | 3,046,548 | - | 3,046,548 | - |
| Debt service | 232,034 | - | 232,034 | - |
| Unrestricted | <u>5,592,837</u> | <u>13,637,545</u> | <u>19,230,382</u> | <u>20,560,518</u> |
| Total net position | <u>268,033,835</u> | <u>103,370,300</u> | <u>371,404,135</u> | <u>135,980,048</u> |
| Total liabilities, deferred inflows, and net position | <u>\$ 398,848,080</u> | <u>\$ 106,602,549</u> | <u>\$ 505,450,629</u> | <u>\$ 140,326,846</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, 2015

| Functions/Programs | Program Revenues | | | | | Primary Government | | | Component Unit |
|--|----------------------|--------------------------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|-----------------------|---|----------------|
| | Expenses | Fines, Fees and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Net revenue (expense) and changes in net position | |
| | | | | | | | | | |
| Primary Government | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | \$ 7,228,471 | \$ 4,557,513 | \$ 2,845,401 | \$ - | \$ 174,443 | \$ - | \$ 174,443 | \$ - | |
| Public safety | 30,837,168 | 3,830,132 | 474,873 | - | (26,532,163) | - | (26,532,163) | - | |
| Highways and streets | 10,934,221 | 13,453,383 | 1,762,886 | 1,788,691 | 6,070,739 | - | 6,070,739 | - | |
| Culture and recreation | 10,682,389 | 3,266,037 | - | 1,035,203 | (6,381,149) | - | (6,381,149) | - | |
| Community development | 5,923,238 | 850,765 | 729,640 | - | (4,342,833) | - | (4,342,833) | - | |
| Interest on long-term debt | 5,934,341 | - | - | - | (5,934,341) | - | (5,934,341) | - | |
| Total governmental activities | 71,539,828 | 25,957,830 | 5,812,800 | 2,823,894 | (36,945,304) | - | (36,945,304) | - | |
| Business-type activities: | | | | | | | | | |
| Sewer services | 12,013,563 | 12,961,499 | 19,899 | 1,107,321 | - | 2,075,156 | 2,075,156 | - | |
| Parking services | 454,410 | 598,685 | - | - | - | 144,275 | 144,275 | - | |
| Total business-type activities | 12,467,973 | 13,560,184 | 19,899 | 1,107,321 | - | 2,219,431 | 2,219,431 | - | |
| Total primary government | \$ 84,007,801 | \$ 39,518,014 | \$ 5,832,699 | \$ 3,931,215 | (36,945,304) | 2,219,431 | (34,725,873) | - | |
| Component unit: | | | | | | | | | |
| Medford Water Commission | \$ 10,516,345 | \$ 11,992,119 | \$ - | \$ 4,473,778 | - | - | - | \$ 5,949,552 | |
| General Revenues: | | | | | | | | | |
| Property taxes - City of Medford | | | | | 32,754,937 | - | 32,754,937 | - | |
| Property taxes - Medford Urban Renewal Agency | | | | | 5,655,842 | - | 5,655,842 | - | |
| Use taxes | | | | | 10,374,157 | - | 10,374,157 | - | |
| Unrestricted investment earnings | | | | | 643,510 | 133,831 | 777,341 | 220,789 | |
| Gain (loss) on capital asset sales | | | | | - | - | - | 6,121 | |
| Transfers | | | | | 895,300 | (895,300) | - | - | |
| Total general revenues and transfers | | | | | 50,323,746 | (761,469) | 49,562,277 | 226,910 | |
| Change in net position | | | | | 13,378,442 | 1,457,962 | 14,836,404 | 6,176,462 | |
| Net position - beginning as restated (Note III. N.) | | | | | 254,655,393 | 101,912,338 | 356,567,731 | 129,803,586 | |
| Net position ending | | | | | \$ 268,033,835 | \$ 103,370,300 | \$ 371,404,135 | \$ 135,980,048 | |

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

CITY OF MEDFORD
Balance Sheet
Governmental Funds
June 30, 2015

| | <u>General Fund</u> | <u>Public Safety Fund</u> | <u>Street Utility Fund</u> | <u>MURA Debt Service Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---|----------------------|---------------------------|----------------------------|-------------------------------|------------------------------------|-----------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 22,864,276 | \$ 31,106,542 | \$ 6,164,766 | \$ 4,271,165 | \$ 34,819,653 | \$ 99,226,402 |
| Receivables | | | | | | |
| Accounts | 3,015,889 | 127,312 | 324,124 | - | 1,000,168 | 4,467,493 |
| Taxes | 2,103,918 | - | - | 362,979 | 44,036 | 2,510,933 |
| Loans | - | - | - | - | 169,963 | 169,963 |
| Inventories | 43,194 | - | - | - | - | 43,194 |
| Due from other funds | 14,378 | - | - | - | - | 14,378 |
| Restricted cash and cash equivalents | 74,406 | - | - | - | 20,000 | 94,406 |
| Advances to other funds | 16,985,000 | - | - | - | - | 16,985,000 |
| Total assets | \$ 45,101,061 | \$ 31,233,854 | \$ 6,488,890 | \$ 4,634,144 | \$ 36,053,820 | \$ 123,511,769 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 1,357,804 | \$ 1,061,530 | \$ 117,945 | \$ - | \$ 2,887,379 | \$ 5,424,658 |
| Payroll and related accruals | 1,660,148 | 33,628 | 107,135 | - | 119,994 | 1,920,905 |
| Due to other funds | - | - | - | - | 14,378 | 14,378 |
| Customer deposits | - | - | 14,492 | - | - | 14,492 |
| Unearned revenue | 132,494 | - | - | - | - | 132,494 |
| Advances from other funds | - | - | - | 16,985,000 | - | 16,985,000 |
| Total liabilities | 3,150,446 | 1,095,158 | 239,572 | 16,985,000 | 3,021,751 | 24,491,927 |
| Deferred inflows of resources | | | | | | |
| Unavailable revenue - property taxes | 1,832,701 | - | - | 341,005 | 37,955 | 2,211,661 |
| Unavailable revenue - municipal court | 1,293,133 | - | - | - | - | 1,293,133 |
| Unavailable revenue - notes receivable | - | - | - | - | 169,963 | 169,963 |
| Total deferred inflows of resources | 3,125,834 | - | - | 341,005 | 207,918 | 3,674,757 |
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Inventory | 43,194 | - | - | - | - | 43,194 |
| Advances to other funds | 16,985,000 | - | - | - | - | 16,985,000 |
| Restricted for: | | | | | | |
| Public safety | - | - | - | - | 1,368,286 | 1,368,286 |
| Highways and streets | - | - | - | - | 22,705,617 | 22,705,617 |
| Culture and recreation | - | - | - | - | 4,948,229 | 4,948,229 |
| Community development | - | - | - | - | 3,046,548 | 3,046,548 |
| Debt service | - | - | - | - | 232,034 | 232,034 |
| Committed for: | | | | | | |
| Public Safety | - | 30,138,696 | - | - | - | 30,138,696 |
| Highways and streets | - | - | 6,249,318 | - | - | 6,249,318 |
| Community development | - | - | - | - | 523,437 | 523,437 |
| PERS Debt | 3,441,896 | - | - | - | - | 3,441,896 |
| Assigned | | | | | | |
| 2015-17 Budget | 16,615,670 | - | - | - | - | 16,615,670 |
| Unassigned | 1,739,021 | - | - | (12,691,861) | - | (10,952,840) |
| Total fund balances | 38,824,781 | 30,138,696 | 6,249,318 | (12,691,861) | 32,824,151 | 95,345,085 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 45,101,061 | \$ 31,233,854 | \$ 6,488,890 | \$ 4,634,144 | \$ 36,053,820 | \$ 123,511,769 |

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, 2015

Fund balances - total governmental funds \$ 95,345,085

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 | 436,455,818 | |
| Less accumulated depreciation | <u>(158,673,150)</u> | 277,782,668 |

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 | 3,674,757 | |
| Net pension asset | 7,234,170 | |
| Deferred outflow of resources | 2,474,383 | 13,383,310 |

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 | (958,282) | |
| Compensated absences | (2,666,582) | |
| Other post employment benefits | (2,078,049) | |
| Bonds payable | (100,439,000) | |
| Unamortized bond premium | (2,093,376) | |
| Deferred inflow of resources | <u>(14,086,297)</u> | (122,321,586) |

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. 3,844,358

Net position of governmental activities \$ 268,033,835

CITY OF MEDFORD
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year ended June 30, 2015

| | General Fund | Public Safety Fund | Street Utility Fund - 024 | MURA Debt Service Fund | Nonmajor Governmental Funds | Total |
|---|----------------------|-----------------------|------------------------------|---------------------------|-----------------------------------|----------------------|
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Property | \$ 32,007,844 | \$ - | \$ - | \$ 5,671,529 | \$ 461,275 | \$ 38,140,648 |
| Franchise and lodging | 10,374,157 | - | - | - | 1,657,288 | 12,031,445 |
| Fuel | - | - | - | - | 4,409,077 | 4,409,077 |
| Other | - | - | - | - | 1,089,142 | 1,089,142 |
| Charges for services | 1,596,905 | - | 3,869 | - | 173,155 | 1,773,929 |
| Fines and penalties | 1,294,691 | - | - | - | - | 1,294,691 |
| Intergovernmental | 6,261,941 | - | 16,313 | - | 1,129,885 | 7,408,139 |
| Licenses, permits and fees | 656,318 | 2,023,773 | 8,563,413 | - | 3,149,169 | 14,392,673 |
| Investment earnings | 170,893 | 194,556 | 31,576 | 12,042 | 234,443 | 643,510 |
| Grants and contributions | 333,999 | 1,250 | 750,000 | - | 1,493,633 | 2,578,882 |
| Other revenue | 824,534 | - | 31,510 | - | 216,770 | 1,072,814 |
| Capital contributions and donations | - | - | - | - | 2,824,164 | 2,824,164 |
| Total revenues | <u>53,521,282</u> | <u>2,219,579</u> | <u>9,396,681</u> | <u>5,683,571</u> | <u>16,838,001</u> | <u>87,659,114</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 7,836,743 | - | - | - | - | 7,836,743 |
| Public safety | 31,786,031 | 3,044,546 | - | - | 126,673 | 34,957,250 |
| Highways and streets | 171,431 | - | 5,709,329 | - | 2,091,467 | 7,972,227 |
| Culture and recreation | 5,981,530 | - | - | - | 365,090 | 6,346,620 |
| Community development | 2,081,274 | - | - | - | 2,624,852 | 4,706,126 |
| Debt service: | | | | | | |
| Debt service principal | - | - | - | 4,463,000 | 3,671,000 | 8,134,000 |
| Debt service - interest | - | - | - | 1,074,882 | 5,003,789 | 6,078,671 |
| Capital outlay | <u>4,376,510</u> | <u>1,790,686</u> | <u>2,286,888</u> | <u>-</u> | <u>10,129,534</u> | <u>18,583,618</u> |
| Total expenditures | <u>52,233,519</u> | <u>4,835,232</u> | <u>7,996,217</u> | <u>5,537,882</u> | <u>24,012,405</u> | <u>94,615,255</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,287,763</u> | <u>(2,615,653)</u> | <u>1,400,464</u> | <u>145,689</u> | <u>(7,174,404)</u> | <u>(6,956,141)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 2,790,300 | - | 92,424 | - | 9,143,167 | 12,025,891 |
| Transfers out | <u>(4,788,192)</u> | <u>(1,702,437)</u> | <u>(643,200)</u> | <u>-</u> | <u>(3,791,462)</u> | <u>(10,925,291)</u> |
| Total other financing sources (uses) | <u>(1,997,892)</u> | <u>(1,702,437)</u> | <u>(550,776)</u> | <u>-</u> | <u>5,351,705</u> | <u>1,100,600</u> |
| Net change in fund balances | (710,129) | (4,318,090) | 849,688 | 145,689 | (1,822,699) | (5,855,541) |
| Beginning fund balances | <u>39,534,910</u> | <u>34,456,786</u> | <u>5,399,630</u> | <u>(12,837,550)</u> | <u>34,646,850</u> | <u>101,200,626</u> |
| Ending fund balances | <u>\$ 38,824,781</u> | <u>\$ 30,138,696</u> | <u>\$ 6,249,318</u> | <u>\$ (12,691,861)</u> | <u>\$ 32,824,151</u> | <u>\$ 95,345,085</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, 2015

Net change in fund balance - total governmental funds \$ (5,855,541)

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 | 15,910,614 | |
| Less current year depreciation | <u>(13,212,220)</u> | 2,698,394 |

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. (271,725)

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. 95,125

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 | (126,158) | |
| Change in net pension asset / liability | 23,520,748 | |
| Change in deferred outflow of resources | (601,526) | |
| Change in deferred inflow of resources | <u>(14,086,297)</u> | 8,706,767 |

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 | 16,175 | |
| Amortization of premium | 128,155 | |
| Accrual of other post employment benefits which are not reported as an expenditure in governmental funds | (295,372) | |
| Principal payments | <u>8,134,000</u> | 7,982,958 |

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. 22,464

Change in net position of governmental activities \$ 13,378,442

CITY OF MEDFORD
Balance Sheet
Proprietary Funds
June 30, 2015

| | <u>Business - type Activities - Enterprise Funds</u> | | | <u>Governmental Activities</u> |
|---|--|---|-----------------------|------------------------------------|
| | <u>Sewer Utility Fund</u> | <u>Nonmajor Parking Facilities Fund</u> | <u>Total</u> | <u>Internal Service Funds</u> |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 22,545,071 | \$ 593,052 | \$ 23,138,123 | \$ 3,740,488 |
| Receivables | 854,330 | 20,973 | 875,303 | 36,060 |
| Inventories | 20,574 | - | 20,574 | 503,707 |
| Prepays | 6,068 | - | 6,068 | - |
| Total current assets | <u>23,426,043</u> | <u>614,025</u> | <u>24,040,068</u> | <u>4,280,255</u> |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | - | - | - | 100,793 |
| Net pension asset | 844,978 | 4,509 | 849,487 | 85,670 |
| Capital assets: | | | | |
| Land and construction in progress | 448,408 | 1,106,620 | 1,555,028 | - |
| Capital assets, net of accumulated depreciation | <u>79,839,919</u> | <u>27,488</u> | <u>79,867,407</u> | <u>348,446</u> |
| Total noncurrent assets | <u>81,133,305</u> | <u>1,138,617</u> | <u>82,271,922</u> | <u>534,909</u> |
| Total assets | <u>104,559,348</u> | <u>1,752,642</u> | <u>106,311,990</u> | <u>4,815,164</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | | |
| Deferred outflow of resources related to pensions | <u>\$ 289,017</u> | <u>\$ 1,542</u> | <u>\$ 290,559</u> | <u>\$ 29,303</u> |
| Total assets and deferred outflow | <u>\$ 104,848,365</u> | <u>\$ 1,754,184</u> | <u>\$ 106,602,549</u> | <u>\$ 4,844,467</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 416,524 | \$ 29,022 | \$ 445,546 | \$ 166,009 |
| Payroll and related accruals | 246,112 | 1,423 | 247,535 | 110,115 |
| Customer deposits | 611,083 | 206 | 611,289 | - |
| Compensated absences, due within one year | 54,753 | - | 54,753 | 6,344 |
| Claims payable | - | - | - | 523,045 |
| Total current liabilities | <u>1,328,472</u> | <u>30,651</u> | <u>1,359,123</u> | <u>805,513</u> |
| Long-term liabilities: | | | | |
| Compensated absences, due in more than one year | <u>219,013</u> | <u>-</u> | <u>219,013</u> | <u>27,780</u> |
| Total liabilities | <u>1,547,485</u> | <u>30,651</u> | <u>1,578,136</u> | <u>833,293</u> |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Deferred inflows related to pensions | <u>1,645,333</u> | <u>8,780</u> | <u>1,654,113</u> | <u>166,816</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 81,095,430 | 1,138,617 | 82,234,047 | 348,446 |
| Restricted for: | | | | |
| Future system development | 7,498,708 | - | 7,498,708 | - |
| Employee section 125 plan | - | - | - | 100,793 |
| Unrestricted | <u>13,061,409</u> | <u>576,136</u> | <u>13,637,545</u> | <u>3,395,119</u> |
| Total net position | <u>101,655,547</u> | <u>1,714,753</u> | <u>103,370,300</u> | <u>3,844,358</u> |
| Total liabilities, deferred inflows, and net position | <u>\$ 104,848,365</u> | <u>\$ 1,754,184</u> | <u>\$ 106,602,549</u> | <u>\$ 4,844,467</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, 2015

| | Business - type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|--|-----------------------|----------------------------|
| | Sewer Utility Fund | Nonmajor Parking Facilities Fund | Total | Internal Service Funds |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 12,711,798 | \$ 598,653 | \$ 13,310,451 | \$ 2,985,949 |
| Other revenue | <u>249,701</u> | <u>32</u> | <u>249,733</u> | <u>4,412</u> |
| Total operating revenues | <u>12,961,499</u> | <u>598,685</u> | <u>13,560,184</u> | <u>2,990,361</u> |
| OPERATING EXPENSES | | | | |
| Salaries and fringe benefits | 4,443,185 | 36,093 | 4,479,278 | 1,027,408 |
| Operating supplies | 698,603 | 24,505 | 723,108 | 696,422 |
| Professional services | 2,370,104 | 253,019 | 2,623,123 | 66,684 |
| Repairs and maintenance | 262,652 | 31,477 | 294,129 | 6,468 |
| Premiums and claims | 97,550 | 22,110 | 119,660 | 916,181 |
| Utilities | 325,658 | 46,283 | 371,941 | 2,095 |
| General, administrative, and engineering | 386,963 | 22,670 | 409,633 | 34,630 |
| Depreciation | <u>3,428,848</u> | <u>18,253</u> | <u>3,447,101</u> | <u>31,977</u> |
| Total operating expenses | <u>12,013,563</u> | <u>454,410</u> | <u>12,467,973</u> | <u>2,781,865</u> |
| Operating income (loss) | <u>947,936</u> | <u>144,275</u> | <u>1,092,211</u> | <u>208,496</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Grants and contracts | 19,899 | - | 19,899 | - |
| Investment earnings | <u>130,819</u> | <u>3,012</u> | <u>133,831</u> | <u>19,268</u> |
| Total nonoperating revenues (expenses) | <u>150,718</u> | <u>3,012</u> | <u>153,730</u> | <u>19,268</u> |
| Income (loss) before contributions and transfers | 1,098,654 | 147,287 | 1,245,941 | 227,764 |
| CONTRIBUTIONS AND TRANSFERS | | | | |
| Contributions | 1,107,321 | - | 1,107,321 | - |
| Transfers out | <u>(875,600)</u> | <u>(19,700)</u> | <u>(895,300)</u> | <u>(205,300)</u> |
| Total contributions and transfers | <u>231,721</u> | <u>(19,700)</u> | <u>212,021</u> | <u>(205,300)</u> |
| Change in net position | 1,330,375 | 127,587 | 1,457,962 | 22,464 |
| Beginning net position as restated | <u>100,325,172</u> | <u>1,587,166</u> | <u>101,912,338</u> | <u>3,821,894</u> |
| Ending net position | <u>\$ 101,655,547</u> | <u>\$ 1,714,753</u> | <u>\$ 103,370,300</u> | <u>\$ 3,844,358</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, 2015

| | Business - type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|--|----------------------|----------------------------|
| | Sewer Utility Fund | Nonmajor Parking Facilities Fund | Total | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 13,470,053 | \$ 577,918 | \$ 14,047,971 | \$ - |
| Receipt from interfund services provided | - | - | - | 2,999,874 |
| Payments to suppliers | (5,417,598) | (384,177) | (5,801,775) | (1,277,589) |
| Payments to employees | (4,572,537) | (41,317) | (4,613,854) | (1,110,805) |
| Net cash provided (used) by operating activities | <u>3,479,918</u> | <u>152,424</u> | <u>3,632,342</u> | <u>611,480</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers to other funds | (875,600) | (19,700) | (895,300) | (205,300) |
| Grants received | 19,899 | - | 19,899 | - |
| Net cash provided (used) by noncapital financing activities | <u>(855,701)</u> | <u>(19,700)</u> | <u>(875,401)</u> | <u>(205,300)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Capital contributions (system development charges) | 1,107,321 | - | 1,107,321 | - |
| Acquisition and construction of capital assets | (2,465,011) | - | (2,465,011) | (45,577) |
| Net cash provided (used) by capital and related financing activities | <u>(1,357,690)</u> | <u>-</u> | <u>(1,357,690)</u> | <u>(45,577)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest and dividends received | 130,819 | 3,012 | 133,831 | 19,268 |
| Increase (decrease) in cash | 1,397,346 | 135,736 | 1,533,082 | 379,871 |
| Cash at beginning of year | 21,147,725 | 457,316 | 21,605,041 | 3,360,617 |
| Cash at end of year | <u>\$ 22,545,071</u> | <u>\$ 593,052</u> | <u>\$ 23,138,123</u> | <u>\$ 3,740,488</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | |
| Operating income (loss) | \$ 947,936 | \$ 144,275 | \$ 1,092,211 | \$ 208,496 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 3,428,848 | 18,253 | 3,447,101 | 31,977 |
| Net reduction of expense under GASB 68 | (1,031,818) | (5,505) | (1,037,323) | (90,517) |
| (Increase) decrease in accounts receivable | 251,975 | (20,973) | 231,002 | 9,513 |
| (Increase) decrease in inventories | 52,619 | - | 52,619 | 158,286 |
| (Increase) decrease in prepaids | (6,068) | - | (6,068) | - |
| Increase (decrease) in accounts payable | (477,563) | 15,887 | (461,676) | (48,913) |
| Increase (decrease) in accrued payroll and related expenses | 57,408 | 281 | 57,689 | 92 |
| Increase (decrease) in Customer deposits payable | 256,581 | 206 | 256,787 | - |
| Increase (decrease) in Claims payable | - | - | - | 342,546 |
| Total adjustments | <u>2,531,982</u> | <u>8,149</u> | <u>2,540,131</u> | <u>402,984</u> |
| Net cash provided (used) by operating activities | <u>\$ 3,479,918</u> | <u>\$ 152,424</u> | <u>\$ 3,632,342</u> | <u>\$ 611,480</u> |

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

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

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.

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, 2015

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

The *Public Safety Fund* is a special revenue fund that accounts for specified resources to be expended on additional expenditures for police patrol and fire operations.

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 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.

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note I - Summary of significant accounting policies (continued)

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

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 effect 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, 2015

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, 2015

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 cost, or their estimated fair value 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, 2015, 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 III.L.

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

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.

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, 2015

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 an annual budget 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 2013-2015.

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 fiscal period.

B. Deficit fund balance

The MURA Debt Service Fund had a deficit fund balance of \$12,691,861. 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, 2015

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, 2015, the City's cash and investment balances were reported as follows:

| | Primary Government | Weighted average maturity in years |
|---|-----------------------|---------------------------------------|
| Subject to interest rate risk: | | |
| U.S. agency securities | \$ 46,714,502 | 1.941 |
| Corporate bonds | 12,036,716 | 2.198 |
| Not subject to interest rate risk or maturities are less than one month: | | |
| Petty cash | 8,461 | |
| LGIP | 41,876,243 | |
| Deposits with financial institutions | 25,664,290 | |
| Total cash and investments | \$ 126,300,212 | |
| Cash and investments are reported as follows: | | |
| Cash and investments | \$ 126,105,013 | |
| Restricted cash and cash equivalents | 195,199 | |
| Total cash and investments | \$ 126,300,212 | |

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, 2015, the City's deposits, with a bank balance of \$26,714,919, were covered by the FDIC or collateralized as required by and in compliance with ORS 295.

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:

| Length of Maturity | Investment Amounts |
|--------------------|--------------------|
| 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, 2015

Note III - Detailed notes on all funds, continued

A. Cash and investments, continued

At June 30, 2015, 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 | \$ 5,997,999 | Aaa | 5.96 % |
| Federal Home Loan Bank | 9,544,901 | Aaa | 9.49 % |
| Federal Home Loan Mortgage Corp. | 12,100,621 | Aaa | 12.03 % |
| Treasury Note | 14,042,268 | N/A | 13.95 % |
| Federal National Mortgage Assoc. | <u>5,028,713</u> | Aaa | 5.00 % |
| Total U.S. agency securities | <u>46,714,502</u> | | |
| Corporate bonds: | | | |
| General Electric Capital Corp. | 1,000,596 | A1 | 0.99 % |
| GE Capital | 1,022,067 | A1 | 1.02 % |
| Apple, Inc | 2,000,166 | Aa1 | 1.99 % |
| Chevron Corp | 2,004,225 | Aa1 | 1.99 % |
| Toyota Motor Credit | 2,005,541 | Aa3 | 1.99 % |
| IBM Corp | 2,008,179 | Aa3 | 2.00 % |
| Coca Cola | <u>1,995,942</u> | Aa3 | 1.98 % |
| Total Corporate bonds | <u>12,036,716</u> | | |
| LGIP | <u>41,876,243</u> | Not rated | 41.62 % |
| Commercial Paper | <u>-</u> | | <u>- %</u> |
| Total investments | <u>\$ 100,627,461</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 and www.oregon.gov/treasury. The weighted-average maturity of LGIP is less than one year. The City's investment in LGIP is stated at fair value.

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.

B. Loan receivables

MURA enters into loan agreements whereby the Agency provides local businesses in downtown Medford monies for rehabilitation construction costs. On December 16, 2013, Agency renegotiated a 10 year loan with Mountain Development Company, LLC to be paid off in three years. The loan bears an interest rate of 4% through the first year; 6% through the second year; and 8% through the third year and is collateralized by a deed of trust. No allowance has been established by the Agency because the note receivable is considered entirely collectible.

| <u>Issue Date</u> | <u>Monthly Payment</u> | <u>Final Payment Date</u> | <u>Balance 6/30/2015</u> |
|-------------------|------------------------|---------------------------|--------------------------|
| December 16, 2013 | \$ 2,131 | December 15, 2016 | \$ 169,963 |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

C. Capital assets

Capital asset activity for the year ended June 30, 2015 was as follows:

| Primary Government | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases/ Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|---------------------------------|-----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 29,894,400 | \$ 879,824 | \$ - | \$ 30,774,224 |
| Land - rights of way | 82,502,755 | - | - | 82,502,755 |
| Construction in progress | <u>7,265,623</u> | <u>8,284,457</u> | <u>(4,326,686)</u> | <u>11,223,394</u> |
| Total capital assets, not being depreciated | <u>119,662,778</u> | <u>9,164,281</u> | <u>(4,326,686)</u> | <u>124,500,373</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 26,370,038 | 807,495 | (69,015) | 27,108,518 |
| Improvements | 39,196,385 | 4,927,409 | (367,792) | 43,756,002 |
| Equipment | 21,314,045 | 2,011,069 | - | 23,325,114 |
| Infrastructure | <u>215,318,351</u> | <u>3,372,622</u> | <u>-</u> | <u>218,690,973</u> |
| Total capital assets, being depreciated | <u>302,198,819</u> | <u>11,118,595</u> | <u>(436,807)</u> | <u>312,880,607</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (9,146,064) | (825,951) | 45,550 | (9,926,465) |
| Improvements | (16,272,763) | (1,737,429) | 119,532 | (17,890,660) |
| Equipment | (16,396,357) | (1,365,413) | - | (17,761,770) |
| Infrastructure | <u>(104,355,566)</u> | <u>(9,315,404)</u> | <u>-</u> | <u>(113,670,970)</u> |
| Total accumulated depreciation | <u>(146,170,750)</u> | <u>(13,244,197)</u> | <u>165,082</u> | <u>(159,249,865)</u> |
| Total capital assets, being depreciated, net | <u>156,028,069</u> | <u>(2,125,602)</u> | <u>(271,725)</u> | <u>153,630,742</u> |
| Governmental activities capital assets, net | <u>\$ 275,690,847</u> | <u>\$ 7,038,679</u> | <u>\$ (4,598,411)</u> | <u>\$ 278,131,115</u> |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

C. Capital assets, continued

| Primary Government | <u>Beginning</u> <u>Balance</u> | <u>Increases</u> | <u>Decreases/ Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------------|---------------------|---------------------------------|-----------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,184,368 | \$ - | \$ - | \$ 1,184,368 |
| Construction in progress | <u>515,524</u> | <u>1,478,624</u> | <u>(1,623,488)</u> | <u>370,660</u> |
| Total capital assets, not being depreciated | <u>1,699,892</u> | <u>1,478,624</u> | <u>(1,623,488)</u> | <u>1,555,028</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 6,978,678 | 58,805 | - | 7,037,483 |
| Improvements | 27,341,129 | 14,376 | - | 27,355,505 |
| Equipment | 29,101,740 | 997,466 | - | 30,099,206 |
| Sewers | 28,783,972 | 1,117,586 | - | 29,901,558 |
| Storm drains | <u>43,665,176</u> | <u>799,800</u> | <u>-</u> | <u>44,464,976</u> |
| Total capital assets, being depreciated | <u>135,870,695</u> | <u>2,988,033</u> | <u>-</u> | <u>138,858,728</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (3,238,272) | (186,846) | - | (3,425,118) |
| Improvements | (12,472,330) | (672,621) | - | (13,144,951) |
| Equipment | (15,451,313) | (1,084,138) | - | (16,535,451) |
| Sewers | (12,409,086) | (574,131) | - | (12,983,217) |
| Storm drains | <u>(11,973,223)</u> | <u>(929,365)</u> | <u>-</u> | <u>(12,902,588)</u> |
| Total accumulated depreciation | <u>(55,544,224)</u> | <u>(3,447,101)</u> | <u>-</u> | <u>(58,991,325)</u> |
| Total capital assets, being depreciated, net | <u>80,326,471</u> | <u>(459,068)</u> | <u>-</u> | <u>79,867,403</u> |
| Business-type activities capital assets, net | <u>\$ 82,026,363</u> | <u>\$ 1,019,556</u> | <u>\$ (1,623,488)</u> | <u>\$ 81,422,431</u> |

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

| | |
|---|----------------------|
| Governmental activities: | |
| General government | \$ 369,114 |
| Public safety | 793,311 |
| Highways and streets | 7,839,194 |
| Culture and recreation | 2,540,395 |
| Community development | <u>1,702,183</u> |
| Total depreciation expense - governmental activities | <u>\$ 13,244,197</u> |
| Business-type activities: | |
| Sewer | \$ 3,428,847 |
| Parking services | <u>18,254</u> |
| Total depreciation expense - business-type activities | <u>\$ 3,447,101</u> |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

C. Capital assets, continued

| Medford Water Commission: | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases/ Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|---------------------------------|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land and right-of-way | \$ 4,602,383 | \$ 275,366 | \$ - | \$ 4,877,749 |
| Construction in progress | <u>6,529,794</u> | <u>5,607,694</u> | <u>(6,951,548)</u> | <u>5,185,940</u> |
| Total capital assets, not being depreciated | <u>11,132,177</u> | <u>5,883,060</u> | <u>(6,951,548)</u> | <u>10,063,689</u> |
| Capital assets, being depreciated: | | | | |
| Buildings, supply and distribution system | 138,642,056 | 6,564,832 | - | 145,206,888 |
| Equipment | <u>8,097,672</u> | <u>111,351</u> | <u>(313,727)</u> | <u>7,895,296</u> |
| Total capital assets, being depreciated | <u>146,739,728</u> | <u>6,676,183</u> | <u>(313,727)</u> | <u>153,102,184</u> |
| Less accumulated depreciation for: | | | | |
| Buildings, supply and distribution system | (42,024,286) | (2,550,676) | - | (44,574,962) |
| Equipment | <u>(4,162,453)</u> | <u>(559,308)</u> | <u>313,837</u> | <u>(4,407,924)</u> |
| Total accumulated depreciation | <u>(46,186,739)</u> | <u>(3,109,984)</u> | <u>313,837</u> | <u>(48,982,886)</u> |
| Total capital assets, being depreciated, net | <u>100,552,989</u> | <u>3,566,199</u> | <u>110</u> | <u>104,119,298</u> |
| Medford Water Commission capital assets, net | <u>\$ 111,685,166</u> | <u>\$ 9,449,259</u> | <u>\$ (6,951,438)</u> | <u>\$ 114,182,987</u> |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

D. 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:

| <u>Purpose</u> | <u>Original Amount</u> | <u>Interest Rates</u> | <u>Amount Outstanding</u> |
|--|------------------------|-----------------------|---------------------------|
| General obligation bonds: | | | |
| 1. PERS actuarial bonds, maturing 2028 | \$ 29,205,000 | 4.91 to 6.10 % | \$ 27,335,000 |
| Full faith and credit bonds | | | |
| 2. 2006 Sidewalk Series maturing 2021 | 4,600,000 | 4.00 to 4.50 % | 2,200,000 |
| 3. Series 2011C bonds for MURA maturing 2025 | 20,950,000 | 3.25 to 5.00% | <u>16,985,000</u> |
| Total bonds outstanding | | | <u>\$ 46,520,000</u> |

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.

The following schedule shows the debt service requirements as of June 30, 2015:

| <u>Year ending June 30,</u> | <u>Governmental Activities</u> | |
|-----------------------------|--------------------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2016 | \$ 2,540,000 | \$ 2,319,872 |
| 2017 | 2,775,000 | 2,188,354 |
| 2018 | 3,035,000 | 2,042,837 |
| 2019 | 3,330,000 | 1,912,940 |
| 2020 | 3,635,000 | 1,766,745 |
| 2021-2025 | 22,070,000 | 6,120,880 |
| 2026-2030 | <u>9,135,000</u> | <u>1,010,246</u> |
| Total | <u>\$ 46,520,000</u> | <u>\$ 17,361,874</u> |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

D. Long-term debt, continued

Revenue Bonds

Revenue bonds at year end are as follows:

| <u>Purpose</u> | <u>Original Amount</u> | <u>Interest Rates</u> | <u>Amount Outstanding</u> |
|---|----------------------------|-----------------------|-------------------------------|
| Revenue bonds: | | | |
| 2007 Parks limited tax revenue bonds, maturing 2027 | \$ 18,965,000 | 3.50 - 4.16% | \$ 13,280,000 |
| 2011B Limited tax revenue refunding bonds, maturing 2022 | 3,673,000 | 3.24% | 2,664,000 |
| 2013 Police, Fire, and Parks limited tax revenue bonds, maturing 2043 | 38,155,000 | 3.00 - 5.00% | <u>37,975,000</u> |
| Total revenue bonds outstanding: | | | <u>\$ 53,919,000</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, 2015

Note III - Detailed notes on all funds, continued

D. Long-term debt, continued

The following schedule shows the debt service requirements for revenue bonds as of June 30, 2015:

| Year ending June 30, | Governmental Activities | |
|----------------------|-------------------------|----------------------|
| | Principal | Interest |
| 2016 | \$ 1,418,000 | \$ 2,382,951 |
| 2017 | 1,470,000 | 2,330,813 |
| 2018 | 1,530,000 | 2,275,561 |
| 2019 | 1,591,000 | 2,217,035 |
| 2020 | 2,335,000 | 2,137,915 |
| 2021-2025 | 12,000,000 | 9,124,919 |
| 2026-2030 | 9,550,000 | 6,473,693 |
| 2031-2035 | 8,085,000 | 4,586,472 |
| 2036-2040 | 8,055,000 | 2,713,938 |
| 2041-2045 | 7,885,000 | 729,564 |
| Total | \$ 53,919,000 | \$ 34,972,861 |

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2015, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|-----------------------|---------------------|------------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation/full faith bonds | \$ 48,845,000 | \$ - | \$ (2,325,000) | \$ 46,520,000 | \$ 2,540,000 |
| Revenue bonds | 59,728,000 | - | (5,809,000) | 53,919,000 | 1,418,000 |
| Total bonds payable | 108,573,000 | - | (8,134,000) | 100,439,000 | 3,958,000 |
| Other Post Employment Benefits | 1,782,677 | 295,372 | - | 2,078,049 | - |
| Compensated absences | 2,572,796 | 2,737,871 | (2,644,085) | 2,666,582 | 533,316 |
| Governmental activities long- term liabilities | <u>\$ 112,928,473</u> | <u>\$ 3,033,243</u> | <u>\$ (10,778,085)</u> | <u>\$105,183,631</u> | <u>\$ 4,491,316</u> |
| Business-type activities: | | | | | |
| Compensated absences | <u>\$ 264,231</u> | <u>\$ 390,067</u> | <u>\$ (380,532)</u> | <u>\$ 273,766</u> | <u>\$ 54,753</u> |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

D. 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 | \$ 100,439,000 |
| Less: current portion | (3,958,000) |
| Add: unamortized premium | <u>2,093,377</u> |
| Bonds payable, due in more than one year | <u>\$ 98,574,377</u> |

E. 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, 2015 is determined as follows:

| | |
|--|-----------------------|
| Capital assets, net | \$ 278,131,115 |
| Less outstanding principal on capital asset related debt: | |
| General obligation bonds, excluding PERS bond \$27,335,000 | (19,185,000) |
| Revenue bonds, excluding unspent proceeds of the 2013 Police, Fire, Parks revenue bond. | (31,000,000) |
| Add: unamortized premium | <u>2,093,376</u> |
| Governmental Activities net position invested in capital assets, net of related debt | <u>\$ 230,039,491</u> |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

F. Interfund receivables, payables, advances and transfers

Interfund Receivables and Payables

Interfund balances consist of cash advances of \$14,378 by the general fund to other nonmajor governmental funds. 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.

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|-----------------------------|---------------------------------|-------------------------------|
| General Fund | \$ 14,378 | \$ - |
| Nonmajor Governmental Funds | - | 14,378 |
| Total | <u>\$ 14,378</u> | <u>\$ 14,378</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, 2015 was as follows:

| | <u>Beginning of year</u> | <u>Additions</u> | <u>Payments</u> | <u>End of year</u> | <u>Current portion</u> |
|---|------------------------------|------------------|----------------------|----------------------|----------------------------|
| Medford Urban Renewal Due to the City of Medford general fund | <u>\$18,355,000</u> | <u>\$ -</u> | <u>\$(1,370,000)</u> | <u>\$ 16,985,000</u> | <u>\$ 1,410,000</u> |

Interfund transfers:

| <u>Transfers in:</u> | <u>Transfers out:</u> | | | | | | | <u>Total Transfers In</u> |
|--------------------------------|-----------------------|--------------------------------|--------------------------------|--|-----------------------|--|---------------------------------------|-------------------------------|
| | <u>General Fund</u> | <u>Street Utility Fund</u> | <u>Public Safety Funds</u> | <u>Nonmajor Governmental Funds</u> | <u>Sewer Fund</u> | <u>Parking Facilities Fund</u> | <u>Internal Service Funds</u> | |
| General Fund | \$ 394,000 | \$ 643,200 | \$ 80,500 | \$ 572,000 | \$ 875,600 | \$ 19,700 | \$ 205,300 | \$ 2,790,300 |
| Street Utility Fund | 55,424 | - | 17,600 | 19,400 | - | - | - | 92,424 |
| Nonmajor Governmental Funds | <u>4,338,768</u> | <u>-</u> | <u>1,604,337</u> | <u>3,200,062</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,143,167</u> |
| Total transfers out | <u>\$ 4,788,192</u> | <u>\$ 643,200</u> | <u>\$ 1,702,437</u> | <u>\$ 3,791,462</u> | <u>\$ 875,600</u> | <u>\$ 19,700</u> | <u>\$ 205,300</u> | <u>\$ 12,025,891</u> |

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

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

G. 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, | |
|----------------------------------|---------------------|-------------------|
| | 2014 | 2015 |
| <u>Workers' compensation</u> | | |
| Unpaid claims, beginning of year | \$ 230,824 | \$ 66,672 |
| Incurred claims (including IBNR) | 118,013 | 208,111 |
| Claim payments | <u>(282,165)</u> | <u>(190,891)</u> |
| Unpaid claims, end of year | <u>\$ 66,672</u> | <u>\$ 83,892</u> |
| <u>Liability</u> | | |
| Unpaid claims, beginning of year | \$ 277,271 | \$ 113,777 |
| Incurred claims (including IBNR) | 45,800 | 547,635 |
| Claim payments | <u>(209,294)</u> | <u>(222,259)</u> |
| Unpaid claims, end of year | <u>\$ 113,777</u> | <u>\$ 439,153</u> |

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

In addition, Workers Compensation Insurance is purchased under a retrospective rate plan with the final cost depending on claims.

H. Related party transactions

The Commission pays the City for legal counsel, other services, and materials and supplies. During the year, the Commission paid the City \$253,505 for these items. The Commission also paid the City a franchise tax amounting to \$159,306 in fiscal year 2015 and garage charges of \$143,638. The Commission's water sales to the City were \$174,310 during the year ended June 30, 2015.

I. 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.

J. 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, 2015 was \$436,219,593. 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.

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

K. 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.

L. 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 plan provides statewide defined benefit and defined contribution retirement plans for units of state government, political subdivisions, community colleges, and school districts. OPERS is administered under Oregon Revised Statutes (ORS) Chapter 238, and Internal Revenue Code Section 401(a) by the Oregon Public Employees Retirement Board (OPERB).

Oregon PERS produces an independently audited CAFR which can be found at:
http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Risk Pooling

The City of Medford and the Commission have elected to participate in the State and Local Government Rate Pool (SLGRP). Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants.

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature.

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

Pension Benefits

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. 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.

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

L. Pension plans, continued

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 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.

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 (2.0 percent for police and fire) 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.

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

L. Pension plans, continued

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

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.

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.

1. *Member contributions*

Beginning January 1, 2004, member contributions, except judge members, were placed in the OPSRP Individual Account Program. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 to 7.0 percent of salary and are remitted by participating employers, who may agree to make member contributions on the member's behalf. The contributions are either deducted from member salaries or paid by the employers. The City has elected to make payments on behalf of its employees, who pay 6.0% of their salary to the IAP.

2. *Employer contributions*

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates, based on a percentage of payroll, first became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivisions, including the City, have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2015 were \$3,421,403. The rates in effect for the fiscal year ended June 30, 2015 were 12.27 percent for Tier One/Tier Two, 6.9 percent for OPSRP Pension Program General Service, and 9.63 percent for OPSRP Pension Program Police and Fire.

A 10 year schedule of Defined Benefit Pension Plan Contributions can be found beginning on page 58 of the June 30, 2014 PERS CAFR.

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

L. Pension plans, continued

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

At June 30, 2015, the City's proportionate share of the net pension asset is \$8,169,327. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City's proportion of the net pension asset 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, 2014, the City's proportion was 0.39784 percent, which was unchanged from its proportion measured as of June 30, 2013.

At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ - | \$ 15,763,490 |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | 143,736 |
| Contributions subsequent to the measurement date | <u>2,794,245</u> | <u>-</u> |
| Total | <u>\$ 2,794,245</u> | <u>\$ 15,907,226</u> |

Deferred outflows of resources related to pensions of \$2,794,245 resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | Difference of Projected and Actual Investment Earnings | Change in employer proportion and differences between employer contributions proportionate share of contribution | Total |
|---------------------|--|--|----------------------|
| 2016 | \$ 3,936,227 | \$ 35,891 | \$ 3,972,118 |
| 2017 | 3,936,227 | 35,891 | 3,972,118 |
| 2018 | 3,936,227 | 35,891 | 3,972,118 |
| 2019 | 3,936,227 | 35,891 | 3,972,118 |
| 2020 | <u>18,582</u> | <u>172</u> | <u>18,754</u> |
| Total | <u>\$ 15,763,490</u> | <u>\$ 143,736</u> | <u>\$ 15,907,226</u> |

Actuarial Valuations:

The employer contribution rates effective July 1, 2013, through June 30, 2015, 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, 2015

Note III - Detailed notes on all funds, continued

L. Pension plans, continued

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:

| | |
|----------------------------|--|
| Valuation Date | December 31, 2012 rolled forward to June 30, 2014 |
| Experience Study Report | 2012, published September 18, 2013 |
| Actuarial Cost Method | Entry Age normal |
| Amortization Method | Amortized as a level percentage of payroll as layered amortization based over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years. |
| Asset Valuation Method | Market value of assets |
| Actuarial Assumptions: | |
| Inflation Rate | 2.75 percent |
| Investment Rate of return | 7.75 percent |
| Projected Salary Increases | 3.75 percent overall payroll growth |
| Mortality | Health retirees and beneficiaries: PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table. |

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 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Discount Rate

The discount rate used to measure the total pension liability was 7.75 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.

Assumed Asset Allocation:

| <u>Asset Class/Strategy</u> | <u>Low Range</u> | <u>High Range</u> | <u>OIC Target</u> |
|-----------------------------|------------------|-------------------|-------------------|
| Cash | 0.0 % | 3.0 % | 0.0 % |
| Debt Securities | 15.0 | 25.0 | 20.0 |
| Public Equity | 32.5 | 42.5 | 37.5 |
| Private Equity | 16.0 | 24.0 | 20.0 |
| Real Estate | 9.5 | 15.5 | 12.5 |
| Alternative Equity | 0.0 | 10.0 | 10.0 |
| Opportunity Portfolio | 0.0 | 3.0 | 0.0 |
| Total | | | <u>100.0 %</u> |

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 2013 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. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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.

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

L. Pension plans, continued

| Asset Class | Target Allocation | Compounded Annual Return (Geometric) |
|-----------------------------------|-------------------|--------------------------------------|
| Core Fixed Income | 7.20 % | 4.50 % |
| Short-Term Bonds | 8.00 % | 3.70 % |
| Intermediate - Term Bonds | 3.00 % | 4.10 % |
| High Yield Bonds | 1.80 % | 6.66 % |
| Large Cap US Equities | 11.65 % | 7.20 % |
| Mid Cap US Equities | 3.88 % | 7.30 % |
| Small Cap US Equities | 2.27 % | 7.45 % |
| Developed Foreign Equities | 14.21 % | 6.90 % |
| Emerging Foreign Equities | 5.49 % | 7.40 % |
| Private Equities | 20.00 % | 8.26 % |
| Opportunity Funds/Absolute Return | 5.00 % | 6.01 % |
| Real Estate (Property) | 13.75 % | 6.51 % |
| Real Estate (REITS) | 2.50 % | 6.76 % |
| Commodities | 1.25 % | 6.07 % |
| Total | <u>100.00 %</u> | |
| Assumed Inflation - Mean | | 2.75 % |

Sensitivity of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

| | 1% Decrease (6.75%) | Discount Rate (7.75%) | 1% Increase (8.75%) |
|--|------------------------|--------------------------|------------------------|
| Proportionate share of net pension liability (asset) | \$ 17,299,683 | \$ (8,169,327) | \$ (29,710,315) |

Changes in Plan Provisions Subsequent to Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision has not been fully determined. However, the change in benefit terms is estimated to increase the City's proportionate share of the net pension (asset)/liability by \$17,714,357 as shown in the following table.

| | Prior to Moro | After Moro (estimated) | Change |
|-------------------------------|-----------------------|---------------------------|------------------------|
| Total pension liability | \$ 227,540,243 | \$ 245,254,600 | \$ (17,714,357) |
| Fiduciary net position | <u>235,709,570</u> | <u>235,709,500</u> | <u>-</u> |
| Net pension (asset)/liability | <u>\$ (8,169,327)</u> | <u>\$ 9,545,100</u> | <u>\$ (17,714,357)</u> |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

M. 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, 2015, the City's combined plan contributions were \$170,845.

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, 2015, the implicit benefit payments (contributions made), and changes in the City's net OPEB obligation:

| | |
|--|----------------------------|
| Annual required contribution | \$ 515,770 |
| Interest on net OPEB obligation | 71,307 |
| Adjustment to the annual required contribution | <u>(120,860)</u> |
| Annual OPEB cost (expense) | 466,217 |
| Contributions made | <u>(170,845)</u> |
| Increase in net OPEB obligation | 295,372 |
| Net OPEB obligation, beginning of year | <u>1,782,677</u> |
| Net OPEB obligation, end of year | <u><u>\$ 2,078,049</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 2015 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> |
|---------------------------------------|-----------------------------|---------------------|---|--------------------------------|
| 2013 | \$ 626,028 | \$ 175,412 | 28% | \$ 1,325,911 |
| 2014 | \$ 637,889 | \$ 181,123 | 29% | \$ 1,782,677 |
| 2015 | \$ 466,217 | \$ 170,845 | 37% | \$ 2,078,049 |

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2015

Note III - Detailed notes on all funds, continued

M. Other Post Employment Benefits, continued

Funded Status and Funding Progress

As of June 30, 2013, 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, 2015, 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%.

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 June 30, 2013 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 8.0% in the first year, 7.5% in the second year, 7.0% in the third year, 6.5% 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.

N. Implementation of New Accounting Guidance, Reclassification / Change in Accounting Principle

In the year ended June 30, 2015 the City implemented GASB Statement No. 68, *Items Previously Reported as Assets and Liabilities*. This statement requires retroactively restating financial statements, for all periods presented. The cumulative effect of applying this Statement and the change in reporting is reported as a restatement of 2015 beginning net position as follows:

| | <u>Governmental Activities</u> | <u>Sewer Utility Fund</u> | <u>Parking Fund</u> |
|--------------------------------|------------------------------------|---------------------------|---------------------|
| As originally stated | \$ 288,785,676 | \$ 101,868,328 | \$ 1,595,400 |
| Prepaid pension | (20,763,167) | | |
| Deferred outflows of resources | | | |
| Related to pensions | 3,112,335 | 359,178 | 1,917 |
| Net pension liability | <u>(16,479,451)</u> | <u>(1,902,334)</u> | <u>(10,151)</u> |
| As restated | <u>\$ 254,655,393</u> | <u>\$ 100,325,172</u> | <u>\$ 1,587,166</u> |

O. Subsequent events

In July 2015, the City executed a loan with the State of Oregon Department of Transportation (ODOT) for \$10,000,000 for road improvements. The city will have a matching obligation of \$3,000,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MEDFORD
 Required Supplementary Information
 Year Ended June 30, 2015

Schedule of Funding Progress - OPEB

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

| <u>Actuarial valuation date</u> | <u>Actuarial value of assets</u> | <u>Actuarial accrued liability</u> | <u>Unfunded actuarial accrued liability</u> | <u>Funded ratio</u> | <u>Covered payroll</u> | <u>Unfunded actuarial accrued liability as a percentage of covered payroll</u> |
|-------------------------------------|--------------------------------------|--|---|---------------------|------------------------|--|
| 6/30/2015 | \$ - | \$ 2,078,049 | \$ 2,078,049 | - | \$ 34,941,269 | N/A |

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

| | <u>2015</u> | <u>2014</u> |
|--|----------------|---------------|
| Proportion of the net pension liability (asset) | 0.360404 % | 0.360404 % |
| Proportionate share of the net pension liability (asset) | \$ (9,017,912) | \$ 20,302,391 |
| Covered payroll | \$ 32,381,717 | \$ 30,829,250 |
| Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll | (27.85)% | 65.85 % |
| Plan net position as a percentage of the total pension liability | 103.59 % | 92.00 % |

Schedule of Pension Contributions

*Oregon Public Employees Retirement System

| | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|
| Contractually required contribution | \$ 3,421,403 | \$ 3,315,068 |
| Contributions in relation to the contractually required contribution | <u>3,421,403</u> | <u>3,315,068</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll | \$ 32,381,717 | \$ 30,829,250 |
| Contributions as a percentage of covered employee payroll | 10.57 % | 10.75 % |

* The schedule is required to show information for 10 years. However, until a full 10-year trend is completed, the information presented is for those years for which information is available.

CITY OF MEDFORD

General Fund - 001

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

| | Biennium Budget | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|---------------------|---------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | Original | Final | | | | |
| Revenues: | | | | | | |
| Property taxes | \$ 62,807,000 | \$ 62,807,000 | \$ 30,759,799 | \$ 32,007,844 | \$ 62,767,643 | \$ (39,357) |
| Franchise taxes | 17,232,000 | 17,232,000 | 8,383,706 | 8,716,866 | 17,100,572 | (131,428) |
| Lodging taxes | 2,900,000 | 2,900,000 | 1,464,271 | 1,657,290 | 3,121,561 | 221,561 |
| Licenses, permits and fees | 1,350,000 | 1,350,000 | 655,321 | 656,318 | 1,311,639 | (38,361) |
| Intergovernmental | 7,485,150 | 10,223,150 | 3,716,008 | 6,261,941 | 9,977,949 | (245,201) |
| Charges for services | 2,707,300 | 2,824,740 | 1,422,519 | 1,596,905 | 3,019,424 | 194,684 |
| Fines and penalties | 3,078,000 | 3,078,000 | 1,348,188 | 1,294,691 | 2,642,879 | (435,121) |
| Investment earnings | 320,400 | 320,400 | 143,163 | 170,893 | 314,056 | (6,344) |
| Contributions and donations | - | - | - | - | - | - |
| Other revenue | 4,249,910 | 5,930,120 | 4,039,632 | 2,194,537 | 6,234,169 | 304,049 |
| Grants and contracts | 250,000 | 682,350 | 496,029 | 333,999 | 830,028 | 147,678 |
| Total revenues | 102,379,760 | 107,347,760 | 52,428,636 | 54,891,284 | 107,319,920 | (27,840) |
| Expenditures: | | | | | | |
| Mayor and council | 1,454,490 | 1,507,310 | 635,511 | 737,534 | 1,373,045 | 134,265 |
| Neighborhood resources | 89,700 | 78,700 | 32,092 | 25,566 | 57,658 | 21,042 |
| Municipal court | 2,350,490 | 2,390,390 | 1,107,029 | 1,102,398 | 2,209,427 | 180,963 |
| Police | 40,057,680 | 40,210,340 | 19,257,024 | 19,942,002 | 39,199,026 | 1,011,314 |
| Fire | 25,633,910 | 25,503,170 | 12,125,052 | 12,467,413 | 24,592,465 | 910,705 |
| Parks and recreation: | | | | | | |
| Parks and recreation | 8,670,770 | 8,693,770 | 4,109,593 | 4,248,800 | 8,358,393 | 335,377 |
| City tree program | 297,490 | 297,950 | 118,094 | 127,980 | 246,074 | 51,876 |
| Facilities maintenance | 5,281,880 | 11,389,060 | 3,340,080 | 4,929,976 | 8,270,056 | 3,119,004 |
| Parks special projects | 257,900 | 257,900 | 133,338 | 60,296 | 193,634 | 64,266 |
| Emergency management | 338,540 | 367,720 | 94,175 | 165,944 | 260,119 | 107,601 |
| Planning | 3,947,530 | 4,014,070 | 1,798,079 | 1,928,030 | 3,726,109 | 287,961 |
| Public works - engineering | 505,170 | 505,170 | 263,322 | 171,431 | 434,753 | 70,417 |
| City managers office | 2,211,130 | 2,271,130 | 974,365 | 1,189,799 | 2,164,164 | 106,966 |
| Technology services | 5,960,640 | 5,960,640 | 1,995,488 | 2,309,561 | 4,305,049 | 1,655,591 |
| Legal | 1,215,890 | 1,240,890 | 575,066 | 638,596 | 1,213,662 | 27,228 |
| Human resources | 1,106,280 | 1,285,280 | 626,511 | 610,011 | 1,236,522 | 48,758 |
| Finance | 4,524,300 | 3,794,300 | 1,356,347 | 1,488,044 | 2,844,391 | 949,909 |
| Building Safety | - | 150,300 | 56,287 | 90,140 | 146,427 | 3,873 |
| Contingency | 12,424,500 | 11,399,200 | - | - | - | 11,399,200 |
| Total expenditures | 116,328,290 | 121,317,290 | 48,597,453 | 52,233,521 | 100,830,974 | 20,486,316 |
| Excess revenues over (under) expenditures | <u>(13,948,530)</u> | <u>(13,969,530)</u> | <u>3,831,183</u> | <u>2,657,763</u> | <u>6,488,946</u> | <u>20,458,476</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | 5,499,800 | 5,736,800 | 2,709,308 | 2,790,300 | 5,499,608 | (237,192) |
| Transfers out | <u>(9,861,400)</u> | <u>(10,077,400)</u> | <u>(5,276,761)</u> | <u>(4,788,192)</u> | <u>(10,064,953)</u> | <u>12,447</u> |
| Total other financing sources (uses) | (4,361,600) | (4,340,600) | (2,567,453) | (1,997,892) | (4,565,345) | (224,745) |
| Net change in fund balance | (18,310,130) | (18,310,130) | 1,263,730 | 659,871 | 1,923,601 | 20,233,731 |
| Fund Balance: | | | | | | |
| Beginning | <u>21,817,390</u> | <u>21,817,390</u> | <u>19,916,180</u> | <u>21,179,910</u> | <u>19,916,180</u> | <u>(1,901,210)</u> |
| Ending | <u>\$ 3,507,260</u> | <u>\$ 3,507,260</u> | <u>\$ 21,179,910</u> | <u>\$ 21,839,781</u> | <u>\$ 21,839,781</u> | <u>\$ 17,672,650</u> |

CITY OF MEDFORD

Notes to Required Supplementary Information

June 30, 2015

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 | \$ 21,839,781 | \$ 659,871 |
| Balance due on interfund loan | 16,985,000 | - |
| Principal payments received budgeted in other revenue | - | (1,370,000) |
| Total net position - end of year | <u>\$ 38,824,781</u> | <u>\$ (710,129)</u> |

CITY OF MEDFORD
Public Safety Fund - 010
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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 | \$ 2,235,600 | \$ 3,839,940 | \$ 1,489,889 | \$ 2,023,773 | \$ 3,513,662 | \$ (326,278) |
| Investment earnings | 21,200 | 21,200 | 108,381 | 194,556 | 302,937 | 281,737 |
| Grants and contracts | - | - | - | 1,250 | 1,250 | 1,250 |
| Total revenues | <u>2,256,800</u> | <u>3,861,140</u> | <u>1,598,270</u> | <u>2,219,579</u> | <u>3,817,849</u> | <u>(43,291)</u> |
| Expenditures: | | | | | | |
| Police | 1,675,110 | 24,158,550 | 871,665 | 3,449,199 | 4,320,864 | 19,837,686 |
| Fire | 1,800,640 | 12,588,670 | 1,161,631 | 1,386,033 | 2,547,664 | 10,041,006 |
| Contingency | <u>142,340</u> | <u>142,340</u> | - | - | - | 142,340 |
| Total expenditures | <u>3,618,090</u> | <u>36,889,560</u> | <u>2,033,296</u> | <u>4,835,232</u> | <u>6,868,528</u> | <u>30,021,032</u> |
| Excess revenues over (under) expenditures | <u>(1,361,290)</u> | <u>33,028,420</u> | <u>(435,026)</u> | <u>(2,615,653)</u> | <u>(3,050,679)</u> | <u>29,977,741</u> |
| Other financing sources (uses): | | | | | | |
| Transfers out | (191,500) | (1,795,840) | (93,399) | (1,702,437) | (1,795,836) | 4 |
| Debt proceeds | <u>-</u> | <u>33,207,210</u> | <u>3,207,200</u> | <u>-</u> | <u>33,207,200</u> | <u>(10)</u> |
| Total other financing sources (uses) | <u>(191,500)</u> | <u>31,411,370</u> | <u>3,113,801</u> | <u>(1,702,437)</u> | <u>31,411,364</u> | <u>(6)</u> |
| Net change in fund balance | <u>(1,552,790)</u> | <u>(1,617,050)</u> | <u>2,678,775</u> | <u>(4,318,090)</u> | <u>28,360,685</u> | <u>29,977,735</u> |
| Fund Balance: | | | | | | |
| Beginning | <u>1,552,790</u> | <u>1,617,050</u> | <u>1,778,011</u> | <u>34,456,786</u> | <u>1,778,011</u> | <u>160,961</u> |
| Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,456,786</u> | <u>\$ 30,138,696</u> | <u>\$ 30,138,696</u> | <u>\$ 30,138,696</u> |

CITY OF MEDFORD
Street Utility Fund - 024
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | Biennium Budget | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|--------------------|--------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | Original | Final | | | | |
| Revenues: | | | | | | |
| Licenses, permits and fees | \$15,329,870 | \$15,620,560 | \$ 8,543,718 | \$ 8,563,413 | \$ 17,107,131 | \$ 1,486,571 |
| Intergovernmental | 12,000 | 12,000 | 14,179 | 16,313 | 30,492 | 18,492 |
| Charges for services | - | - | 11,007 | 3,869 | 14,876 | 14,876 |
| Investment earnings | 44,800 | 44,800 | 28,938 | 31,576 | 60,514 | 15,714 |
| Other | 50,000 | 50,000 | 28,964 | 31,510 | 60,474 | 10,474 |
| Grants and contracts | - | 500,000 | - | 750,000 | 750,000 | 250,000 |
| Total revenues | <u>15,436,670</u> | <u>16,227,360</u> | <u>8,626,806</u> | <u>9,396,681</u> | <u>18,023,487</u> | <u>1,796,127</u> |
| Expenditures: | | | | | | |
| Highways and streets | 16,145,140 | 16,897,990 | 7,123,444 | 7,996,217 | 15,119,661 | 1,778,329 |
| Contingency | 1,458,970 | 1,423,370 | - | - | - | 1,423,370 |
| Total expenditures | <u>17,604,110</u> | <u>18,321,360</u> | <u>7,123,444</u> | <u>7,996,217</u> | <u>15,119,661</u> | <u>3,201,699</u> |
| Excess revenues over (under) expenditures | <u>(2,167,440)</u> | <u>(2,094,000)</u> | <u>1,503,362</u> | <u>1,400,464</u> | <u>2,903,826</u> | <u>4,997,826</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | 174,000 | 247,440 | 142,618 | 92,424 | 235,042 | (12,398) |
| Transfers out | <u>(1,267,900)</u> | <u>(1,267,900)</u> | <u>(624,683)</u> | <u>(643,200)</u> | <u>(1,267,883)</u> | <u>17</u> |
| Total other financing sources (uses) | <u>(1,093,900)</u> | <u>(1,020,460)</u> | <u>(482,065)</u> | <u>(550,776)</u> | <u>(1,032,841)</u> | <u>(12,381)</u> |
| Net change in fund balance | (3,261,340) | (3,114,460) | 1,021,297 | 849,688 | 1,870,985 | 4,985,445 |
| Fund Balance: | | | | | | |
| Beginning | <u>3,803,690</u> | <u>3,803,690</u> | <u>4,378,333</u> | <u>5,399,630</u> | <u>4,378,333</u> | <u>574,643</u> |
| Ending | <u>\$ 542,350</u> | <u>\$ 689,230</u> | <u>\$ 5,399,630</u> | <u>\$ 6,249,318</u> | <u>\$ 6,249,318</u> | <u>\$ 5,560,088</u> |

OTHER SUPPLEMENTARY INFORMATION

CITY OF MEDFORD
MURA Debt Service Fund - 906
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|---------------------|---------------------|------------------------|---------------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 5,260,000 | \$ 5,260,000 | \$ 5,671,529 | \$ 411,529 |
| Investment earnings | <u>15,000</u> | <u>15,000</u> | <u>12,042</u> | <u>(2,958)</u> |
| Total revenues | <u>5,275,000</u> | <u>5,275,000</u> | <u>5,683,571</u> | <u>408,571</u> |
| Expenditures: | | | | |
| Debt service | <u>8,684,100</u> | <u>8,684,100</u> | <u>6,907,882</u> | <u>1,776,218</u> |
| Excess revenues over (under) expenditures | <u>(3,409,100)</u> | <u>(3,409,100)</u> | <u>(1,224,311)</u> | <u>2,184,789</u> |
| Net change in fund balance | (3,409,100) | (3,409,100) | (1,224,311) | 2,184,789 |
| Fund Balance: | | | | |
| Beginning | <u>5,486,200</u> | <u>5,486,200</u> | <u>5,517,450</u> | <u>(5,486,200)</u> |
| Ending | <u>\$ 2,077,100</u> | <u>\$ 2,077,100</u> | <u>\$ 4,293,139</u> | <u>\$ (3,301,411)</u> |
| Reconciliation to modified accrual basis: | | | | |
| Budgetary fund balance | | | 4,293,139 | |
| Balance due to General fund on interfund advance | | | <u>(16,985,000)</u> | |
| Total net position - end of year | | | <u>\$ (12,691,861)</u> | |

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF MEDFORD

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2015

| | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|---|----------------------------------|-------------------------------|----------------------------------|----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 28,748,824 | \$ 225,953 | \$ 5,844,876 | \$ 34,819,653 |
| Receivables | | | | |
| Accounts | 945,153 | - | 55,015 | 1,000,168 |
| Taxes | - | 44,036 | - | 44,036 |
| Loans | - | - | 169,963 | 169,963 |
| Restricted cash and cash equivalents | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>20,000</u> |
| Total assets | <u>\$ 29,713,977</u> | <u>\$ 269,989</u> | <u>\$ 6,069,854</u> | <u>\$ 36,053,820</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,287,964 | \$ - | \$ 1,599,415 | \$ 2,887,379 |
| Payroll and related accruals | 112,460 | - | 7,534 | 119,994 |
| Due to other funds | <u>14,378</u> | <u>-</u> | <u>-</u> | <u>14,378</u> |
| Total liabilities | <u>1,414,802</u> | <u>-</u> | <u>1,606,949</u> | <u>3,021,751</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue - property taxes | - | 37,955 | - | 37,955 |
| Unavailable revenue - notes receivable | <u>-</u> | <u>-</u> | <u>169,963</u> | <u>169,963</u> |
| Total deferred inflows of resources | <u>-</u> | <u>37,955</u> | <u>169,963</u> | <u>207,918</u> |
| Fund balances: | | | | |
| Restricted | | | | |
| Public safety | 1,368,286 | - | - | 1,368,286 |
| Highways and streets | 18,799,804 | - | 3,905,813 | 22,705,617 |
| Culture and recreation | 4,946,378 | - | 1,851 | 4,948,229 |
| Community development | 2,661,270 | - | 385,278 | 3,046,548 |
| Debt service | - | 232,034 | - | 232,034 |
| Committed for: | | | | |
| Culture and recreation | <u>523,437</u> | <u>-</u> | <u>-</u> | <u>523,437</u> |
| Total fund balances | <u>28,299,175</u> | <u>232,034</u> | <u>4,292,942</u> | <u>32,824,151</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 29,713,977</u> | <u>\$ 269,989</u> | <u>\$ 6,069,854</u> | <u>\$ 36,053,820</u> |

CITY OF MEDFORD

Nonmajor Governmental Funds

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

Year ended June 30, 2015

| | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|--|----------------------------------|-------------------------------|----------------------------------|----------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$ - | \$ 461,275 | \$ - | \$ 461,275 |
| Franchise and lodging | 1,657,288 | - | - | 1,657,288 |
| Fuel | 4,409,077 | - | - | 4,409,077 |
| Other | 1,089,142 | - | - | 1,089,142 |
| Charges for services | 173,155 | - | - | 173,155 |
| Intergovernmental | 133,312 | - | 996,573 | 1,129,885 |
| Licenses, permits and fees | 3,149,169 | - | - | 3,149,169 |
| Investment earnings | 162,678 | 2,429 | 69,336 | 234,443 |
| Grants and contributions | 1,328,108 | - | 165,525 | 1,493,633 |
| Loan repayment | - | - | 15,800 | 15,800 |
| Other revenue | 124,353 | - | 76,617 | 200,970 |
| Contributions and donations | <u>2,824,164</u> | <u>-</u> | <u>-</u> | <u>2,824,164</u> |
| Total revenues | <u>15,050,446</u> | <u>463,704</u> | <u>1,323,851</u> | <u>16,838,001</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 126,673 | - | - | 126,673 |
| Highways and streets | 1,793,858 | - | 297,609 | 2,091,467 |
| Culture and recreation | 365,090 | - | - | 365,090 |
| Community development | 2,615,159 | - | 9,693 | 2,624,852 |
| Debt service: | | | | |
| Principal | - | 3,671,000 | - | 3,671,000 |
| Interest | - | 5,003,789 | - | 5,003,789 |
| Capital outlay | <u>5,635,220</u> | <u>-</u> | <u>4,494,314</u> | <u>10,129,534</u> |
| Total expenditures | <u>10,536,000</u> | <u>8,674,789</u> | <u>4,801,616</u> | <u>24,012,405</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>4,514,446</u> | <u>(8,211,085)</u> | <u>(3,477,765)</u> | <u>(7,174,404)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 892,667 | 8,250,500 | - | 9,143,167 |
| Transfers out | <u>(3,758,362)</u> | <u>-</u> | <u>(33,100)</u> | <u>(3,791,462)</u> |
| Total other financing source (uses) | <u>(2,865,695)</u> | <u>8,250,500</u> | <u>(33,100)</u> | <u>5,351,705</u> |
| Net change in fund balances | 1,648,751 | 39,415 | (3,510,865) | (1,822,699) |
| Beginning fund balances | <u>26,650,424</u> | <u>192,619</u> | <u>7,803,807</u> | <u>34,646,850</u> |
| Ending fund balances | <u>\$ 28,299,175</u> | <u>\$ 232,034</u> | <u>\$ 4,292,942</u> | <u>\$ 32,824,151</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:

- Gas Tax Fund – 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.
- Park Dedication Fund - Accounts for specified revenues from 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.
- Street System Development Charges (SDC) Fund - Accounts for the street development fees to expend on street improvements and maintenance.
- 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.
- Police Grant Fund - Accounts for grant funds to be expended on local law enforcement.
- 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.
- 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.

CITY OF MEDFORD

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2015

| | <u>Gas Tax Fund - 013</u> | <u>Park Dedication Fund - 015</u> | <u>Cemetery Fund - 016</u> | <u>Building Safety Fund - 019</u> | <u>Street SDC Fund - 021</u> | <u>State Forfeitures Fund - 026</u> | <u>Federal Forfeitures Fund -027</u> |
|---|-------------------------------|---|--------------------------------|---|----------------------------------|---|--|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 10,701,015 | \$ 4,734,120 | \$ 17,259 | \$ 2,968,466 | \$ 8,297,339 | \$ 370,672 | \$ 1,105,631 |
| Receivables | | | | | | | |
| Accounts | 447,199 | 244,046 | - | - | 11,757 | - | - |
| Restricted cash and cash equivalents | - | - | 20,000 | - | - | - | - |
| Total assets | <u>\$ 11,148,214</u> | <u>\$ 4,978,166</u> | <u>\$ 37,259</u> | <u>\$ 2,968,466</u> | <u>\$ 8,309,096</u> | <u>\$ 370,672</u> | <u>\$ 1,105,631</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 542,903 | \$ 47,934 | \$ 3,740 | \$ 272,687 | \$ 45,176 | \$ 144,280 | \$ - |
| Payroll and related accruals | 57,114 | 4,055 | - | 34,509 | 12,313 | - | - |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | <u>600,017</u> | <u>51,989</u> | <u>3,740</u> | <u>307,196</u> | <u>57,489</u> | <u>144,280</u> | <u>-</u> |
| Deferred inflows of resources: | | | | | | | |
| Fund balances: | | | | | | | |
| Restricted | | | | | | | |
| Public safety | - | - | - | - | - | 226,392 | 1,105,631 |
| Highways and streets | 10,548,197 | - | - | - | 8,251,607 | - | - |
| Culture and recreation | - | 4,926,177 | - | - | - | - | - |
| Community development | - | - | - | 2,661,270 | - | - | - |
| Committed to: | | | | | | | |
| Culture and recreation | - | - | 33,519 | - | - | - | - |
| Total fund balances | <u>10,548,197</u> | <u>4,926,177</u> | <u>33,519</u> | <u>2,661,270</u> | <u>8,251,607</u> | <u>226,392</u> | <u>1,105,631</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 11,148,214</u> | <u>\$ 4,978,166</u> | <u>\$ 37,259</u> | <u>\$ 2,968,466</u> | <u>\$ 8,309,096</u> | <u>\$ 370,672</u> | <u>\$ 1,105,631</u> |

| Community Promotions Fund - 030 | Community Development Block Grant Fund - 037 | Police Grant Fund - 039 | Veteran's Park Fund - 091 | Community Park Reserve Fund - 092 | Bear Creek Reconstruction Fund - 094 | Bear Creek Maintenance Fund - 095 | Parks Utility Fund - 098 | Total |
|---------------------------------|--|-------------------------|---------------------------|-----------------------------------|--------------------------------------|-----------------------------------|--------------------------|----------------------|
| \$ 61,998 | \$ - | \$ 45,981 | \$ 7,638 | \$ 122,241 | \$ 12,563 | \$ 36,849 | \$ 267,052 | \$ 28,748,824 |
| 108,034 | 52,047 | - | - | - | - | - | 82,070 | 945,153 |
| - | - | - | - | - | - | - | - | 20,000 |
| <u>\$ 170,032</u> | <u>\$ 52,047</u> | <u>\$ 45,981</u> | <u>\$ 7,638</u> | <u>\$ 122,241</u> | <u>\$ 12,563</u> | <u>\$ 36,849</u> | <u>\$ 349,122</u> | <u>\$ 29,713,977</u> |
| \$ 170,032 | \$ 35,776 | \$ 9,718 | \$ - | \$ - | \$ - | \$ - | \$ 15,718 | \$ 1,287,964 |
| - | 1,893 | - | - | - | - | - | 2,576 | 112,460 |
| - | <u>14,378</u> | - | - | - | - | - | - | <u>14,378</u> |
| <u>170,032</u> | <u>52,047</u> | <u>9,718</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,294</u> | <u>1,414,802</u> |
| - | - | 36,263 | - | - | - | - | - | 1,368,286 |
| - | - | - | - | - | - | - | - | 18,799,804 |
| - | - | - | 7,638 | - | 12,563 | - | - | 4,946,378 |
| - | - | - | - | - | - | - | - | 2,661,270 |
| - | - | - | - | <u>122,241</u> | - | <u>36,849</u> | <u>330,828</u> | <u>523,437</u> |
| - | - | <u>36,263</u> | <u>7,638</u> | <u>122,241</u> | <u>12,563</u> | <u>36,849</u> | <u>330,828</u> | <u>28,299,175</u> |
| <u>\$ 170,032</u> | <u>\$ 52,047</u> | <u>\$ 45,981</u> | <u>\$ 7,638</u> | <u>\$ 122,241</u> | <u>\$ 12,563</u> | <u>\$ 36,849</u> | <u>\$ 349,122</u> | <u>\$ 29,713,977</u> |

CITY OF MEDFORD

Nonmajor Special Revenue Funds

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

Year ended June 30, 2015

| | <u>Gas Tax</u> <u>Fund - 013</u> | <u>Park</u> <u>Dedication</u> <u>Fund - 015</u> | <u>Cemetery</u> <u>Fund - 016</u> | <u>Building</u> <u>Safety</u> <u>Fund - 019</u> | <u>Street SDC</u> <u>Fund - 021</u> | <u>State</u> <u>Forfeitures</u> <u>Fund - 026</u> | <u>Federal</u> <u>Forfeitures</u> <u>Fund -027</u> |
|---|-------------------------------------|---|--------------------------------------|---|--|---|--|
| REVENUES | | | | | | | |
| Taxes | | | | | | | |
| Franchise and lodging | \$ - | \$ 828,645 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fuel | 4,409,077 | - | - | - | - | - | - |
| Other | - | 1,085,049 | - | - | 4,093 | - | - |
| Other services | 131,900 | 22,100 | - | - | - | - | - |
| Intergovernmental | - | - | - | 3,675 | 129,637 | - | - |
| Licenses, permits and fees | - | - | - | 1,854,327 | - | - | - |
| Investment earnings | 54,350 | 33,595 | 230 | 13,240 | 46,956 | 4,537 | 4,853 |
| Grants and contributions | 90,464 | 12,970 | - | - | 20,980 | - | 473,623 |
| Other revenue | 7 | 94 | 2,751 | 21,689 | 17,385 | 70,427 | 12,000 |
| Capital contributions and donations | - | 1,035,203 | - | - | 1,788,961 | - | - |
| Total revenues | <u>4,685,798</u> | <u>3,017,656</u> | <u>2,981</u> | <u>1,892,931</u> | <u>2,008,012</u> | <u>74,964</u> | <u>490,476</u> |
| EXPENDITURES | | | | | | | |
| Current | | | | | | | |
| Public safety | - | - | - | - | - | 1,368 | 124,716 |
| Highways and streets | 1,521,040 | - | - | - | 272,818 | - | - |
| Culture and recreation | - | 122,491 | 4,580 | - | - | - | - |
| Community development | - | - | - | 1,102,576 | - | - | - |
| Capital outlay | 163,491 | 4,806,788 | 3,049 | - | 467,528 | - | - |
| Total expenditures | <u>1,684,531</u> | <u>4,929,279</u> | <u>7,629</u> | <u>1,102,576</u> | <u>740,346</u> | <u>1,368</u> | <u>124,716</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,001,267</u> | <u>(1,911,623)</u> | <u>(4,648)</u> | <u>790,355</u> | <u>1,267,666</u> | <u>73,596</u> | <u>365,760</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | - | - | - | - | 152,796 | 739,871 |
| Transfers out | <u>(184,900)</u> | <u>(1,222,995)</u> | <u>-</u> | <u>(269,300)</u> | <u>(26,200)</u> | <u>-</u> | <u>-</u> |
| Total other financing source (uses) | <u>(184,900)</u> | <u>(1,222,995)</u> | <u>-</u> | <u>(269,300)</u> | <u>(26,200)</u> | <u>152,796</u> | <u>739,871</u> |
| Net change in fund balances | 2,816,367 | (3,134,618) | (4,648) | 521,055 | 1,241,466 | 226,392 | 1,105,631 |
| Beginning fund balances | <u>7,731,830</u> | <u>8,060,795</u> | <u>38,167</u> | <u>2,140,215</u> | <u>7,010,141</u> | <u>-</u> | <u>-</u> |
| Ending fund balances | <u>\$ 10,548,197</u> | <u>\$ 4,926,177</u> | <u>\$ 33,519</u> | <u>\$ 2,661,270</u> | <u>\$ 8,251,607</u> | <u>\$ 226,392</u> | <u>\$ 1,105,631</u> |

| <u>Community Promotions Fund - 030</u> | <u>Community Development Block Grant Fund - 037</u> | <u>Police Grant Fund - 039</u> | <u>Veteran's Park Fund - 091</u> | <u>Community Park Reserve Fund - 092</u> | <u>Bear Creek Reconstruction Fund - 094</u> | <u>Bear Creek Maintenance Fund - 095</u> | <u>Parks Utility Fund - 098</u> | <u>Total</u> |
|--|---|--------------------------------|----------------------------------|--|---|--|---------------------------------|----------------------|
| \$ 828,643 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,657,288 |
| - | - | - | - | - | - | - | - | 4,409,077 |
| - | - | - | - | - | - | - | - | 1,089,142 |
| - | - | - | - | 19,155 | - | - | - | 173,155 |
| - | - | - | - | - | - | - | - | 133,312 |
| - | - | - | - | - | - | - | 1,294,842 | 3,149,169 |
| - | - | 785 | 45 | 666 | 74 | 218 | 3,129 | 162,678 |
| - | 729,640 | 431 | - | - | - | - | - | 1,328,108 |
| - | - | - | - | - | - | - | - | 124,353 |
| - | - | - | - | - | - | - | - | 2,824,164 |
| <u>828,643</u> | <u>729,640</u> | <u>1,216</u> | <u>45</u> | <u>19,821</u> | <u>74</u> | <u>218</u> | <u>1,297,971</u> | <u>15,050,446</u> |
| - | - | 589 | - | - | - | - | - | 126,673 |
| - | - | - | - | - | - | - | - | 1,793,858 |
| - | - | - | - | - | - | 51 | 237,968 | 365,090 |
| 828,643 | 683,940 | - | - | - | - | - | - | 2,615,159 |
| - | - | 194,364 | - | - | - | - | - | 5,635,220 |
| <u>828,643</u> | <u>683,940</u> | <u>194,953</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>51</u> | <u>237,968</u> | <u>10,536,000</u> |
| - | 45,700 | (193,737) | 45 | 19,821 | 74 | 167 | 1,060,003 | 4,514,446 |
| - | - | - | - | - | - | - | - | 892,667 |
| - | (45,700) | (892,667) | - | - | - | - | (1,116,600) | (3,758,362) |
| - | (45,700) | (892,667) | - | - | - | - | (1,116,600) | (2,865,695) |
| - | - | (1,086,404) | 45 | 19,821 | 74 | 167 | (56,597) | 1,648,751 |
| - | - | 1,122,667 | 7,593 | 102,420 | 12,489 | 36,682 | 387,425 | 26,650,424 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 36,263</u> | <u>\$ 7,638</u> | <u>\$ 122,241</u> | <u>\$ 12,563</u> | <u>\$ 36,849</u> | <u>\$ 330,828</u> | <u>\$ 28,299,175</u> |

CITY OF MEDFORD
Gas Tax Fund - 013
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|---------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| State gas tax | \$ 8,823,000 | \$ 8,823,000 | \$ 4,328,786 | \$ 4,409,077 | \$ 8,737,863 | \$ (85,137) |
| Charges for services | 50,000 | 50,000 | 180,674 | 131,900 | 312,574 | 262,574 |
| Investment earnings | 38,000 | 38,000 | 36,867 | 54,350 | 91,217 | 53,217 |
| Other revenue | - | - | 4,893 | 7 | 4,900 | 4,900 |
| Grants and contracts | - | - | 319,566 | 90,464 | 410,030 | 410,030 |
| Total revenues | <u>8,911,000</u> | <u>8,911,000</u> | <u>4,870,786</u> | <u>4,685,798</u> | <u>9,556,584</u> | <u>645,584</u> |
| Expenditures: | | | | | | |
| Street maintenance and construction | 11,670,790 | 11,670,790 | 1,792,324 | 1,684,531 | 3,476,855 | 8,193,935 |
| Contingency | 472,400 | 472,400 | - | - | - | 472,400 |
| Total expenditures | <u>12,143,190</u> | <u>12,143,190</u> | <u>1,792,324</u> | <u>1,684,531</u> | <u>3,476,855</u> | <u>8,666,335</u> |
| Excess revenues over (under) expenditures | (3,232,190) | (3,232,190) | 3,078,462 | 3,001,267 | 6,079,729 | 9,311,919 |
| Other financing sources (uses): | | | | | | |
| Transfers out | (1,202,640) | (1,202,640) | (1,017,736) | (184,900) | (1,202,636) | 4 |
| Net change in fund balances | (4,434,830) | (4,434,830) | 2,060,726 | 2,816,367 | 4,877,093 | 9,311,923 |
| Fund Balance: | | | | | | |
| Beginning | <u>5,568,100</u> | <u>5,568,100</u> | <u>5,671,104</u> | <u>7,731,830</u> | <u>5,671,104</u> | <u>103,004</u> |
| Ending | <u>\$ 1,133,270</u> | <u>\$ 1,133,270</u> | <u>\$ 7,731,830</u> | <u>\$ 10,548,197</u> | <u>\$ 10,548,197</u> | <u>\$ 9,414,927</u> |

CITY OF MEDFORD
Park Dedication Fund - 015
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|--------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Lodging taxes | \$ 1,450,000 | \$ 1,450,000 | \$ 732,136 | \$ 828,645 | \$ 1,560,781 | \$ 110,781 |
| Other taxes | 600,000 | 1,078,060 | 702,932 | 1,085,049 | 1,787,981 | 709,921 |
| Charges for services | 205,000 | 205,000 | 112,500 | 22,100 | 134,600 | (70,400) |
| Investment earnings | 17,800 | 17,800 | 30,993 | 33,595 | 64,588 | 46,788 |
| Contributions and donations | 1,120,000 | 1,124,420 | 1,177,600 | 1,035,203 | 2,212,803 | 1,088,383 |
| Other revenue | - | - | 1,533 | 94 | 1,627 | 1,627 |
| Grants and contracts | - | 10,000 | 3,640 | 12,970 | 16,610 | 6,610 |
| Total revenues | <u>3,392,800</u> | <u>3,885,280</u> | <u>2,761,334</u> | <u>3,017,656</u> | <u>5,778,990</u> | <u>1,893,710</u> |
| Expenditures: | | | | | | |
| Park development | 8,264,560 | 9,191,910 | 2,361,506 | 4,929,279 | 7,290,785 | 1,901,125 |
| Contingency | 283,100 | 283,100 | - | - | - | 283,100 |
| Total expenditures | <u>8,547,660</u> | <u>9,475,010</u> | <u>2,361,506</u> | <u>4,929,279</u> | <u>7,290,785</u> | <u>2,184,225</u> |
| Excess revenues over (under) expenditures | <u>(5,154,860)</u> | <u>(5,589,730)</u> | <u>399,828</u> | <u>(1,911,623)</u> | <u>(1,511,795)</u> | <u>4,077,935</u> |
| Other financing sources (uses): | | | | | | |
| Transfers out | (1,491,300) | (2,206,360) | (746,308) | (1,222,995) | (1,969,303) | 237,057 |
| Debt proceeds | 6,000,000 | 6,384,950 | 6,384,943 | - | 6,384,943 | (7) |
| Sale of capital assets | 100,000 | 100,000 | - | - | - | (100,000) |
| Net change in fund balances | (546,160) | (1,311,140) | 6,038,463 | (3,134,618) | 2,903,845 | 4,214,985 |
| Fund Balance: | | | | | | |
| Beginning | <u>1,257,350</u> | <u>2,022,330</u> | <u>2,022,332</u> | <u>8,060,795</u> | <u>2,022,332</u> | <u>2</u> |
| Ending | <u>\$ 711,190</u> | <u>\$ 711,190</u> | <u>\$ 8,060,795</u> | <u>\$ 4,926,177</u> | <u>\$ 4,926,177</u> | <u>\$ 4,214,987</u> |

CITY OF MEDFORD
Cemetery Fund - 016
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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 | \$ 800 | \$ 800 | \$ 215 | \$ 230 | \$ 445 | \$ (355) |
| Other revenue | 8,000 | 8,000 | 6,325 | 2,751 | 9,076 | 1,076 |
| Grants and contracts | 400 | 400 | - | - | - | (400) |
| Total revenues | <u>9,200</u> | <u>9,200</u> | <u>6,540</u> | <u>2,981</u> | <u>9,521</u> | <u>321</u> |
| Expenditures: | | | | | | |
| Parks and recreations: | | | | | | |
| Parks special projects | 21,000 | 21,000 | 5,706 | 7,629 | 13,335 | 7,665 |
| Contingency | <u>2,000</u> | <u>2,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,000</u> |
| Total expenditures | <u>23,000</u> | <u>23,000</u> | <u>5,706</u> | <u>7,629</u> | <u>13,335</u> | <u>9,665</u> |
| Net change in fund balance | (13,800) | (13,800) | 834 | (4,648) | (3,814) | 9,986 |
| Fund Balance: | | | | | | |
| Beginning | <u>34,520</u> | <u>34,520</u> | <u>37,333</u> | <u>38,167</u> | <u>37,333</u> | <u>2,813</u> |
| Ending | <u>\$ 20,720</u> | <u>\$ 20,720</u> | <u>\$ 38,167</u> | <u>\$ 33,519</u> | <u>\$ 33,519</u> | <u>\$ 12,799</u> |

CITY OF MEDFORD
 Building Safety Fund - 019
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|---------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Licenses, permits and fees | \$ 2,360,000 | \$ 2,360,000 | \$ 1,556,306 | \$ 1,854,327 | \$ 3,410,633 | \$ 1,050,633 |
| Intergovernmental | 8,800 | 8,800 | 9,915 | 3,675 | 13,590 | 4,790 |
| Investment earnings | 23,600 | 23,600 | 11,111 | 13,240 | 24,351 | 751 |
| Other revenue | <u>3,200</u> | <u>3,200</u> | <u>48,653</u> | <u>21,689</u> | <u>70,342</u> | <u>67,142</u> |
| Total revenues | <u>2,395,600</u> | <u>2,395,600</u> | <u>1,625,985</u> | <u>1,892,931</u> | <u>3,518,916</u> | <u>1,123,316</u> |
| Expenditures: | | | | | | |
| Building safety | 2,272,060 | 2,272,060 | 988,748 | 1,102,576 | 2,091,324 | 180,736 |
| Contingency | <u>284,000</u> | <u>284,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>284,000</u> |
| Total expenditures | <u>2,556,060</u> | <u>2,556,060</u> | <u>988,748</u> | <u>1,102,576</u> | <u>2,091,324</u> | <u>464,736</u> |
| Excess revenues over (under) expenditures | (160,460) | (160,460) | 637,237 | 790,355 | 1,427,592 | 1,588,052 |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(535,000)</u> | <u>(535,000)</u> | <u>(265,689)</u> | <u>(269,300)</u> | <u>(534,989)</u> | <u>11</u> |
| Net change in fund balance | (695,460) | (695,460) | 371,548 | 521,055 | 892,603 | 1,588,063 |
| Fund Balance: | | | | | | |
| Beginning | <u>1,699,840</u> | <u>1,699,840</u> | <u>1,768,668</u> | <u>2,140,215</u> | <u>1,768,668</u> | <u>68,828</u> |
| Ending | <u>\$ 1,004,380</u> | <u>\$ 1,004,380</u> | <u>\$ 2,140,216</u> | <u>\$ 2,661,270</u> | <u>\$ 2,661,271</u> | <u>\$ 1,656,891</u> |

CITY OF MEDFORD
Street SDC Fund - 021
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|-------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Special assessments | \$ - | \$ - | \$ - | \$ 4,093 | \$ 4,093 | \$ 4,093 |
| Intergovernmental | - | - | - | 129,637 | 129,637 | 129,637 |
| Investment earnings | 88,800 | 88,800 | 37,224 | 46,956 | 84,180 | (4,620) |
| Contributions and donations | 5,828,000 | 5,828,000 | 2,115,402 | 1,788,961 | 3,904,363 | (1,923,637) |
| Other revenue | - | - | 4,320 | 17,385 | 21,705 | 21,705 |
| Grants and contracts | - | - | - | 20,980 | 20,980 | 20,980 |
| Total revenues | <u>5,916,800</u> | <u>5,916,800</u> | <u>2,156,946</u> | <u>2,008,012</u> | <u>4,164,958</u> | <u>(1,751,842)</u> |
| Expenditures: | | | | | | |
| Street development | 11,530,040 | 11,530,040 | 2,219,587 | 740,346 | 2,959,933 | 8,570,107 |
| Contingency | <u>500,000</u> | <u>500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>500,000</u> |
| Total expenditures | <u>12,030,040</u> | <u>12,030,040</u> | <u>2,219,587</u> | <u>740,346</u> | <u>2,959,933</u> | <u>9,070,107</u> |
| Excess revenues over (under) expenditures | (6,113,240) | (6,113,240) | (62,641) | 1,267,666 | 1,205,025 | 7,318,265 |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(45,900)</u> | <u>(45,900)</u> | <u>(19,700)</u> | <u>(26,200)</u> | <u>(45,900)</u> | <u>-</u> |
| Net change in fund balance | (6,159,140) | (6,159,140) | (82,341) | 1,241,466 | 1,159,125 | 7,318,265 |
| Fund Balance: | | | | | | |
| Beginning | <u>6,328,480</u> | <u>6,328,480</u> | <u>7,092,482</u> | <u>7,010,141</u> | <u>7,092,482</u> | <u>764,002</u> |
| Ending | <u>\$ 169,340</u> | <u>\$ 169,340</u> | <u>\$ 7,010,141</u> | <u>\$ 8,251,607</u> | <u>\$ 8,251,607</u> | <u>\$ 8,082,267</u> |

CITY OF MEDFORD
State Forfeitures Fund - 026
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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 | \$ - | \$ - | \$ - | \$ 4,537 | \$ 4,537 | \$ 4,537 |
| Other revenue | - | - | - | 70,427 | 70,427 | 70,427 |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>74,964</u> | <u>74,964</u> | <u>74,964</u> |
| Expenditures: | | | | | | |
| Police | - | 2,000 | - | 1,368 | 1,368 | 632 |
| Contingency | - | 98,000 | - | - | - | 98,000 |
| Total expenditures | <u>-</u> | <u>100,000</u> | <u>-</u> | <u>1,368</u> | <u>1,368</u> | <u>98,632</u> |
| Excess revenues over (under) expenditures | - | (100,000) | - | 73,596 | 73,596 | 173,596 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | 293,940 | - | 152,796 | 152,796 | (141,144) |
| Net change in fund balance | - | 193,940 | - | 226,392 | 226,392 | 32,452 |
| Fund Balance: | | | | | | |
| Beginning | - | - | - | - | - | - |
| Ending | <u>\$ -</u> | <u>\$ 193,940</u> | <u>\$ -</u> | <u>\$ 226,392</u> | <u>\$ 226,392</u> | <u>\$ 32,452</u> |

CITY OF MEDFORD
Federal Forfeitures Fund -027
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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 | \$ - | \$ - | \$ - | \$ 4,853 | \$ 4,853 | \$ 4,853 |
| Other revenue | - | 12,700 | - | 12,000 | 12,000 | (700) |
| Grants and contracts | - | - | - | 473,623 | 473,623 | 473,623 |
| Total revenues | - | 12,700 | - | 490,476 | 490,476 | 477,776 |
| Expenditures: | | | | | | |
| Police | - | 132,700 | - | 124,716 | 124,716 | 7,984 |
| Excess revenues over (under) expenditures | - | (120,000) | - | 365,760 | 365,760 | 485,760 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | 739,880 | - | 739,871 | 739,871 | (9) |
| Net change in fund balance | - | 619,880 | - | 1,105,631 | 1,105,631 | 485,751 |
| Fund Balance: | | | | | | |
| Beginning | - | - | - | - | - | - |
| Ending | \$ - | \$ 619,880 | \$ - | \$ 1,105,631 | \$ 1,105,631 | \$ 485,751 |

CITY OF MEDFORD
 Community Promotions Fund - 030
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

| | <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 | \$ 1,450,000 | \$ 1,650,000 | \$ 732,133 | \$ 828,643 | \$ 1,560,776 | \$ (89,224) |
| Expenditures: | | | | | | |
| Community promotion | <u>1,450,000</u> | <u>1,650,000</u> | <u>732,133</u> | <u>828,643</u> | <u>1,560,776</u> | <u>89,224</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 - 037
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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 | \$ 1,597,990 | \$ 1,844,990 | \$ 898,971 | \$ 729,640 | \$ 1,628,611 | \$ (216,379) |
| Expenditures: | | | | | | |
| Community development | <u>1,508,090</u> | <u>1,755,090</u> | <u>854,808</u> | <u>683,940</u> | <u>1,538,748</u> | <u>216,342</u> |
| Excess revenues over (under) expenditures | 89,900 | 89,900 | 44,163 | 45,700 | 89,863 | (37) |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(89,900)</u> | <u>(89,900)</u> | <u>(44,163)</u> | <u>(45,700)</u> | <u>(89,863)</u> | <u>37</u> |
| Net change in fund balances | - | - | - | - | - | - |
| 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
Police Grant Fund - 039
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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 | \$ 2,600 | \$ 6,860 | \$ 6,211 | \$ 785 | \$ 6,996 | \$ 136 |
| Other revenue | - | 28,680 | 28,685 | - | 28,685 | 5 |
| Grants and contracts | - | 339,980 | 339,553 | 431 | 339,984 | 4 |
| Total revenues | <u>2,600</u> | <u>375,520</u> | <u>374,449</u> | <u>1,216</u> | <u>375,665</u> | <u>145</u> |
| Expenditures: | | | | | | |
| Police | 516,000 | 458,530 | 227,935 | 194,953 | 422,888 | 35,642 |
| Contingency | 100,000 | - | - | - | - | - |
| Total expenditures | <u>616,000</u> | <u>458,530</u> | <u>227,935</u> | <u>194,953</u> | <u>422,888</u> | <u>35,642</u> |
| Excess revenues over (under) expenditures | <u>(613,400)</u> | <u>(83,010)</u> | <u>146,514</u> | <u>(193,737)</u> | <u>(47,223)</u> | <u>35,787</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | 376,270 | 376,270 | 376,269 | - | 376,269 | (1) |
| Transfers out | - | (892,680) | - | (892,667) | (892,667) | 13 |
| Total other financing sources (uses) | <u>376,270</u> | <u>(516,410)</u> | <u>376,269</u> | <u>(892,667)</u> | <u>(516,398)</u> | <u>12</u> |
| Net change in fund balance | (237,130) | (599,420) | 522,783 | (1,086,404) | (563,621) | 35,799 |
| Fund Balance: | | | | | | |
| Beginning | <u>324,780</u> | <u>599,880</u> | <u>599,884</u> | <u>1,122,667</u> | <u>599,884</u> | <u>4</u> |
| Ending | <u>\$ 87,650</u> | <u>\$ 460</u> | <u>\$ 1,122,667</u> | <u>\$ 36,263</u> | <u>\$ 36,263</u> | <u>\$ 35,803</u> |

CITY OF MEDFORD
 Veteran's Park Fund - 091
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

| | <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 | \$ - | \$ - | \$ 42 | \$ 45 | \$ 87 | \$ 87 |
| 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) | 42 | 45 | 87 | 1,087 |
| Fund Balance: | | | | | | |
| Beginning | <u>7,920</u> | <u>7,920</u> | <u>7,551</u> | <u>7,593</u> | <u>7,551</u> | <u>(369)</u> |
| Ending | <u>\$ 6,920</u> | <u>\$ 6,920</u> | <u>\$ 7,593</u> | <u>\$ 7,638</u> | <u>\$ 7,638</u> | <u>\$ 718</u> |

CITY OF MEDFORD
Community Park Reserve Fund - 092
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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: | | | | | | |
| Charges for services | \$ 30,000 | \$ 30,000 | \$ 17,625 | \$ 19,155 | \$ 36,780 | \$ 6,780 |
| Investment earnings | <u>800</u> | <u>800</u> | <u>507</u> | <u>666</u> | <u>1,173</u> | <u>373</u> |
| Total revenues | <u>30,800</u> | <u>30,800</u> | <u>18,132</u> | <u>19,821</u> | <u>37,953</u> | <u>7,153</u> |
| Expenditures: | | | | | | |
| Net change in fund balance | 30,800 | 30,800 | 18,132 | 19,821 | 37,953 | 7,153 |
| Fund Balance: | | | | | | |
| Beginning | <u>86,210</u> | <u>86,210</u> | <u>84,288</u> | <u>102,420</u> | <u>84,288</u> | <u>(1,922)</u> |
| Ending | <u>\$ 117,010</u> | <u>\$ 117,010</u> | <u>\$ 102,420</u> | <u>\$ 122,241</u> | <u>\$ 122,241</u> | <u>\$ 5,231</u> |

CITY OF MEDFORD
 Bear Creek Reconstruction Fund - 094
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

| | <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 | \$ - | \$ - | \$ 69 | \$ 74 | \$ 143 | \$ 143 |
| Expenditures: | | | | | | |
| Net change in fund balance | - | - | 69 | 74 | 143 | 143 |
| Fund Balance: | | | | | | |
| Beginning | <u>12,440</u> | <u>12,440</u> | <u>12,420</u> | <u>12,489</u> | <u>12,420</u> | <u>(20)</u> |
| Ending | <u>\$ 12,440</u> | <u>\$ 12,440</u> | <u>\$ 12,489</u> | <u>\$ 12,563</u> | <u>\$ 12,563</u> | <u>\$ 123</u> |

CITY OF MEDFORD
 Bear Creek Maintenance Fund - 095
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

| | <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 | \$ 800 | \$ 800 | \$ 202 | \$ 218 | \$ 420 | \$ (380) |
| Contributions and donations | - | 310 | 305 | - | 305 | (5) |
| Total revenues | <u>800</u> | <u>1,110</u> | <u>507</u> | <u>218</u> | <u>725</u> | <u>(385)</u> |
| Expenditures: | | | | | | |
| Park maintenance | 4,000 | 4,310 | - | 52 | 52 | 4,258 |
| Contingency | <u>1,000</u> | <u>1,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,000</u> |
| Total expenditures | <u>5,000</u> | <u>5,310</u> | <u>-</u> | <u>52</u> | <u>52</u> | <u>5,258</u> |
| Net change in fund balance | (4,200) | (4,200) | 507 | 166 | 673 | 4,873 |
| Fund Balance: | | | | | | |
| Beginning | <u>35,560</u> | <u>35,560</u> | <u>36,176</u> | <u>36,683</u> | <u>36,176</u> | <u>616</u> |
| Ending | <u>\$ 31,360</u> | <u>\$ 31,360</u> | <u>\$ 36,683</u> | <u>\$ 36,849</u> | <u>\$ 36,849</u> | <u>\$ 5,489</u> |

CITY OF MEDFORD
Parks Utility Fund - 098
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|--------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Licenses, permits and fees | \$ 2,523,300 | \$ 2,523,300 | \$ 1,280,623 | \$ 1,294,842 | \$ 2,575,465 | \$ 52,165 |
| Investment earnings | <u>6,000</u> | <u>6,000</u> | <u>3,722</u> | <u>3,129</u> | <u>6,851</u> | <u>851</u> |
| Total revenues | <u>2,529,300</u> | <u>2,529,300</u> | <u>1,284,345</u> | <u>1,297,971</u> | <u>2,582,316</u> | <u>53,016</u> |
| Expenditures: | | | | | | |
| | - | - | - | - | - | - |
| Park maintenance | 329,620 | 428,250 | 117,771 | 237,968 | 355,739 | 72,511 |
| Contingency | <u>41,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>370,820</u> | <u>428,250</u> | <u>117,771</u> | <u>237,968</u> | <u>355,739</u> | <u>72,511</u> |
| Excess revenues over (under) expenditures | 2,158,480 | 2,101,050 | 1,166,574 | 1,060,003 | 2,226,577 | 125,527 |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(2,232,400)</u> | <u>(2,232,400)</u> | <u>(1,115,785)</u> | <u>(1,116,600)</u> | <u>(2,232,385)</u> | <u>15</u> |
| Net change in fund balance | (73,920) | (131,350) | 50,789 | (56,597) | (5,808) | 125,542 |
| Fund Balance: | | | | | | |
| Beginning | <u>279,200</u> | <u>336,630</u> | <u>336,636</u> | <u>387,425</u> | <u>336,636</u> | <u>6</u> |
| Ending | <u>\$ 205,280</u> | <u>\$ 205,280</u> | <u>\$ 387,425</u> | <u>\$ 330,828</u> | <u>\$ 330,828</u> | <u>\$ 125,548</u> |

NONMAJOR DEBT SERVICE FUNDS

These funds account for the payment of principal and interest on tax allocation development and urban renewal bonds, certificates of participation, and general obligation Bancroft improvement bonds. Revenue is mainly derived from property taxes and collections on special assessments levied against property owners. Funds included in this category are:

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

CITY OF MEDFORD

Nonmajor Debt Service Funds

Combining Balance Sheet

June 30, 2015

| | General Debt Service Fund - 060 | Revenue Bond Fund - 062 | Total |
|---|---------------------------------------|----------------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 225,953 | \$ - | \$ 225,953 |
| Receivables | | | |
| Taxes | <u>44,036</u> | <u>-</u> | <u>44,036</u> |
| Total assets | <u>\$ 269,989</u> | <u>\$ -</u> | <u>\$ 269,989</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Deferred inflows of resources: | | | |
| Unavailable revenue - property taxes | <u>37,955</u> | <u>-</u> | <u>37,955</u> |
| Fund balances: | | | |
| Restricted for | | | |
| Debt service | <u>232,034</u> | <u>-</u> | <u>232,034</u> |
| Total fund balances | <u>232,034</u> | <u>-</u> | <u>232,034</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 269,989</u> | <u>\$ -</u> | <u>\$ 269,989</u> |

CITY OF MEDFORD

Nonmajor Debt Service Funds

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

Year ended June 30, 2015

| | General Debt Service Fund - 060 | Revenue Bond Fund - 062 | Total |
|--|---------------------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| REVENUES | | | |
| Property taxes | \$ 461,275 | \$ - | \$ 461,275 |
| Investment earnings | 2,424 | 5 | 2,429 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total revenues | 463,699 | 5 | 463,704 |
| | <u> </u> | <u> </u> | <u> </u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 955,000 | 2,716,000 | 3,671,000 |
| Interest | 1,797,529 | 3,206,260 | 5,003,789 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total expenditures | 2,752,529 | 5,922,260 | 8,674,789 |
| | <u> </u> | <u> </u> | <u> </u> |
| Excess (deficiency) of revenues over (under) expenditures | (2,288,830) | (5,922,255) | (8,211,085) |
| | <u> </u> | <u> </u> | <u> </u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 2,328,245 | 5,922,255 | 8,250,500 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net change in fund balances | 39,415 | - | 39,415 |
| Beginning fund balances | 192,619 | - | 192,619 |
| | <u> </u> | <u> </u> | <u> </u> |
| Ending fund balances | \$ 232,034 | \$ - | \$ 232,034 |
| | <u> </u> | <u> </u> | <u> </u> |

CITY OF MEDFORD
 General Debt Service Fund - 060
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

| | <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 | \$ 851,800 | \$ 851,800 | \$ 463,278 | \$ 461,275 | \$ 924,553 | \$ 72,753 |
| Investment earnings | <u>2,600</u> | <u>2,600</u> | <u>7,568</u> | <u>2,424</u> | <u>9,992</u> | <u>7,392</u> |
| Total revenues | 854,400 | 854,400 | 470,846 | 463,699 | 934,545 | 80,145 |
| Expenditures: | | | | | | |
| Debt service | <u>5,385,340</u> | <u>5,385,340</u> | <u>2,632,790</u> | <u>2,752,529</u> | <u>5,385,319</u> | <u>21</u> |
| Excess revenues over (under) expenditures | (4,530,940) | (4,530,940) | (2,161,944) | (2,288,830) | (4,450,774) | 80,166 |
| Other financing sources (uses): | | | | | | |
| Transfers in | <u>4,533,820</u> | <u>4,533,820</u> | <u>2,205,543</u> | <u>2,328,245</u> | <u>4,533,788</u> | <u>(32)</u> |
| Net change in fund balance | 2,880 | 2,880 | 43,599 | 39,415 | 83,014 | 80,134 |
| Fund Balance: | | | | | | |
| Beginning | <u>163,370</u> | <u>163,370</u> | <u>149,020</u> | <u>192,619</u> | <u>149,020</u> | <u>(14,350)</u> |
| Ending | <u>\$ 166,250</u> | <u>\$ 166,250</u> | <u>\$ 192,619</u> | <u>\$ 232,034</u> | <u>\$ 232,034</u> | <u>\$ 65,784</u> |

CITY OF MEDFORD
Revenue Bond Fund - 062
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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 | \$ 2,600 | \$ 2,600 | \$ 8 | \$ 5 | \$ 13 | \$ (2,587) |
| Expenditures: | | | | | | |
| Debt service | <u>8,560,160</u> | <u>10,642,560</u> | <u>4,720,216</u> | <u>5,922,260</u> | <u>10,642,476</u> | <u>84</u> |
| Excess revenues over (under) expenditures | (8,557,560) | (10,639,960) | (4,720,208) | (5,922,255) | (10,642,463) | (2,503) |
| Other financing sources (uses): | | | | | | |
| Transfers in | <u>8,560,150</u> | <u>10,642,550</u> | <u>4,720,207</u> | <u>5,922,255</u> | <u>10,642,462</u> | <u>(88)</u> |
| Net change in fund balance | 2,590 | 2,590 | (1) | - | (1) | (2,591) |
| Fund Balance: | | | | | | |
| Beginning | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| Ending | <u>\$ 2,590</u> | <u>\$ 2,590</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (2,590)</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.
- The Street Improvement Fund – Accounts for the construction of arterial streets.
- 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, 2015

| | <u>Greenway Construction Fund - 041</u> | <u>Street Improvement Fund - 042</u> | <u>Special Sidewalk Fund - 044</u> | <u>MURA Capital Projects Fund - 905</u> | <u>Total</u> |
|--|---|--|--|---|---------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 1,851 | \$ 4,833,130 | \$ 609,860 | \$ 400,035 | \$ 5,844,876 |
| Receivables | | | | | |
| Accounts | - | 55,015 | - | - | 55,015 |
| Loans | - | - | - | 169,963 | 169,963 |
| Total assets | <u>\$ 1,851</u> | <u>\$ 4,888,145</u> | <u>\$ 609,860</u> | <u>\$ 569,998</u> | <u>\$ 6,069,854</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ 1,584,658 | \$ - | \$ 14,757 | \$ 1,599,415 |
| Payroll and related accruals | - | 7,534 | - | - | 7,534 |
| Total liabilities | <u>-</u> | <u>1,592,192</u> | <u>-</u> | <u>14,757</u> | <u>1,606,949</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Unavailable revenues - notes receivable | <u>-</u> | <u>-</u> | <u>-</u> | <u>169,963</u> | <u>169,963</u> |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Highways and streets | - | 3,295,953 | 609,860 | - | 3,905,813 |
| Culture and recreation | 1,851 | - | - | - | 1,851 |
| Community development | - | - | - | 385,278 | 385,278 |
| Total fund balances | <u>1,851</u> | <u>3,295,953</u> | <u>609,860</u> | <u>385,278</u> | <u>4,292,942</u> |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 1,851</u> | <u>\$ 4,888,145</u> | <u>\$ 609,860</u> | <u>\$ 569,998</u> | <u>\$ 6,069,854</u> |

CITY OF MEDFORD

Nonmajor Capital Project Funds

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

Year ended June 30, 2015

| | <u>Greenway Construction Fund - 041</u> | <u>Street Improvement Fund - 042</u> | <u>Special Sidewalk Fund - 044</u> | <u>MURA Capital Projects Fund - 905</u> | <u>Total</u> |
|--|---|--|--|---|---------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ - | \$ 996,573 | \$ - | \$ - | \$ 996,573 |
| Investment earnings | 11 | 29,701 | 3,631 | 35,993 | 69,336 |
| Grants and contributions | - | 165,525 | - | - | 165,525 |
| Loan repayment | - | - | - | 15,800 | 15,800 |
| Other revenue | - | 51,048 | - | 25,569 | 76,617 |
| Total revenues | <u>11</u> | <u>1,242,847</u> | <u>3,631</u> | <u>77,362</u> | <u>1,323,851</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Highways and streets | \$ - | \$ 297,609 | \$ - | \$ - | \$ 297,609 |
| Community development | - | - | - | 9,693 | 9,693 |
| Capital outlay | - | 743,775 | - | 3,750,539 | 4,494,314 |
| Total expenditures | <u>-</u> | <u>1,041,384</u> | <u>-</u> | <u>3,760,232</u> | <u>4,801,616</u> |
| Excess (deficiency) of revenues over (under) expenditures | 11 | 201,463 | 3,631 | (3,682,870) | (3,477,765) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | <u>-</u> | <u>(25,500)</u> | <u>(7,600)</u> | <u>-</u> | <u>(33,100)</u> |
| Net change in fund balances | 11 | 175,963 | (3,969) | (3,682,870) | (3,510,865) |
| Beginning fund balances | <u>1,840</u> | <u>3,119,990</u> | <u>613,829</u> | <u>4,068,148</u> | <u>7,803,807</u> |
| Ending fund balances | <u>\$ 1,851</u> | <u>\$ 3,295,953</u> | <u>\$ 609,860</u> | <u>\$ 385,278</u> | <u>\$ 4,292,942</u> |

CITY OF MEDFORD
Greenway Construction Fund - 041
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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 | \$ - | \$ - | \$ 10 | \$ 11 | \$ 21 | \$ 21 |
| Expenditures: | | | | | | |
| Net change in fund balance | - | - | 10 | 11 | 21 | 21 |
| Fund Balance: | | | | | | |
| Beginning | <u>1,830</u> | <u>1,830</u> | <u>1,830</u> | <u>1,840</u> | <u>1,830</u> | <u>-</u> |
| Ending | <u>\$ 1,830</u> | <u>\$ 1,830</u> | <u>\$ 1,840</u> | <u>\$ 1,851</u> | <u>\$ 1,851</u> | <u>\$ 21</u> |

CITY OF MEDFORD
Special Sidewalk Fund - 044
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|-----------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Investment earnings | \$ 18,600 | \$ 18,600 | \$ 3,417 | \$ 3,631 | \$ 7,048 | \$ (11,552) |
| Expenditures: | | | | | | |
| Sidewalk projects | 640,000 | 640,000 | - | - | - | 640,000 |
| Contingency | <u>39,550</u> | <u>39,550</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>39,550</u> |
| Excess revenues over (under) expenditures | (660,950) | (660,950) | 3,417 | 3,631 | 7,048 | 667,998 |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(13,900)</u> | <u>(13,900)</u> | <u>(6,278)</u> | <u>(7,600)</u> | <u>(13,878)</u> | <u>22</u> |
| Net change in fund balance | (674,850) | (674,850) | (2,861) | (3,969) | (6,830) | 668,020 |
| Fund Balance: | | | | | | |
| Beginning | <u>674,850</u> | <u>674,850</u> | <u>616,690</u> | <u>613,829</u> | <u>616,690</u> | <u>(58,160)</u> |
| Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 613,829</u> | <u>\$ 609,860</u> | <u>\$ 609,860</u> | <u>\$ 609,860</u> |

CITY OF MEDFORD
Street Improvement Fund - 042
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|---------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Intergovernmental | \$ - | \$ 1,308,000 | \$ - | \$ 996,573 | \$ 996,573 | \$ (311,427) |
| Investment earnings | 58,400 | 58,400 | 26,286 | 29,701 | 55,987 | (2,413) |
| Other revenue | 192,000 | 192,000 | 66,890 | 51,048 | 117,938 | (74,062) |
| Grants and contracts | <u>3,750,000</u> | <u>3,750,000</u> | <u>308,009</u> | <u>165,525</u> | <u>473,534</u> | <u>(3,276,466)</u> |
| Total revenues | <u>4,000,400</u> | <u>5,308,400</u> | <u>401,185</u> | <u>1,242,847</u> | <u>1,644,032</u> | <u>(3,664,368)</u> |
| Expenditures: | | | | | | |
| Street Development | 3,325,000 | 4,633,000 | 572,421 | 1,041,384 | 1,613,805 | 3,019,195 |
| Contingency | <u>500,000</u> | <u>500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>500,000</u> |
| Total expenditures | <u>3,825,000</u> | <u>5,133,000</u> | <u>572,421</u> | <u>1,041,384</u> | <u>1,613,805</u> | <u>3,519,195</u> |
| Excess revenues over (under) expenditures | 175,400 | 175,400 | (171,236) | 201,463 | 30,227 | (145,173) |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(50,000)</u> | <u>(50,000)</u> | <u>(24,499)</u> | <u>(25,500)</u> | <u>(49,999)</u> | <u>1</u> |
| Net change in fund balance | 125,400 | 125,400 | (195,735) | 175,963 | (19,772) | (145,172) |
| Fund Balance: | | | | | | |
| Beginning | <u>5,279,250</u> | <u>5,279,250</u> | <u>3,315,725</u> | <u>3,119,990</u> | <u>3,315,725</u> | <u>(1,963,525)</u> |
| Ending | <u>\$ 5,404,650</u> | <u>\$ 5,404,650</u> | <u>\$ 3,119,990</u> | <u>\$ 3,295,953</u> | <u>\$ 3,295,953</u> | <u>\$ (2,108,697)</u> |

CITY OF MEDFORD
MURA Capital Projects Fund - 905
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Annual Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------|--------------------|--------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Rental income | \$ 20,000 | \$ 20,000 | \$ - | \$ (20,000) |
| Investment earnings | 48,000 | 48,000 | 35,993 | (12,007) |
| Loan repayment | - | - | 15,800 | 15,800 |
| Miscellaneous | - | 183,550 | 25,569 | (157,981) |
| Total revenues | <u>68,000</u> | <u>251,550</u> | <u>77,362</u> | <u>(174,188)</u> |
| Expenditures: | | | | |
| Community development | 10,000 | 10,000 | 9,693 | 307 |
| Capital outlay | <u>3,750,000</u> | <u>4,068,000</u> | <u>3,750,539</u> | <u>317,461</u> |
| Total expenditures | <u>3,760,000</u> | <u>4,078,000</u> | <u>3,760,232</u> | <u>317,768</u> |
| Excess revenues over (under) expenditures | <u>(3,692,000)</u> | <u>(3,826,450)</u> | <u>(3,682,870)</u> | <u>143,580</u> |
| Net change in fund balances | (3,692,000) | (3,826,450) | (3,682,870) | 143,580 |
| Fund Balance: | | | | |
| Beginning | <u>3,760,000</u> | <u>4,068,000</u> | <u>4,068,148</u> | <u>148</u> |
| Ending | <u>\$ 68,000</u> | <u>\$ 241,550</u> | <u>\$ 385,278</u> | <u>\$ 143,728</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, 2015

| | Storm Drain SDC Fund - 022 | Storm Drain Utility Fund - 046 | Sewage Treatment Fund - 090 | Sewer Collection System SDC Fund - 020 | Sanitary Sewer Maintenance Fund - 014 | Sewage Treatment SDC Fund - 023 | Total |
|---|-------------------------------|--------------------------------------|-----------------------------------|---|---|---------------------------------------|-----------------------|
| ASSETS | | | | | | | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ 2,053,575 | \$ 8,104,092 | \$ 3,844,626 | \$ 474,414 | \$ 3,104,151 | \$ 4,964,213 | \$ 22,545,071 |
| Receivables | - | 263,026 | 338,228 | - | 205,455 | 47,621 | 854,330 |
| Inventories | - | - | 20,574 | - | - | - | 20,574 |
| Prepays | - | - | - | - | - | 6,068 | 6,068 |
| Total current assets | <u>2,053,575</u> | <u>8,367,118</u> | <u>4,203,428</u> | <u>474,414</u> | <u>3,309,606</u> | <u>5,017,902</u> | <u>23,426,043</u> |
| Noncurrent assets: | | | | | | | |
| Net pension asset | 18,173 | 246,757 | 356,785 | 3,567 | 203,561 | 16,135 | 844,978 |
| Capital assets: | | | | | | | |
| Land and construction in progress | - | 93,359 | 269,254 | - | 85,795 | - | 448,408 |
| Capital assets, net of accumulated depreciation | - | 30,671,940 | 31,550,254 | - | 17,617,725 | - | 79,839,919 |
| Total noncurrent assets | <u>18,173</u> | <u>31,012,056</u> | <u>32,176,293</u> | <u>3,567</u> | <u>17,907,081</u> | <u>16,135</u> | <u>81,133,305</u> |
| Total assets | <u>2,071,748</u> | <u>39,379,174</u> | <u>36,379,721</u> | <u>477,981</u> | <u>21,216,687</u> | <u>5,034,037</u> | <u>104,559,348</u> |
| Deferred outflow of resources related to pensions | 6,216 | 84,401 | 122,035 | 1,220 | 69,626 | 5,519 | 289,017 |
| Total assets and deferred outflows | <u>\$ 2,077,964</u> | <u>\$ 39,463,575</u> | <u>\$ 36,501,756</u> | <u>\$ 479,201</u> | <u>\$ 21,286,313</u> | <u>\$ 5,039,556</u> | <u>\$ 104,848,365</u> |
| LIABILITIES | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | - | \$ 169,748 | \$ 137,778 | - | \$ 95,521 | \$ 13,477 | \$ 416,524 |
| Payroll and related accruals | 5,110 | 60,459 | 120,174 | 596 | 54,694 | 5,079 | 246,112 |
| Customer deposits | - | 493,736 | - | - | 117,347 | - | 611,083 |
| Compensated absences, due within one year | - | 10,746 | 30,115 | - | 13,892 | - | 54,753 |
| Total current liabilities | <u>5,110</u> | <u>734,689</u> | <u>288,067</u> | <u>596</u> | <u>281,454</u> | <u>18,556</u> | <u>1,328,472</u> |
| Noncurrent liabilities: | | | | | | | |
| Compensated absences, due in more than one year | - | 42,986 | 120,458 | - | 55,569 | - | 219,013 |
| Total liabilities | <u>5,110</u> | <u>777,675</u> | <u>408,525</u> | <u>596</u> | <u>337,023</u> | <u>18,556</u> | <u>1,547,485</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | | | | | |
| Deferred inflow of resources related to pensions | 35,386 | 480,482 | 694,729 | 6,947 | 396,371 | 31,418 | 1,645,333 |
| NET POSITION | | | | | | | |
| Net investment in capital assets | - | 31,012,056 | 32,176,293 | - | 17,907,081 | - | 81,095,430 |
| Restricted for future development | 2,037,468 | - | - | 471,658 | - | 4,989,582 | 7,498,708 |
| Unrestricted | - | 7,193,362 | 3,222,209 | - | 2,645,838 | - | 13,061,409 |
| Total net position | <u>2,037,468</u> | <u>38,205,418</u> | <u>35,398,502</u> | <u>471,658</u> | <u>20,552,919</u> | <u>4,989,582</u> | <u>101,655,547</u> |
| Total liabilities, deferred inflow of resources and fund balances | <u>\$ 2,077,964</u> | <u>\$ 39,463,575</u> | <u>\$ 36,501,756</u> | <u>\$ 479,201</u> | <u>\$ 21,286,313</u> | <u>\$ 5,039,556</u> | <u>\$ 104,848,365</u> |

CITY OF MEDFORD

Sewer Utility Fund

Combining Schedule of Revenue, Expenses, and Changes in Fund Net Position
Year ended June 30, 2015

| | Storm Drain SDC Fund - 022 | Storm Drain Utility Fund - 046 | Sewage Treatment Fund - 090 | Sewer Collection System SDC Fund - 020 | Sanitary Sewer Maintenance Fund - 014 | Sewage Treatment SDC Fund - 023 | Eliminate Internal Transfer | Total |
|---|----------------------------------|--------------------------------------|-----------------------------------|---|--|--|-----------------------------------|----------------|
| OPERATING REVENUES | | | | | | | | |
| Charges for services | \$ - | \$ 4,702,123 | \$ 4,609,536 | \$ - | \$ 3,400,139 | \$ - | \$ - | \$ 12,711,798 |
| Miscellaneous income | - | 6,373 | 239,003 | - | 4,325 | - | - | 249,701 |
| Total operating revenues | - | 4,708,496 | 4,848,539 | - | 3,404,464 | - | - | 12,961,499 |
| OPERATING EXPENSES | | | | | | | | |
| Salaries and fringe benefits | 99,858 | 1,364,230 | 1,952,719 | 14,040 | 937,896 | 74,442 | - | 4,443,185 |
| Operating supplies | - | 60,772 | 476,010 | - | 161,798 | 23 | - | 698,603 |
| Professional services | - | 259,867 | 1,911,929 | - | - | 198,308 | - | 2,370,104 |
| Repairs and maintenance | - | 35,997 | 169,571 | - | 57,084 | - | - | 262,652 |
| Premiums and claims | - | 7,710 | 80,660 | - | 9,180 | - | - | 97,550 |
| Utilities | - | 2,758 | 314,337 | - | 8,563 | - | - | 325,658 |
| General, administrative, and engineering | - | 62,453 | 112,252 | - | 212,258 | - | - | 386,963 |
| Depreciation | - | 1,039,831 | 1,674,016 | - | 715,001 | - | - | 3,428,848 |
| Total operating expenses | 99,858 | 2,833,618 | 6,691,494 | 14,040 | 2,101,780 | 272,773 | - | 12,013,563 |
| Operating income (loss) | (99,858) | 1,874,878 | (1,842,955) | (14,040) | 1,302,684 | (272,773) | - | 947,936 |
| NONOPERATING REVENUE (EXPENSES) | | | | | | | | |
| Grants and contracts | - | - | - | 19,899 | - | - | - | 19,899 |
| Investment earnings | 12,020 | 46,548 | 21,485 | 2,417 | 19,899 | 28,450 | - | 130,819 |
| Total nonoperating revenues (expenses) | 12,020 | 46,548 | 21,485 | 22,316 | 19,899 | 28,450 | - | 150,718 |
| Income (loss) before contributions and transfers | (87,838) | 1,921,426 | (1,821,470) | 8,276 | 1,322,583 | (244,323) | - | 1,098,654 |
| CONTRIBUTIONS AND TRANSFERS | | | | | | | | |
| Contributions | 188,066 | - | - | 123,353 | - | 795,902 | - | 1,107,321 |
| Transfers out | (10,700) | (288,500) | (279,300) | (4,400) | (281,200) | (11,500) | - | (875,600) |
| Total contributions and transfers | 177,366 | (288,500) | (279,300) | 118,953 | (281,200) | 784,402 | - | 231,721 |
| Change in net position | 89,528 | 1,632,926 | (2,100,770) | 127,229 | 1,041,383 | 540,079 | - | 1,330,375 |
| Beginning net position | 1,947,940 | 36,572,492 | 37,499,272 | 344,429 | 19,511,536 | 4,449,503 | - | 100,325,172 |
| Ending net position | \$ 2,037,468 | \$ 38,205,418 | \$ 35,398,502 | \$ 471,658 | \$ 20,552,919 | \$ 4,989,582 | \$ - | \$ 101,655,547 |

CITY OF MEDFORD
Storm Drain SDC Fund - 022
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|---------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Charges for services | \$ 140,000 | \$ 140,000 | \$ 281,688 | \$ 188,066 | \$ 469,754 | \$ 329,754 |
| Investment earnings | <u>26,200</u> | <u>26,200</u> | <u>9,967</u> | <u>12,020</u> | <u>21,987</u> | <u>(4,213)</u> |
| Total revenues | 166,200 | 166,200 | 291,655 | 200,086 | 491,741 | 325,541 |
| Expenditures: | | | | | | |
| Storm drain system development | 490,220 | 490,220 | 152,614 | 122,047 | 274,661 | 215,559 |
| Contingency | <u>31,900</u> | <u>31,900</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,900</u> |
| Total expenditures | <u>522,120</u> | <u>522,120</u> | <u>152,614</u> | <u>122,047</u> | <u>274,661</u> | <u>247,459</u> |
| Excess revenues over (under) expenditures | (355,920) | (355,920) | 139,041 | 78,039 | 217,080 | 573,000 |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(20,400)</u> | <u>(20,400)</u> | <u>(9,676)</u> | <u>(10,700)</u> | <u>(20,376)</u> | <u>24</u> |
| Net change in fund balance | (376,320) | (376,320) | 129,365 | 67,339 | 196,704 | 573,024 |
| Fund Balance: | | | | | | |
| Beginning | <u>1,707,610</u> | <u>1,707,610</u> | <u>1,851,761</u> | <u>1,981,126</u> | <u>1,851,761</u> | <u>144,151</u> |
| Ending | <u>\$ 1,331,290</u> | <u>\$ 1,331,290</u> | <u>\$ 1,981,126</u> | 2,048,465 | <u>\$ 2,048,465</u> | <u>\$ 717,175</u> |
| Reconciliation to GAAP Basis (Fund Balance to Net Position): | | | | | | |
| Net pension asset | | | | 18,173 | | |
| Deferred outflow of resources | | | | 6,216 | | |
| Deferred inflow of resources | | | | <u>(35,386)</u> | | |
| Total net position - end of year | | | | <u>\$ 2,037,468</u> | | |

CITY OF MEDFORD
Storm Drain Utility Fund - 046
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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: | | | | | | |
| Charges for services | \$ 9,011,190 | \$ 9,082,470 | \$ 4,559,735 | \$ 4,702,123 | \$ 9,261,858 | \$ 179,388 |
| Investment earnings | 38,000 | 38,000 | 33,409 | 46,548 | 79,957 | 41,957 |
| Sale of capital assets | 4,000 | 4,000 | 5,744 | 6,373 | 12,117 | 8,117 |
| Total revenues | <u>9,053,190</u> | <u>9,124,470</u> | <u>4,598,888</u> | <u>4,755,044</u> | <u>9,353,932</u> | <u>229,462</u> |
| Expenditures: | | | | | | |
| Storm drain system maintenance | 11,497,270 | 11,648,570 | 3,305,770 | 3,304,237 | 6,610,007 | 5,038,563 |
| Contingency | <u>672,500</u> | <u>521,200</u> | - | - | - | <u>521,200</u> |
| Total expenditures | <u>12,169,770</u> | <u>12,169,770</u> | <u>3,305,770</u> | <u>3,304,237</u> | <u>6,610,007</u> | <u>5,559,763</u> |
| Excess revenues over (under) expenditures | (3,116,580) | (3,045,300) | 1,293,118 | 1,450,807 | 2,743,925 | 5,789,225 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | 71,280 | 71,280 | - | 71,280 | - |
| Transfers out | <u>(565,500)</u> | <u>(565,500)</u> | <u>(276,993)</u> | <u>(288,500)</u> | <u>(565,493)</u> | <u>7</u> |
| Net change in fund balance | (3,682,080) | (3,539,520) | 1,087,405 | 1,162,307 | 2,249,712 | 5,789,232 |
| Fund Balance: | | | | | | |
| Beginning | <u>5,026,950</u> | <u>5,026,950</u> | <u>5,393,464</u> | <u>6,480,869</u> | <u>5,393,464</u> | <u>366,514</u> |
| Ending | <u>\$ 1,344,870</u> | <u>\$ 1,487,430</u> | <u>\$ 6,480,869</u> | <u>\$ 7,643,176</u> | <u>\$ 7,643,176</u> | <u>\$ 6,155,746</u> |
| Reconciliation to GAAP Basis: | | | | | | |
| Capital assets, net | | | | 30,765,298 | | |
| Compensated absences | | | | (53,732) | | |
| Net pension asset | | | | 246,757 | | |
| Deferred outflow of resources | | | | 84,401 | | |
| Deferred inflow of resources | | | | <u>(480,482)</u> | | |
| Total net position - end of year | | | | <u>\$ 38,205,418</u> | | |

CITY OF MEDFORD
Sewage Treatment Fund - 090
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|--------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Charges for services | \$ 4,880,000 | \$ 4,880,000 | \$ 4,562,055 | \$ 4,609,536 | \$ 9,171,591 | \$ 4,291,591 |
| Investment earnings | 65,200 | 65,200 | 25,493 | 21,485 | 46,978 | (18,222) |
| Other revenue | 8,900 | 892,600 | 899,073 | 239,003 | 1,138,076 | 245,476 |
| Grants and contracts | <u>225,000</u> | <u>225,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(225,000)</u> |
| Total revenues | <u>5,179,100</u> | <u>6,062,800</u> | <u>5,486,621</u> | <u>4,870,024</u> | <u>10,356,645</u> | <u>4,293,845</u> |
| Expenditures: | | | | | | |
| Sewage treatment maintenance | 11,413,070 | 12,365,070 | 4,405,094 | 5,780,441 | 10,185,535 | 2,179,535 |
| Contingency | <u>1,064,300</u> | <u>996,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>996,000</u> |
| Total expenditures | <u>12,477,370</u> | <u>13,361,070</u> | <u>4,405,094</u> | <u>5,780,441</u> | <u>10,185,535</u> | <u>3,175,535</u> |
| Excess revenues over (under) expenditures | <u>(7,298,270)</u> | <u>(7,298,270)</u> | <u>1,081,527</u> | <u>(910,417)</u> | <u>171,110</u> | <u>7,469,380</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | 4,360,000 | 4,360,000 | - | - | - | (4,360,000) |
| Transfers out | <u>(553,900)</u> | <u>(553,900)</u> | <u>(274,599)</u> | <u>(279,300)</u> | <u>(553,899)</u> | <u>1</u> |
| Total other financing sources (uses) | <u>3,806,100</u> | <u>3,806,100</u> | <u>(274,599)</u> | <u>(279,300)</u> | <u>(553,899)</u> | <u>(4,359,999)</u> |
| Net change in fund balance | (3,492,170) | (3,492,170) | 806,928 | (1,189,717) | (382,789) | 3,109,381 |
| Fund Balance: | | | | | | |
| Beginning | <u>4,167,120</u> | <u>4,167,120</u> | <u>4,307,691</u> | <u>5,114,619</u> | <u>4,307,691</u> | <u>140,571</u> |
| Ending | <u>\$ 674,950</u> | <u>\$ 674,950</u> | <u>\$ 5,114,619</u> | <u>\$ 3,924,902</u> | <u>\$ 3,924,902</u> | <u>\$ 3,249,952</u> |

Reconciliation to GAAP Basis (Fund Balance to Net Position):

| | |
|----------------------------------|----------------------|
| Inventory | 20,574 |
| Capital assets, net | 31,819,508 |
| Compensated absences | (150,573) |
| Net pension asset | 356,785 |
| Deferred outflow of resources | 122,035 |
| Deferred inflow of resources | <u>(694,729)</u> |
| Total net position - end of year | <u>\$ 35,398,502</u> |

CITY OF MEDFORD
Sewer Collection System SDC Fund - 020
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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: | | | | | | |
| Charges for services | \$ 175,000 | \$ 175,000 | \$ 137,173 | \$ 123,353 | \$ 260,526 | \$ 85,526 |
| Investment earnings | 6,000 | 6,000 | 2,319 | 2,417 | 4,736 | (1,264) |
| Other revenue | - | - | 567 | - | 567 | 567 |
| Grants and contracts | <u>155,000</u> | <u>155,000</u> | <u>2,312</u> | <u>19,899</u> | <u>22,211</u> | <u>(132,789)</u> |
| Total revenues | <u>336,000</u> | <u>336,000</u> | <u>142,371</u> | <u>145,669</u> | <u>288,040</u> | <u>(47,960)</u> |
| Expenditures: | | | | | | |
| Sewer collection system development | 250,800 | 275,800 | 256,749 | 18,496 | 275,245 | 555 |
| Contingency | <u>31,300</u> | <u>6,300</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,300</u> |
| Total expenditures | <u>282,100</u> | <u>282,100</u> | <u>256,749</u> | <u>18,496</u> | <u>275,245</u> | <u>6,855</u> |
| Excess revenues over (under) expenditures | 53,900 | 53,900 | (114,378) | 127,173 | 12,795 | (41,105) |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(7,600)</u> | <u>(7,600)</u> | <u>(3,183)</u> | <u>(4,400)</u> | <u>(7,583)</u> | <u>17</u> |
| Net change in fund balance | 46,300 | 46,300 | (117,561) | 122,773 | 5,212 | (41,088) |
| Fund Balance: | | | | | | |
| Beginning | <u>260,480</u> | <u>260,480</u> | <u>468,605</u> | <u>351,044</u> | <u>468,605</u> | <u>208,125</u> |
| Ending | <u>\$ 306,780</u> | <u>\$ 306,780</u> | <u>\$ 351,044</u> | 473,817 | <u>\$ 473,817</u> | <u>\$ 167,037</u> |
| Reconciliation to GAAP Basis (Fund Balance to Net Position): | | | | | | |
| Net pension asset | | | | 3,567 | | |
| Deferred outflow of resources | | | | 1,220 | | |
| Deferred inflow of resources | | | | <u>(6,947)</u> | | |
| Total net position - end of year | | | | <u>\$ 471,657</u> | | |

CITY OF MEDFORD
Sanitary Sewer Maintenance Fund - 014
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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: | | | | | | |
| Charges for services | \$ 11,005,750 | \$ 11,077,030 | \$ 3,369,073 | \$ 3,400,139 | \$ 6,769,212 | \$ (4,307,818) |
| Investment earnings | 19,400 | 19,400 | 14,421 | 19,899 | 34,320 | 14,920 |
| Other revenue | 115,000 | 115,000 | 8,915 | 4,325 | 13,240 | (101,760) |
| Grants and contracts | - | - | 2,312 | - | 2,312 | 2,312 |
| Total revenues | <u>11,140,150</u> | <u>11,211,430</u> | <u>3,394,721</u> | <u>3,424,363</u> | <u>6,819,084</u> | <u>(4,392,346)</u> |
| Expenditures: | | | | | | |
| Sewer system maintenance and construction | 7,134,930 | 7,168,230 | 2,603,928 | 2,879,857 | 5,483,785 | 1,684,445 |
| Contingency | 615,000 | 581,700 | - | - | - | 581,700 |
| Excess revenues over (under) expenditures | <u>3,390,220</u> | <u>3,461,500</u> | <u>790,793</u> | <u>544,506</u> | <u>1,335,299</u> | <u>(2,126,201)</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | 71,280 | 71,280 | - | 71,280 | - |
| Transfers out | (4,910,500) | (4,910,500) | (269,299) | (281,200) | (550,499) | 4,360,001 |
| Total other financing sources (uses) | <u>(4,910,500)</u> | <u>(4,839,220)</u> | <u>(198,019)</u> | <u>(281,200)</u> | <u>(479,219)</u> | <u>4,360,001</u> |
| Net change in fund balance | (1,520,280) | (1,377,720) | 592,774 | 263,306 | 856,080 | 2,233,800 |
| Fund Balance: | | | | | | |
| Beginning | <u>2,199,560</u> | <u>2,199,560</u> | <u>2,185,962</u> | <u>2,778,736</u> | <u>2,185,962</u> | <u>(13,598)</u> |
| Ending | <u>\$ 679,280</u> | <u>\$ 821,840</u> | <u>\$ 2,778,736</u> | <u>\$ 3,042,042</u> | <u>\$ 3,042,042</u> | <u>\$ 2,220,202</u> |
| Reconciliation to GAAP Basis: | | | | | | |
| Capital assets, net | | | | 17,703,522 | | |
| Compensated absences | | | | (69,461) | | |
| Net pension asset | | | | 203,561 | | |
| Deferred outflow of resources | | | | 69,626 | | |
| Deferred inflow of resources | | | | <u>(396,371)</u> | | |
| Total net position - end of year | | | | <u>\$ 20,552,919</u> | | |

CITY OF MEDFORD
Sewage Treatment SDC Fund - 023
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|---------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Charges for services | \$ 1,100,000 | \$ 1,100,000 | \$ 853,863 | \$ 795,902 | \$ 1,649,765 | \$ 549,765 |
| Investment earnings | <u>83,000</u> | <u>83,000</u> | <u>22,626</u> | <u>28,450</u> | <u>51,076</u> | <u>(31,924)</u> |
| Total revenues | <u>1,183,000</u> | <u>1,183,000</u> | <u>876,489</u> | <u>824,352</u> | <u>1,700,841</u> | <u>517,841</u> |
| Expenditures: | | | | | | |
| Sewage treatment SDC | 605,000 | 605,000 | 89,698 | 292,474 | 382,172 | 222,828 |
| Contingency | <u>500,000</u> | <u>500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>500,000</u> |
| Total expenditures | <u>1,105,000</u> | <u>1,105,000</u> | <u>89,698</u> | <u>292,474</u> | <u>382,172</u> | <u>722,828</u> |
| Excess revenues over (under) expenditures | 78,000 | 78,000 | 786,791 | 531,878 | 1,318,669 | 1,240,669 |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(22,600)</u> | <u>(22,600)</u> | <u>(11,100)</u> | <u>(11,500)</u> | <u>(22,600)</u> | <u>-</u> |
| Net change in fund balance | 55,400 | 55,400 | 775,691 | 520,378 | 1,296,069 | 1,240,669 |
| Fund Balance: | | | | | | |
| Beginning | <u>1,871,830</u> | <u>1,871,830</u> | <u>3,703,277</u> | <u>4,478,968</u> | <u>3,703,277</u> | <u>1,831,447</u> |
| Ending | <u>\$ 1,927,230</u> | <u>\$ 1,927,230</u> | <u>\$ 4,478,968</u> | <u>\$ 4,999,346</u> | <u>\$ 4,999,346</u> | <u>\$ 3,072,116</u> |

Reconciliation to GAAP Basis (Fund Balance to Net Position):

| | |
|---------------------------------|---------------------|
| Net pension assets | 16,135 |
| Deferred outflow of resources | 5,519 |
| Deferred inflow of resources | <u>(31,418)</u> |
| Total net position, end of year | <u>\$ 4,989,582</u> |

CITY OF MEDFORD
 Parking Facilities Fund - 018
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|------------------------|-------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Charges for services | \$ 1,030,000 | \$ 1,030,000 | \$ 516,699 | \$ 598,653 | \$ 1,115,352 | \$ 85,352 |
| Investment earnings | 2,600 | 2,600 | 1,944 | 3,012 | 4,956 | 2,356 |
| Other revenue | - | - | 456 | 32 | 488 | 488 |
| Total revenues | <u>1,032,600</u> | <u>1,032,600</u> | <u>519,099</u> | <u>601,697</u> | <u>1,120,796</u> | <u>88,196</u> |
| Expenditures: | | | | | | |
| Parking facilities maintenance and construction | 988,860 | 988,860 | 362,714 | 441,662 | 804,376 | 184,484 |
| Contingency | 104,900 | 104,900 | - | - | - | 104,900 |
| Total expenditures | <u>1,093,760</u> | <u>1,093,760</u> | <u>362,714</u> | <u>441,662</u> | <u>804,376</u> | <u>289,384</u> |
| Excess revenues over (under) expenditures | (61,160) | (61,160) | 156,385 | 160,035 | 316,420 | 377,580 |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(39,800)</u> | <u>(39,800)</u> | <u>(20,100)</u> | <u>(19,700)</u> | <u>(39,800)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(39,800)</u> | <u>(39,800)</u> | <u>(20,100)</u> | <u>(19,700)</u> | <u>(39,800)</u> | <u>-</u> |
| Net change in fund balance | (100,960) | (100,960) | 136,285 | 140,335 | 276,620 | 377,580 |
| Fund Balance: | | | | | | |
| Beginning | <u>255,560</u> | <u>255,560</u> | <u>306,754</u> | <u>443,039</u> | <u>306,754</u> | <u>51,194</u> |
| Ending | <u>\$ 154,600</u> | <u>\$ 154,600</u> | <u>\$ 443,039</u> | <u>\$ 583,374</u> | <u>\$ 583,374</u> | <u>\$ 428,774</u> |

Reconciliation to GAAP Basis:

| | |
|----------------------------------|---------------------|
| Capital assets, net | 1,134,108 |
| Net pension assets | 4,509 |
| Deferred outflow of resources | 1,542 |
| Deferred inflow of resources | <u>(8,780)</u> |
| Total net position - end of year | <u>\$ 1,714,753</u> |

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, 2015

| | <u>Risk Management Fund - 003</u> | <u>Fleet Maintenance Fund - 082</u> | <u>Total</u> |
|--|---|---|---------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 2,915,902 | \$ 824,586 | \$ 3,740,488 |
| Receivables | 1,381 | 34,679 | 36,060 |
| Inventories | - | 503,707 | 503,707 |
| Total current assets | <u>2,917,283</u> | <u>1,362,972</u> | <u>4,280,255</u> |
| Noncurrent assets: | | | |
| Restricted cash and cash equivalents | 100,793 | - | 100,793 |
| Net pension asset | 14,429 | 71,241 | 85,670 |
| Capital assets, net of accumulated depreciation | - | 348,446 | 348,446 |
| Total noncurrent assets | <u>115,222</u> | <u>419,687</u> | <u>534,909</u> |
| Total assets | <u>3,032,505</u> | <u>1,782,659</u> | <u>4,815,164</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflow of resources related to pensions | <u>\$ 4,935</u> | <u>\$ 24,368</u> | <u>\$ 29,303</u> |
| Total assets and deferred outflow of resources | <u>\$ 3,037,440</u> | <u>\$ 1,807,027</u> | <u>\$ 4,844,467</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 98,157 | \$ 67,852 | \$ 166,009 |
| Payroll and related accruals | 89,080 | 21,035 | 110,115 |
| Compensated absences, due within one year | - | 6,344 | 6,344 |
| Claims payable | 523,045 | - | 523,045 |
| Total current liabilities | 710,282 | 95,231 | 805,513 |
| Noncurrent liabilities: | | | |
| Compensated absences, due in more than one year | - | 27,780 | 27,780 |
| Total liabilities | <u>710,282</u> | <u>123,011</u> | <u>833,293</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred inflow of resources related to pension | <u>28,095</u> | <u>138,721</u> | <u>166,816</u> |
| NET POSITION | | | |
| Net investment in capital assets | - | 348,446 | 348,446 |
| Restricted for employee section 125 plan | 100,793 | - | 100,793 |
| Unrestricted | 2,198,270 | 1,196,849 | 3,395,119 |
| Total net position | <u>2,299,063</u> | <u>1,545,295</u> | <u>3,844,358</u> |
| Total liabilities, deferred inflows and net position | <u>\$ 3,037,440</u> | <u>\$ 1,807,027</u> | <u>\$ 4,844,467</u> |

CITY OF MEDFORD

Internal Service Funds

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

Year ended June 30, 2015

| | Risk Management Fund - 003 | Fleet Maintenance Fund - 082 | Total |
|---|----------------------------------|------------------------------------|---------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 1,635,082 | \$ 1,350,867 | \$ 2,985,949 |
| Other revenue | <u>218</u> | <u>4,194</u> | <u>4,412</u> |
| Total operating revenues | <u>1,635,300</u> | <u>1,355,061</u> | <u>2,990,361</u> |
| OPERATING EXPENSES | | | |
| Salaries and fringe benefits | 506,376 | 521,032 | 1,027,408 |
| Operating supplies | 14,009 | 682,413 | 696,422 |
| Professional services | 56,134 | 10,550 | 66,684 |
| Repairs and maintenance | - | 6,468 | 6,468 |
| Premiums and claims | 908,961 | 7,220 | 916,181 |
| Utilities | - | 2,095 | 2,095 |
| General, administrative, and engineering | 23,043 | 11,587 | 34,630 |
| Depreciation | <u>-</u> | <u>31,977</u> | <u>31,977</u> |
| Total operating expenses | <u>1,508,523</u> | <u>1,273,342</u> | <u>2,781,865</u> |
| Operating income (loss) | <u>126,777</u> | <u>81,719</u> | <u>208,496</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment earnings | <u>15,085</u> | <u>4,183</u> | <u>19,268</u> |
| Income before contributions and transfers | 141,862 | 85,902 | 227,764 |
| CONTRIBUTIONS AND TRANSFERS | | | |
| Transfers out | <u>(147,100)</u> | <u>(58,200)</u> | <u>(205,300)</u> |
| Change in net position | (5,238) | 27,702 | 22,464 |
| Beginning net position | <u>2,304,301</u> | <u>1,517,593</u> | <u>3,821,894</u> |
| Ending net position | <u>\$ 2,299,063</u> | <u>\$ 1,545,295</u> | <u>\$ 3,844,358</u> |

CITY OF MEDFORD
Internal Service Funds
Combining Statement of Cash Flows
Year ended June 30, 2015

| | Risk Management Fund - 003 | Fleet Maintenance Fund - 082 | Total |
|---|----------------------------------|------------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipt from interfund services provided | \$ 1,633,919 | \$ 1,365,955 | \$ 2,999,874 |
| Payments to suppliers | (673,173) | (604,416) | (1,277,589) |
| Payments to employees | (513,417) | (597,388) | (1,110,805) |
| Net cash provided (used) by operating activities | <u>447,329</u> | <u>164,151</u> | <u>611,480</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers to other funds | (147,100) | (58,200) | (205,300) |
| Net cash provided (used) by noncapital financing activities | <u>(147,100)</u> | <u>(58,200)</u> | <u>(205,300)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | - | (45,577) | (45,577) |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>(45,577)</u> | <u>(45,577)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest and dividends received | 15,085 | 4,183 | 19,268 |
| Increase (decrease) in cash | 315,314 | 64,557 | 379,871 |
| Cash at beginning of year | 2,600,588 | 760,029 | 3,360,617 |
| Cash at end of year | <u>\$ 2,915,902</u> | <u>\$ 824,586</u> | <u>\$ 3,740,488</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$ 126,777 | \$ 81,719 | \$ 208,496 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation expense | - | 31,977 | 31,977 |
| Net reduction of expenses under GASB 68 | (3,531) | (86,986) | (90,517) |
| (Increase) decrease in accounts receivable | (1,381) | 10,894 | 9,513 |
| (Increase) decrease in inventory | - | 158,286 | 158,286 |
| Increase (decrease) in accounts payable | (13,572) | (35,341) | (48,913) |
| Increase (decrease) in accrued payroll and related expenses | (3,510) | 3,602 | 92 |
| Increase (decrease) in claims payable | 342,546 | - | 342,546 |
| Total adjustments | <u>320,552</u> | <u>82,432</u> | <u>402,984</u> |
| Net cash provided (used) by operating activities | <u>\$ 447,329</u> | <u>\$ 164,151</u> | <u>\$ 611,480</u> |

CITY OF MEDFORD
Risk Management Fund - 003
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <u>Biennium Budget</u> | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|--|------------------------|-------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues: | | | | | | |
| Charges for services | \$ 2,667,590 | \$ 2,667,590 | \$ 1,407,385 | \$ 1,635,082 | \$ 3,042,467 | \$ 374,877 |
| Investment earnings | 19,400 | 19,400 | 12,860 | 15,085 | 27,945 | 8,545 |
| Other revenue | 10,000 | 10,000 | 15 | 218 | 233 | (9,767) |
| Total revenues | <u>2,696,990</u> | <u>2,696,990</u> | <u>1,420,260</u> | <u>1,650,385</u> | <u>3,070,645</u> | <u>373,655</u> |
| Expenditures: | | | | | | |
| Risk management | 2,358,930 | 2,498,930 | 1,183,374 | 1,183,595 | 2,366,969 | 131,961 |
| Contingency | 1,294,900 | 1,154,900 | - | - | - | 1,154,900 |
| Total expenditures | <u>3,653,830</u> | <u>3,653,830</u> | <u>1,183,374</u> | <u>1,183,595</u> | <u>2,366,969</u> | <u>1,286,861</u> |
| Excess revenues over (under) expenditures | (956,840) | (956,840) | 236,886 | 466,790 | 703,676 | 1,660,516 |
| Other financing sources (uses): | | | | | | |
| Transfers out | (289,300) | (289,300) | (142,153) | (147,100) | (289,253) | 47 |
| Net change in fund balance | (1,246,140) | (1,246,140) | 94,733 | 319,690 | 414,423 | 1,660,563 |
| Fund Balance: | | | | | | |
| Beginning | <u>2,193,370</u> | <u>2,193,370</u> | <u>2,416,416</u> | <u>2,511,149</u> | <u>2,416,416</u> | <u>223,046</u> |
| Ending | <u>\$ 947,230</u> | <u>\$ 947,230</u> | <u>\$ 2,511,149</u> | 2,830,839 | <u>\$ 2,830,839</u> | <u>\$ 1,883,609</u> |
| Reconciliation to GAAP Basis: | | | | | | |
| Claims payable | | | | (523,045) | | |
| Net pension asset | | | | 14,429 | | |
| Deferred outflow of resources | | | | 4,935 | | |
| Deferred inflow of resources | | | | (28,095) | | |
| Total net position - end of year | | | | <u>\$ 2,299,063</u> | | |

CITY OF MEDFORD
Fleet Maintenance Fund - 082
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

| | <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: | | | | | | |
| Charges for services | \$ 2,138,500 | \$ 2,488,500 | \$ 1,312,920 | \$ 1,350,867 | \$ 2,663,787 | \$ 175,287 |
| Investment earnings | 10,200 | 10,200 | 4,696 | 4,183 | 8,879 | (1,321) |
| Other revenue | - | - | 4,572 | 4,194 | 8,766 | 8,766 |
| Total revenues | <u>2,148,700</u> | <u>2,498,700</u> | <u>1,322,188</u> | <u>1,359,244</u> | <u>2,681,432</u> | <u>182,732</u> |
| Expenditures: | | | | | | |
| Fleet maintenance and operations | 2,395,720 | 2,839,220 | 1,420,168 | 1,372,176 | 2,792,344 | 46,876 |
| Contingency | <u>259,200</u> | <u>165,700</u> | - | - | - | <u>165,700</u> |
| Total expenditures | <u>2,654,920</u> | <u>3,004,920</u> | <u>1,420,168</u> | <u>1,372,176</u> | <u>2,792,344</u> | <u>212,576</u> |
| Excess revenues over (under) expenditures | (506,220) | (506,220) | (97,980) | (12,932) | (110,912) | 395,308 |
| Other financing sources (uses): | | | | | | |
| Transfers out | <u>(112,600)</u> | <u>(112,600)</u> | <u>(54,400)</u> | <u>(58,200)</u> | <u>(112,600)</u> | <u>-</u> |
| Net change in fund balance | (618,820) | (618,820) | (152,380) | (71,132) | (223,512) | 395,308 |
| Fund Balance: | | | | | | |
| Beginning | <u>970,150</u> | <u>970,150</u> | <u>1,497,597</u> | <u>1,345,217</u> | <u>1,497,597</u> | <u>527,447</u> |
| Ending | <u>\$ 351,330</u> | <u>\$ 351,330</u> | <u>\$ 1,345,217</u> | \$ 1,274,085 | <u>\$ 1,274,085</u> | <u>\$ 922,755</u> |
| Reconciliation to GAAP Basis: | | | | | | |
| Capital assets, net | | | | 348,446 | | |
| Net pension asset | | | | 71,241 | | |
| Deferred outflow of resources | | | | 24,368 | | |
| Compensated absences | | | | (34,124) | | |
| Deferred inflow of resources | | | | <u>(138,721)</u> | | |
| Total net position - end of year | | | | <u>\$ 1,545,295</u> | | |

OTHER FINANCIAL SCHEDULES

CITY OF MEDFORD
Schedule of Expenditures by Division
Budget and Actual
For the Year Ended June 30, 2015

| | Biennium Budget | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|---|-----------------|------------|----------------------|-----------------------|-----------------------------------|-------------------------------|
| | Original | Final | | | | |
| Expenditures: | | | | | | |
| Mayor and council | \$ 745,890 | \$ 745,890 | \$ 317,566 | \$ 361,275 | \$ 678,841 | \$ 67,049 |
| Community promotion | 3,285,000 | 3,774,080 | 1,754,358 | 1,728,196 | 3,482,554 | 291,526 |
| Advisory services | 28,100 | 24,100 | 3,864 | 4,560 | 8,424 | 15,676 |
| Special events | 155,500 | 159,500 | 62,558 | 76,135 | 138,693 | 20,807 |
| Vision implementation | 20,000 | 20,000 | 4,704 | 480 | 5,184 | 14,816 |
| Technology services | 5,318,910 | 5,318,910 | 2,090,380 | 2,294,261 | 4,384,641 | 934,269 |
| Technology services - capital improvements | 978,250 | 978,250 | 63,718 | 153,584 | 217,302 | 760,948 |
| City management | 1,704,960 | 1,775,700 | 759,533 | 941,768 | 1,701,301 | 74,399 |
| Economic development | 305,980 | 305,980 | 112,028 | 127,678 | 239,706 | 66,274 |
| Neighborhood resources | 89,700 | 78,700 | 32,092 | 25,566 | 57,658 | 21,042 |
| City recorder | 378,280 | 378,280 | 182,206 | 199,824 | 382,030 | (3,750) |
| Emergency management | 338,540 | 367,720 | 94,175 | 165,944 | 260,119 | 107,601 |
| City attorney | 1,215,890 | 1,240,890 | 575,066 | 638,596 | 1,213,662 | 27,228 |
| Municipal court | 2,350,490 | 2,390,390 | 1,107,029 | 1,102,398 | 2,209,427 | 180,963 |
| Human resources | 1,106,280 | 1,285,280 | 626,511 | 610,011 | 1,236,522 | 48,758 |
| Finance | 2,716,570 | 2,591,570 | 1,180,301 | 1,282,455 | 2,462,756 | 128,814 |
| Bond interest & redemption | 13,945,500 | 16,027,900 | 7,353,005 | 8,674,790 | 16,027,795 | 105 |
| Insurance | 2,358,930 | 2,498,930 | 1,183,374 | 1,183,594 | 2,366,968 | 131,962 |
| Downtown parking enforcement | 692,550 | 692,550 | 263,160 | 320,965 | 584,125 | 108,425 |
| General expense | 1,807,730 | 1,202,730 | 176,046 | 205,589 | 381,635 | 821,095 |
| Police - administration | 3,604,170 | 4,043,310 | 2,087,783 | 1,927,169 | 4,014,952 | 28,358 |
| Police - technical support | 3,154,420 | 3,143,420 | 1,374,732 | 1,465,815 | 2,840,547 | 302,873 |
| Police - patrol | 20,575,160 | 20,564,280 | 9,660,465 | 9,775,521 | 19,435,986 | 1,128,294 |
| Police - operations support | 4,089,300 | 4,371,300 | 1,974,261 | 2,255,531 | 4,229,792 | 141,508 |
| Police - police investigation | 5,281,210 | 5,272,410 | 2,587,417 | 2,671,681 | 5,259,098 | 13,312 |
| Police - grants | 286,000 | 228,530 | 227,935 | 589 | 228,524 | 6 |
| Police - administrative support | 5,028,530 | 5,026,170 | 2,417,478 | 2,532,580 | 4,950,058 | 76,112 |
| Police - capital improvements | - | 22,082,700 | 26,551 | 2,888,988 | 2,915,539 | 19,167,161 |
| Fire - administration | 453,000 | 509,570 | 195,313 | 206,785 | 402,098 | 107,472 |
| Fire - operations | 24,160,300 | 24,129,560 | 11,836,800 | 11,950,196 | 23,786,996 | 342,564 |
| Fire - prevention | 1,553,320 | 1,553,320 | 659,746 | 675,669 | 1,335,415 | 217,905 |
| Fire - training | 450,760 | 450,760 | 163,402 | 237,293 | 400,695 | 50,065 |
| Fire - capital improvements | 817,170 | 11,448,630 | 431,423 | 783,503 | 1,214,926 | 10,233,704 |
| Engineering and development | 8,376,460 | 8,693,960 | 3,012,049 | 3,724,976 | 6,737,025 | 1,956,935 |
| Engineering - capital improvements | 30,108,000 | 31,560,950 | 4,836,527 | 2,909,134 | 7,745,661 | 23,815,289 |
| PW - administration | 1,671,210 | 1,671,210 | 750,674 | 809,848 | 1,560,522 | 110,688 |
| PW - traffic maintenance | 4,327,240 | 4,327,240 | 2,023,860 | 2,061,220 | 4,085,080 | 242,160 |
| PW - street maintenance | 5,964,890 | 5,964,890 | 3,040,102 | 2,686,045 | 5,726,147 | 238,743 |
| PW - sewer maintenance | 3,205,120 | 3,205,120 | 1,485,319 | 1,467,925 | 2,953,244 | 251,876 |
| PW - storm drain maintenance | 3,802,340 | 3,802,340 | 1,477,506 | 1,806,308 | 3,283,814 | 518,526 |
| PW - fleet maintenance | 2,153,100 | 2,589,350 | 1,202,952 | 1,344,523 | 2,547,475 | 41,875 |
| PW - capital improvements | 5,680,000 | 6,187,250 | 1,738,129 | 2,394,360 | 4,132,489 | 2,054,761 |
| Water reclamation division | 8,569,770 | 8,641,770 | 3,480,290 | 3,786,962 | 7,267,252 | 1,374,518 |
| Water reclamation - capital improvements | 3,427,500 | 4,307,500 | 1,006,043 | 2,281,060 | 3,287,103 | 1,020,397 |
| Planning | 3,947,530 | 4,014,070 | 1,798,079 | 1,928,030 | 3,726,109 | 287,961 |

Continued on next page

CITY OF MEDFORD
Schedule of Expenditures by Division, continued
Budget and Actual
For the Year Ended June 30, 2015

| | Biennium Budget | | First Year Actual | Second Year Actual | Total Actual for Budget Period | Variance with Final Budget |
|----------------------------------|-----------------------|-----------------------|----------------------|-----------------------|--------------------------------------|-------------------------------|
| | Original | Final | | | | |
| Expenditures: | | | | | | |
| Parks - administration | 862,820 | 862,820 | 399,295 | 417,126 | 816,421 | 46,399 |
| Parks - general recreation | 2,898,920 | 2,909,420 | 1,288,079 | 1,428,026 | 2,716,105 | 193,315 |
| Parks - arts & cultural events | 87,380 | 99,880 | 39,577 | 48,869 | 88,446 | 11,434 |
| Parks - park maintenance | 5,094,250 | 5,192,880 | 2,478,508 | 2,580,994 | 5,059,502 | 133,378 |
| Parks - special restricted funds | 69,720 | 70,030 | 24,374 | 16,383 | 40,757 | 29,273 |
| Parks - city tree program | 297,490 | 297,950 | 118,094 | 127,980 | 246,074 | 51,876 |
| Parks - building maintenance | 3,655,790 | 3,655,790 | 1,640,453 | 1,686,392 | 3,326,845 | 328,945 |
| Parks - capital improvements | 10,430,260 | 17,464,790 | 4,163,958 | 8,490,972 | 12,654,930 | 4,809,860 |
| Parks - UCC special events | 235,440 | 235,440 | 127,721 | 52,846 | 180,567 | 54,873 |
| Parks - Street banner program | 22,460 | 22,460 | 5,617 | 7,450 | 13,067 | 9,393 |
| Building safety | 2,253,060 | 2,403,360 | 1,037,635 | 1,185,963 | 2,223,598 | 179,762 |
| Contingency | 20,823,060 | 19,207,560 | - | - | - | 19,207,560 |
| Total expenditures | 236,960,200 | 282,069,340 | 88,759,821 | 100,712,381 | 189,472,202 | 92,597,138 |
| Other financing sources: | | | | | | |
| Transfers out | 23,504,040 | 26,932,120 | 10,296,505 | 12,025,892 | 22,322,397 | 4,609,723 |
| Total appropriations | <u>\$ 260,464,240</u> | <u>\$ 309,001,460</u> | <u>\$ 99,056,326</u> | <u>\$ 112,738,273</u> | <u>\$ 211,794,599</u> | <u>\$ 97,206,861</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.

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|-----------------|-------------|

Financial Trends

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

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Revenue Capacity

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Debt Capacity

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Demographic and Economic Information

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Operating Information

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 Assets by Component

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

(Accrual basis of accounting)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Governmental activities | | | | | | | | | | |
| Investment in capital assets, net of related debt | 145,908,922 | 183,862,786 | 195,552,099 | 208,801,287 | 214,648,301 | 225,070,486 | 214,017,088 | 230,304,448 | 233,292,847 | 230,039,491 |
| Restricted | | | | | | | | | | |
| Future System Development | | | | | | 1,710,116 | 304,287 | 599,884 | 1,122,668 | 1,368,286 |
| Public Safety | - | 52,793 | 39,850 | 58,002 | 41,139 | - | - | - | - | 100,793 |
| Employee section 125 plan | 27,149,474 | 27,600,775 | 10,227,655 | 12,059,374 | 17,995,967 | 18,355,893 | 12,367,765 | 16,696,007 | 18,475,789 | 22,705,617 |
| Highways and streets | 3,650,348 | 21,951,083 | 11,888,260 | 1,934,604 | 1,741,936 | 1,847,405 | 1,308,384 | 2,004,134 | 8,119,399 | 4,948,229 |
| Culture & recreation | | 4,325,945 | 3,032,664 | 1,112,862 | 3,703,587 | 3,766,736 | 1,688,873 | 11,981,400 | 6,208,364 | 3,046,548 |
| Community development | 5,810,204 | 3,481,140 | 3,681,053 | 4,082,382 | 4,146,973 | 3,778,977 | 3,188,173 | 149,022 | 192,619 | 232,034 |
| Debt service | 25,155,874 | 3,988,585 | 23,765,001 | 25,496,752 | 19,541,765 | 14,466,647 | 38,250,316 | 23,166,428 | 18,345,502 | 5,592,837 |
| Unrestricted | 207,674,822 | 245,263,107 | 248,186,582 | 253,545,263 | 261,819,688 | 288,996,260 | 271,124,886 | 284,901,323 | 285,757,188 | 268,033,835 |
| Total governmental activities | | | | | | | | | | |
| Business type activities | | | | | | | | | | |
| Invested in capital assets | 69,329,849 | 71,948,661 | 75,594,516 | 73,165,671 | 73,620,645 | 76,190,298 | 80,445,022 | 82,369,791 | 82,026,363 | 82,234,047 |
| Restricted | | | | | | | | | | |
| Future system development | 11,576,619 | 12,880,115 | 13,011,448 | 13,343,828 | 13,040,845 | 11,544,184 | 7,154,013 | 6,023,646 | 6,811,138 | 7,498,708 |
| Unrestricted | 3,987,327 | 5,480,196 | 6,441,849 | 7,822,336 | 8,912,358 | 8,994,238 | 10,571,254 | 12,055,882 | 14,626,227 | 13,637,545 |
| Total business-type activities net assets | 84,893,795 | 90,306,972 | 95,047,813 | 94,331,835 | 95,573,848 | 96,728,720 | 98,170,289 | 100,449,319 | 103,463,728 | 103,370,300 |
| Primary Government | | | | | | | | | | |
| Invested in capital assets, net of related debt | 215,238,771 | 255,811,447 | 271,146,615 | 281,966,958 | 288,268,946 | 301,260,784 | 294,462,110 | 312,674,239 | 315,319,210 | 312,273,538 |
| Restricted | | | | | | | | | | |
| Future system development | 11,576,619 | 12,880,115 | 13,011,448 | 13,343,828 | 13,040,845 | 11,544,184 | 7,154,013 | 6,023,646 | 6,811,138 | 7,498,708 |
| Public Safety | - | 52,793 | 39,850 | 58,002 | 41,139 | - | - | - | - | 1,368,286 |
| Employee section 125 plan | 27,149,474 | 27,600,775 | 10,227,655 | 12,059,374 | 17,995,967 | 18,355,893 | 12,367,765 | 16,696,007 | 18,475,789 | 22,705,617 |
| Highways and streets | 3,650,348 | 21,951,083 | 11,888,260 | 1,934,604 | 1,741,936 | 1,847,405 | 1,308,384 | 2,004,134 | 8,119,399 | 4,948,229 |
| Culture & recreation | | 4,325,945 | 3,032,664 | 1,112,862 | 3,703,587 | 3,766,736 | 1,688,873 | 11,981,400 | 6,208,364 | 3,046,548 |
| Community development | 5,810,204 | 3,481,140 | 3,681,053 | 4,082,382 | 4,146,973 | 3,778,977 | 3,188,173 | 149,022 | 192,619 | 232,034 |
| Debt service | 29,143,201 | 9,468,781 | 30,206,850 | 33,319,088 | 28,454,123 | 23,460,885 | 48,821,570 | 35,222,310 | 32,971,729 | 19,230,382 |
| Unrestricted | 292,568,617 | 335,572,079 | 343,234,395 | 347,877,098 | 367,393,536 | 365,724,980 | 369,295,175 | 385,350,642 | 389,220,916 | 371,404,135 |
| Total primary government net assets | | | | | | | | | | |

City of Medford, Oregon
Schedule 2
Change in Net Assets
 Last Ten Fiscal Years - Unaudited
 (Amounts in dollars)
 (Accrual basis of accounting)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General government | 8,990,378 | 10,576,931 | 9,650,054 | 11,067,765 | 9,099,289 | 7,943,745 | 8,930,685 | 8,641,807 | 9,147,201 | 7,228,471 |
| Public safety | 25,380,369 | 26,002,825 | 28,741,920 | 30,638,676 | 29,113,251 | 33,960,287 | 33,766,228 | 30,763,148 | 34,509,062 | 30,837,168 |
| Highways and streets | 5,005,308 | 10,476,941 | 25,716,151 | 14,435,178 | 13,994,665 | 14,115,089 | 14,330,802 | 15,769,938 | 15,847,096 | 10,934,221 |
| Culture and recreation | 6,549,582 | 6,069,022 | 8,155,051 | 8,349,507 | 7,095,384 | 7,573,132 | 8,373,605 | 8,324,613 | 8,589,430 | 10,682,389 |
| Community development | 3,414,026 | 3,893,996 | 4,202,157 | 3,883,346 | 3,864,286 | 6,044,328 | 6,103,180 | 7,230,916 | 6,161,258 | 5,923,238 |
| Interest on long-term debt | 49,339,663 | 57,019,715 | 76,465,333 | 68,374,472 | 68,879,588 | 72,331,049 | 75,202,265 | 75,179,914 | 78,698,252 | 71,539,828 |
| Total governmental activities expenses | 9,146,805 | 6,563,724 | 9,592,039 | 10,150,933 | 10,179,351 | 12,485,964 | 10,433,372 | 10,661,977 | 11,184,462 | 12,013,563 |
| Business type activities: | 312,553 | 356,165 | 416,670 | 386,800 | 411,681 | 332,673 | 379,167 | 384,563 | 388,584 | 454,410 |
| Sever services | 9,459,388 | 6,919,889 | 10,008,709 | 10,537,733 | 10,591,032 | 12,818,637 | 10,813,139 | 11,046,540 | 11,573,046 | 12,467,973 |
| Parking services | 58,789,021 | 63,939,604 | 86,474,042 | 78,912,205 | 79,470,620 | 85,148,686 | 86,015,404 | 86,226,454 | 90,271,288 | 84,007,801 |
| Total business-type activities expense: | 69,551,966 | 71,215,678 | 96,958,721 | 89,821,738 | 90,161,763 | 98,537,286 | 97,121,740 | 97,992,484 | 100,030,918 | 96,976,791 |
| Total primary Government expenses | 15,808,169 | 18,108,414 | 16,614,804 | 19,041,708 | 19,341,113 | 20,423,950 | 19,355,112 | 19,654,391 | 19,215,380 | 23,490,154 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General government | 5,510,986 | 7,280,852 | 8,253,978 | 7,840,536 | 5,758,207 | 4,921,821 | 3,617,405 | 5,127,014 | 5,761,672 | 4,557,513 |
| Public safety | 2,621,104 | 1,787,839 | 2,535,764 | 2,485,855 | 2,585,990 | 2,769,003 | 2,229,342 | 1,337,617 | 3,523,187 | 3,630,132 |
| Highways and streets | 9,232,582 | 9,524,470 | 7,718,496 | 7,323,231 | 6,505,957 | 7,241,299 | 8,132,177 | 7,907,387 | 9,468,041 | 13,653,383 |
| Culture and recreation | 1,898,738 | 1,579,967 | 2,298,502 | 2,292,263 | 2,645,391 | 3,123,140 | 2,354,531 | 1,337,631 | 2,851,023 | 3,266,037 |
| Community development | 1,193,627 | 741,660 | 1,693,151 | 1,110,204 | 1,436,003 | 1,716,297 | 630,913 | 1,921,074 | 1,847,670 | 860,765 |
| Operating Grants and Contributions | 1,069,520 | 927,586 | 1,070,702 | 1,028,922 | 1,028,922 | 1,028,922 | 1,900,297 | 2,468,925 | 4,429,715 | 2,845,401 |
| General government | 3,399,786 | 3,451,650 | 3,319,985 | 3,828,824 | 5,225,536 | 3,751,546 | 5,249,324 | 4,255,860 | 4,342,965 | 1,762,866 |
| Public safety | 971,205 | 1,239,844 | 96,023 | 886,523 | 86,340 | 16,000 | 3,223 | 1,279,406 | 8,953 | 729,640 |
| Highways and streets | 3,626,588 | 3,754,866 | 5,827,484 | 4,704,449 | 3,142,514 | 7,914,014 | 3,080,688 | 12,654,060 | 2,115,707 | 1,788,681 |
| Culture and recreation | 29,523,165 | 29,685,734 | 33,090,894 | 30,478,957 | 29,935,428 | 36,294,687 | 32,328,809 | 42,490,263 | 44,637,730 | 47,418,873 |
| Community development | 11,279,195 | 11,706,912 | 9,409,181 | 9,939,154 | 10,237,379 | 10,740,971 | 11,599,963 | 12,507,099 | 13,405,162 | 12,961,499 |
| Operating grants and contributions | 4,532,182 | 96,599 | 4,769,355 | 1,706,725 | 1,561,257 | 1,170,753 | 802,286 | 1,004,292 | 1,272,724 | 1,107,321 |
| Capital grants and contributions | 346,502 | 347,283 | 349,748 | 293,815 | 487,696 | 272,916 | 425,426 | 499,970 | 517,155 | 598,685 |
| Charges for services | 16,157,879 | 12,150,794 | 14,590,011 | 12,280,503 | 12,289,129 | 12,353,601 | 12,634,987 | 14,029,639 | 15,199,665 | 14,637,404 |
| Total business type activities program revenues | 45,681,044 | 41,838,528 | 47,680,905 | 42,769,460 | 41,224,557 | 48,648,288 | 45,163,796 | 56,519,902 | 50,717,245 | 49,281,928 |
| Total primary government program revenues | 19,816,498 | 27,333,981 | 43,374,439 | 37,895,515 | 39,944,160 | 36,036,362 | 42,873,456 | 32,689,651 | 43,180,672 | 36,945,304 |
| Governmental activities | 6,698,521 | 5,230,905 | 4,581,302 | 1,752,770 | 1,698,097 | (466,036) | 2,021,848 | 2,963,099 | 3,626,619 | 2,219,431 |
| Business Type activities | (13,117,977) | (22,103,076) | (38,793,137) | (36,142,745) | (38,246,063) | (36,591,398) | (40,851,608) | (29,706,552) | (39,554,053) | (34,225,873) |
| Total primary government net expenses | (3,401,479) | (14,872,091) | (35,142,702) | (34,290,970) | (38,291,899) | (36,115,036) | (38,828,152) | (27,016,897) | (36,373,381) | (37,280,569) |
| Net Assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property Taxes | 28,130,450 | 29,184,039 | 32,063,487 | 33,227,657 | 33,669,718 | 34,837,199 | 34,777,008 | 34,374,090 | 36,009,226 | 38,410,779 |
| Other taxes | 7,506,959 | 9,682,089 | 10,034,787 | 9,501,990 | 13,188,961 | 8,840,324 | 9,354,732 | 9,458,020 | 9,847,977 | 10,374,157 |
| Unrestricted investment earnings | 2,518,036 | 3,769,094 | 3,519,750 | 1,224,645 | 625,355 | 343,150 | 566,817 | 474,987 | 675,501 | 643,510 |
| Gain (Loss) on disposal of capital assets | 612,833 | 48,064 | 17,161 | 69,150 | 41,350 | (46,097) | 109,869 | 10,889 | (190,062) | 895,300 |
| Transfers | 695,538 | 692,400 | 662,729 | 708,943 | 693,198 | 696,058 | 778,140 | 831,714 | 722,390 | 805,300 |
| Total Governmental Activities | 39,663,816 | 43,270,686 | 46,297,914 | 43,254,196 | 48,218,562 | 44,870,634 | 45,579,555 | 45,149,700 | 47,065,032 | 50,323,746 |
| Business type activities | 518,477 | 862,844 | 820,268 | 418,642 | 237,114 | 130,587 | 173,844 | 127,646 | 110,179 | 133,831 |
| Investment earnings | 12,000 | 11,000 | - | 6,272 | - | - | 24,129 | - | - | - |
| Gain (Loss) on disposal of capital assets | (695,538) | (582,729) | (662,729) | (708,943) | (683,198) | (696,058) | (778,140) | (831,714) | (722,390) | (895,300) |
| Loss on abandonment of capital expenditures | (165,061) | 286,444 | 157,539 | (2,468,747) | (456,084) | (565,471) | (680,167) | (704,068) | (612,211) | (761,469) |
| Transfers | 39,298,755 | 43,557,130 | 46,455,453 | 40,785,449 | 47,762,498 | 44,105,163 | 44,999,988 | 44,445,632 | 46,452,821 | 49,562,777 |
| Total Business type activities | 38,640,916 | 43,270,686 | 46,297,914 | 43,254,196 | 48,218,562 | 44,870,634 | 45,579,555 | 45,149,700 | 47,065,032 | 50,323,746 |
| Total primary Government | 19,647,318 | 15,936,705 | 2,923,475 | 5,358,681 | 8,274,422 | 8,634,272 | 2,706,099 | 12,460,049 | 3,884,360 | 13,378,442 |
| Governmental activities | 6,533,460 | 5,517,349 | 4,738,841 | 1,242,013 | 1,242,013 | (1,030,507) | 1,441,681 | 2,279,031 | 3,014,408 | 1,457,962 |
| Business type activities | 26,180,778 | 21,454,054 | 7,662,316 | 4,642,704 | 9,516,435 | 7,693,765 | 4,147,780 | 14,739,080 | 6,898,768 | 14,636,404 |
| Total Primary Government | 25,718,248 | 16,970,763 | 12,391,157 | 5,985,385 | 17,760,857 | 16,328,037 | 5,594,461 | 17,209,129 | 10,783,168 | 16,014,846 |

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)

| Fiscal Year ending 6/30/XX | 2006 | 2007 | 2008 | 2009 | 2010 ¹ | 2011 | 2012 ² | 2013 ² | 2014 ² | 2015 ² |
|---------------------------------------|---------------|---------------|---------------|---------------|-------------------|---------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Inventory | - | - | - | - | - | 56,353 | 66,104 | 57,553 | 53,840 | 43,194 |
| Advances to other Funds | | | | | | | 20,950,000 | 19,700,000 | 18,355,000 | 16,985,000 |
| Unassigned | 16,380,858 | 17,865,765 | 19,627,721 | 16,700,620 | 19,022,954 | 17,820,875 | 18,107,099 | 17,240,916 | 18,097,582 | 1,739,021 |
| Assigned | | | | | | | | | | |
| 20157-17Budget | | | | | | 1,457,607 | 2,035,080 | 2,617,712 | 3,028,488 | 16,615,670 |
| Committed for PERS Debt | | | | | | 19,334,835 | 41,158,283 | 39,616,181 | 39,534,910 | 3,441,896 |
| Total General Fund | \$ 16,380,858 | \$ 17,865,765 | \$ 19,627,721 | \$ 16,700,620 | \$ 19,022,954 | \$ 19,334,835 | \$ 41,158,283 | \$ 39,616,181 | \$ 39,534,910 | \$ 38,824,781 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Highways and streets | 27,149,474 | 27,600,775 | 10,227,655 | 12,059,374 | 17,995,987 | | | | | |
| Culture and recreation | 3,650,348 | 21,951,083 | 11,888,260 | 1,934,604 | 1,741,936 | | | | | |
| Community Development | | | | | 3,703,587 | | | | | |
| Debt service | 5,810,204 | 3,481,140 | 3,681,053 | 4,082,382 | 4,146,970 | | | | | |
| Capital outlay | - | - | - | - | - | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 4,196,681 | 3,926,002 | 3,810,465 | 3,825,743 | 3,606,787 | | | | | |
| Capital projects funds | - | 4,382,889 | 7,497,964 | 4,992,011 | - | | | | | |
| Restricted for: | | | | | | | | | | |
| Public safety | | | | | | 108,594 | 304,287 | 599,884 | 1,122,668 | 1,368,286 |
| Highways and streets | | | | | | 9,867,064 | 12,367,765 | 16,696,007 | 18,475,790 | 22,705,617 |
| Culture and recreation | | | | | | 1,504,922 | 1,308,384 | 2,044,134 | 8,119,399 | 4,948,229 |
| Community development | | | | | | 3,766,736 | 1,688,873 | 11,981,400 | 6,208,364 | 3,046,548 |
| Debt Service | | | | | | 3,778,977 | 3,188,173 | 149,022 | 192,619 | 232,034 |
| Committed for: | | | | | | | | | | |
| Public safety | | | | | | 1,601,522 | 1,578,026 | 1,778,011 | 34,456,786 | 30,138,696 |
| Highways and streets | | | | | | 8,487,026 | 7,568,251 | 4,378,330 | 5,399,629 | 6,249,318 |
| Culture and recreation | | | | | | 344,286 | 431,636 | 494,435 | 528,012 | 523,437 |
| Unassigned | | | | | | 17,820,875 | (4,868,989) | (16,550,028) | (12,837,550) | (12,691,861) |
| Total of all other governmental funds | \$ 40,806,707 | \$ 61,341,889 | \$ 37,105,397 | \$ 26,894,114 | \$ 31,195,267 | \$ 47,280,002 | \$ 23,566,406 | \$ 21,571,196 | \$ 61,665,717 | \$ 56,520,304 |

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

¹ 2010 and later - Community Development was reported separately

² 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 6/30/15 was \$16,985,000

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | 27,846,413 | 29,015,206 | 30,938,364 | 32,716,987 | 33,550,863 | 34,558,616 | 34,817,095 | 34,686,616 | 36,499,226 | 38,140,648 |
| Franchise | 5,217,635 | 6,259,689 | 7,805,599 | 7,498,935 | 7,417,721 | 7,667,517 | 8,103,753 | 8,135,229 | 8,383,706 | 8,716,866 |
| Lodging ¹ | 2,147,748 | 2,409,719 | 2,553,494 | 2,282,538 | 2,273,219 | 2,373,254 | 2,501,953 | 2,645,582 | 2,928,540 | 3,314,578 |
| State gas tax | 3,394,786 | 3,389,522 | 3,256,822 | 2,938,714 | 3,201,504 | 3,751,548 | 4,069,443 | 4,122,907 | 4,328,786 | 4,409,077 |
| State Shared Revenues | 1,710,047 | 1,303,663 | - | - | - | - | - | - | - | - |
| Car Rental Tax ² | 203,736 | 311,446 | 314,066 | 291,150 | 296,517 | 313,011 | 338,587 | 408,345 | 702,932 | 1,085,049 |
| Special Assessments | 106,174 | 49,630 | 27,084 | 13,988 | 2,122 | 11,533 | 88,037 | 33,955 | 6,534 | 4,094 |
| System development charges | 3,431,361 | 4,139,557 | 2,684,561 | 3,300,889 | 1,516,968 | 1,322,155 | 3,625,466 | 2,589,940 | 3,293,306 | 2,824,164 |
| Charges for services | 6,843,020 | 6,229,665 | 7,234,145 | 6,336,212 | 8,168,600 | 2,102,585 | 1,549,305 | 1,567,208 | 1,744,325 | 1,773,929 |
| Fines and penalties | 1,118,277 | 1,285,286 | 1,376,390 | 1,303,508 | 1,332,950 | 1,395,800 | 1,187,906 | 1,448,684 | 1,348,188 | 1,294,691 |
| Intergovernmental | 1,416,398 | 2,547,231 | 4,493,337 | 4,733,885 | 5,038,659 | 4,105,206 | 4,257,320 | 4,003,532 | 3,740,102 | 7,408,139 |
| Licenses and permits | 4,298,327 | 4,789,573 | 3,887,457 | 3,298,628 | 3,107,511 | 11,074,896 | 11,467,015 | 12,145,376 | 13,525,857 | 14,392,673 |
| Investment earnings | 2,492,554 | 3,719,747 | 3,468,143 | 1,192,367 | 604,692 | 330,493 | 479,874 | 493,331 | 675,501 | 643,510 |
| Grants and contributions | 3,240,393 | 1,989,517 | 1,832,981 | 2,871,864 | 7,342,141 | 9,092,639 | 3,390,654 | 1,865,169 | 2,578,882 | 2,578,882 |
| Miscellaneous | 426,264 | 908,459 | 323,972 | 256,309 | 227,260 | 246,902 | 747,399 | 1,949,911 | 2,870,925 | 1,072,814 |
| Rental income | 63,893,133 | 68,347,910 | 70,277,148 | 69,108,173 | 74,080,728 | 78,370,865 | 76,665,794 | 76,094,785 | 82,631,374 | 87,659,114 |
| Expenditures | | | | | | | | | | |
| General government | 9,760,308 | 8,587,907 | 7,314,274 | 8,410,989 | 7,287,388 | 7,943,745 | 8,061,216 | 7,761,943 | 7,098,188 | 7,836,743 |
| Public Safety | 24,755,871 | 25,263,463 | 27,728,314 | 29,647,717 | 28,599,595 | 30,497,243 | 30,880,952 | 31,418,003 | 32,927,779 | 34,957,250 |
| Highway and streets | 5,007,887 | 5,954,938 | 18,876,974 | 6,816,248 | 6,876,039 | 6,756,904 | 7,397,912 | 8,104,918 | 7,867,330 | 7,972,227 |
| Culture and recreation | 6,009,908 | 5,548,007 | 6,339,937 | 6,514,950 | 4,874,990 | 5,116,189 | 5,780,817 | 5,806,654 | 6,062,980 | 6,346,620 |
| 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 |
| Capital Outlay | 22,546,636 | 13,925,625 | 22,425,555 | 20,814,762 | 9,384,274 | 16,897,242 | 14,879,091 | 12,744,837 | 15,846,426 | 18,583,618 |
| Bond issuance costs | - | 127,215 | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - | - |
| Principal | 4,358,967 | 5,751,978 | 5,329,516 | 5,816,101 | 6,085,693 | 6,202,289 | 14,673,892 | 4,120,801 | 4,430,000 | 8,134,000 |
| Interest | 3,446,957 | 3,508,923 | 4,298,916 | 3,930,884 | 3,811,248 | 3,562,294 | 3,353,562 | 4,551,366 | 4,201,307 | 6,078,671 |
| Total Expenditures | 75,886,534 | 68,668,056 | 93,513,830 | 83,101,347 | 71,269,901 | 81,362,833 | 89,003,480 | 80,196,510 | 83,129,200 | 94,615,255 |
| Excess of revenues over (under) expenditures | (11,993,401) | (320,146) | (23,236,682) | (13,993,174) | 2,810,827 | (2,991,968) | (12,337,686) | (4,101,725) | (497,826) | (6,956,141) |

Continued on next page

City of Medford, Oregon

Schedule 4

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------|----------------|---------------|-----------------|-----------------|--------------|----------------|---------------|----------------|---------------|----------------|
| Other Financing sources (uses) | | | | | | | | | | |
| Transfers in | 7,137,833 | 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 |
| Transfers out | (6,755,126) | (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) |
| Issuance of Debt (Bonds) | 8,088,000 | 21,535,000 | - | - | 3,000,000 | - | 27,649,094 | - | 39,592,143 | - |
| Issuance of Debt (State Loan) | - | - | - | - | - | - | - | - | - | - |
| Land purchase contract | - | - | - | - | - | 375,175 | - | - | - | - |
| Capital Leases | 8,793 | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 610,053 | 53,236 | 17,161 | 57,360 | 38,163 | 418,476 | 123,482 | 10,889 | - | - |
| Total other financing sources | 9,089,553 | 22,340,235 | 762,146 | 854,789 | 3,812,661 | 1,567,709 | 28,268,416 | 564,412 | 40,511,086 | 1,100,600 |
| Net change in fund balances | \$ (2,903,848) | \$ 22,020,089 | \$ (22,474,536) | \$ (13,138,365) | \$ 6,623,488 | \$ (1,424,259) | \$ 15,930,730 | \$ (3,537,313) | \$ 40,013,260 | \$ (5,855,541) |

Debt service as % of noncapital expenditures

| | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 14.63% | 16.92% | 13.54% | 15.65% | 15.99% | 15.15% | 24.32% | 12.86% | 12.10% | 17.17% |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|

Note:

- 1 Transient Lodging tax was 6% from 1997 through Jan 2001, 8% through December 2005, and 9% as of January 2006.
- 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

City of Medford, Oregon
Schedule 5
Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years - Unaudited
 (Amounts in dollars)
 6/30/2015

| Fiscal Year Ended June 30, | Real Property | | Personal Property | | Other | | Less | | Total Taxable Assessed Value | Total Direct Tax Rate | (M5) Estimated Actual Value (RMV) | Tax District totals RMV | Taxable Assessed Value as a Percentage of Estimated Actual Value |
|----------------------------|---------------|-------------------------|------------------------------|---------------------|-------------|------------|---------------|---------------|------------------------------|-----------------------|-----------------------------------|-------------------------|--|
| | Real Property | Manufactured Structures | Real Manufactured Structures | Personal Properties | Utilities | Non Profit | UR Excess | | | | | | |
| 2006 | 4,279,803,751 | 1,063,090 | 28,055,070 | 211,295,100 | 134,568,730 | 8,373,200 | (170,448,926) | 4,492,708,015 | 5.10 | 7,706,168,970 | 7,915,603,826 | 58.30% | |
| 2007 | 4,550,377,762 | - | 32,142,750 | 224,937,040 | 145,043,300 | 8,624,360 | (169,017,222) | 4,792,108,010 | 5.19 | 9,311,851,490 | 9,530,490,159 | 51.46% | |
| 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% | |

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
6/30/2015

| Fiscal Year Ended June 30, | City of Medford | | | | | Overlapping Rates | | | | | | | | | | Total Direct & Overlapping Rates |
|----------------------------|-----------------|-----------------------|-------------------|-------------------|----------------|----------------------------|-------------------------|------------------|-------------------------|-----------------------|----------------|-------------|------------------------|-------|--|----------------------------------|
| | General Fund | Special Revenue Funds | Debt Service Fund | Total Direct Rate | Jackson County | Education Service District | Medford School District | Library District | Transportation District | RCC Community College | Vector Control | JC Soil Wtr | Urban Renewal District | | | |
| 2006 | 5.10 | - | - | 5.10 | 2.12 | 0.33 | 4.81 | | 0.16 | 0.61 | 0.04 | - | 1.31 | 14.48 | | |
| 2007 | 5.11 | - | 0.08 | 5.19 | 2.10 | 0.33 | 4.87 | | 0.17 | 0.60 | 0.04 | - | 1.24 | 14.54 | | |
| 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 | 0.50 | 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 | | |

Data Source: Jackson county

The 2014-15 Taxable Assessed Value to compute the tax rate code area of 4901 is \$5,479,138,879 which is 87.97% 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)

6/30/2015

| Taxpayer | Type of Business | 2014 Top 14 All Roll Taxpayers for City of Medford | | | 2006 Top Tax Payers | | | |
|---|-----------------------|--|---|------|--|--|------|--|
| | | 2014 Current Taxes Imposed | 2014-15 Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | 6/30/2005 Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Rogue Valley Manor | Retirement Housing | 1,294,301 | 89,146,900 | 1 | 1.43% | 52,738,340 | 1 | 1.33% |
| Charter Communications | Television | 953,182 | 59,308,500 | 2 | 0.95% | | | |
| Rogue Valley Mall LLC (RV Partners in 2002) | Shopping Mall | 839,862 | 52,460,130 | 3 | 0.84% | 45,282,090 | 2 | 1.14% |
| Pacificorp (PP&L) | Electric Utility | 615,303 | 38,590,000 | 4 | 0.62% | 22,328,000 | 5 | 0.56% |
| Avista Corp DBA Washington | Gas Utility | 601,195 | 37,646,000 | 5 | 0.60% | 19,229,900 | 8 | 0.49% |
| Wal-Mart Real Estate Business | Shopping Center | 518,782 | 32,345,160 | 6 | 0.52% | | | |
| Kogap Enterprises | Commercial Contractor | 507,004 | 32,840,400 | 7 | 0.53% | 19,754,380 | 7 | 0.50% |
| Lithia Real Estate Inc. | Automobile Dealership | 474,216 | 29,540,970 | 8 | 0.47% | | | |
| AT&T Inc | Telephone Utility | 414,765 | 25,980,000 | 9 | 0.42% | | | |
| KRC Medford Center | Shopping Center | 403,275 | 25,168,910 | 10 | 0.40% | | | |
| Asante | Health Organization | 321,967 | 20,495,950 | 11 | 0.33% | 19,875,540 | 6 | 0.50% |
| CenturyLink | Telephone Utility | 305,293 | 19,112,700 | 12 | 0.31% | | | |
| Metropolitan Life Insurance Co. | Insurance | 284,445 | 17,740,260 | 14 | 0.28% | | | |
| Qwest Corporation | Telephone Utility | | | | | 37,059,800 | 3 | 0.94% |
| US Cellular NW Operation | Telephone Utility | 212,344 | 13,285,900 | 19 | 0.21% | 14,279,000 | 9 | 0.36% |
| Haagen Alexander | Shopping Mall | | | | 0.00% | 27,487,760 | 4 | 0.69% |
| Pan Pacific Retail Property, Inc. | Property Management | | | | | 14,210,490 | 10 | 0.36% |
| Total | | 7,745,933 | 493,661,780 | | 7.93% | 272,245,300 | | 6.88% |

Note: The 2014-15 Taxable Assessed Valuation for the City of Medford is: 6,228,322,628

The Taxable Assessed Valuation for year ended 6/30/2006 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)
6/30/2015

| Fiscal Year Ended June 30, | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Percentage 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 | | Years | as percent of current Levy | | | | |
| 2006 | 28,814,021 | 27,538,210 | 95.6% | 1,105,448 | 28,643,658 | 99.409% | 1,339,390 | 4.6% | | |
| 2007 | 30,521,942 | 28,710,513 | 94.1% | 757,855 | 29,468,368 | 96.548% | 1,624,748 | 5.3% | | |
| 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% | | |

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)

6/30/2015

| Fiscal Year Ended June 30, | Governmental Activities | | | | Business Type Activities | | | | Total Primary Government ⁵ | Per Capita ¹ | Percentage Per Capita ¹ | Percentage of Personal Income |
|----------------------------|---------------------------------------|---------------------------------------|----------------|---|-----------------------------------|--------------------------|-------------|----------------|---------------------------------------|-------------------------|------------------------------------|-------------------------------|
| | General Obligation Bonds ⁴ | Special Assessment Bonds ² | Capital Leases | Medford Urban Renewal (MURA) Bonds ⁴ | Contract/Loan (MURA) ³ | General Obligation Bonds | Sewer Bonds | Capital Leases | | | | |
| 2006 | 49,565,000 | 1,157,150 | 144,445 | 20,398,000 | 540,033 | - | - | - | 71,804,628 | 971 | 0.10% | 1.14% |
| 2007 | 66,560,000 | - | 17,645 | 20,400,000 | 483,205 | - | - | - | 87,460,850 | 1,156 | 0.09% | 1.31% |
| 2008 | 64,000,000 | - | - | 17,689,000 | 424,689 | - | - | - | 82,113,689 | 1,085 | 0.09% | 1.20% |
| 2009 | 61,165,000 | - | - | 14,767,000 | 365,587 | - | - | - | 76,297,587 | 993 | 0.10% | 1.11% |
| 2010 | 58,185,000 | - | - | 14,721,000 | 305,894 | - | - | - | 73,211,894 | 977 | 0.10% | 1.06% |
| 2011 | 55,550,000 | - | - | 11,214,000 | 245,693 | - | - | - | 67,009,693 | 894 | 0.11% | 0.95% |
| 2012 | 73,818,000 | - | - | 4,966,000 | 184,801 | - | - | - | 78,968,801 | 1,045 | 0.10% | 1.14% |
| 2013 | 70,041,000 | - | - | 4,807,000 | - | - | - | - | 74,848,000 | 996 | 0.10% | 1.06% |
| 2014 | 104,110,000 | - | - | 4,463,000 | - | - | - | - | 108,573,000 | 1,430 | 0.07% | 1.45% |
| 2015 | 100,439,000 | - | - | - | - | - | - | - | 100,439,000 | 2,725 | 0.04% | 1.31% |

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)

1 See the Demographic and Economic Schedule 14 for population and personal income data.

2 The Bancroft Special Assessment Bonds were paid off in full September 2006.

3 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)

6/30/2015

| Fiscal Year Ended June 30, | General Obligation Bonds⁴ | Medford Urban Ren. Bonds | Total General Obligation Bonds | Less Amounts Available in Debt Service Fund³ | Net General Bonded Debt Total | Percentage of Estimated Actual Taxable Value of Property² | Per Capita¹ |
|-----------------------------------|---|---------------------------------|---------------------------------------|--|--------------------------------------|---|-------------------------------|
| 2006 | 50,722,150 | 20,398,000 | 71,120,150 | 5,810,204 | 65,309,946 | 1.45% | 883.04 |
| 2007 | 66,560,000 | 20,400,000 | 86,960,000 | 3,481,140 | 83,478,860 | 1.74% | 1,103.12 |
| 2008 | 64,000,000 | 17,689,000 | 81,689,000 | 3,681,053 | 78,007,947 | 1.53% | 1,030.42 |
| 2009 | 61,165,000 | 14,767,000 | 75,932,000 | 4,082,382 | 71,849,618 | 1.33% | 934.73 |
| 2010 | 58,185,000 | 14,721,000 | 72,906,000 | 4,146,970 | 68,759,030 | 1.23% | 917.93 |
| 2011 | 55,550,000 | 11,214,000 | 66,764,000 | 3,689,980 | 63,074,020 | 1.10% | 841.21 |
| 2012 | 73,818,000 | 4,966,000 | 78,784,000 | 3,188,173 | 75,595,827 | 1.32% | 1,000.67 |
| 2013 | 70,041,000 | 24,507,000 | 94,548,000 | 3,298,995 | 91,249,005 | 1.60% | 1,213.74 |
| 2014 | 104,110,000 | 4,463,000 | 108,573,000 | 5,735,102 | 102,837,898 | 1.75% | 1,354.56 |
| 2015 | 100,439,000 | - | 100,439,000 | 4,525,174 | 95,913,826 | 1.54% | 1,251.32 |

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.

(4) This column includes G.O. Revenue supported Bonds in the amount of \$53,919,000 as of 6/30/15.

City of Medford, Oregon

Schedule 11

Direct and Overlapping Governmental Activities Debt

As of June 30, 2015

(Amounts in dollars)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Direct & Net Overlapping Debt |
|--|-----------------------------|--|---|
| Debt repaid with property taxes | | | |
| Jackson County | 18,468,154 | 35.1200% | 6,485,111 |
| Jackson County Housing Authority | 3,434,474 | 35.1200% | - |
| JC School District #4 (Phoenix-Talent) | 21,655,000 | 32.1500% | 6,962,191 |
| JC School District #549C (Medford) | 191,940,000 | 75.1700% | 144,282,642 |
| JC School District #6 (Central Point) | 14,467,255 | 1.4100% | 204,596 |
| Rogue Community College | 17,790,000 | 25.0900% | - |
| Rogue Community College (Jackson Cty Bond) | 17,835,000 | 35.1200% | 6,262,778 |
| Subtotal Overlapping Debt | 285,589,883 | | 164,197,318 |
| City Direct Debt | | | |
| City Gross Property Tax Backed Direct Debt | 100,439,000 | | 100,439,000 |
| | 386,028,883 | | 264,636,318 |

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 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.

City of Medford, Oregon
Schedule 12
Legal Debt Margin Information
 Last Ten Fiscal Years - Unaudited
 (Amounts in dollars)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Debt Limit | 236,298,537 | 285,914,705 | 320,052,118 | 319,582,996 | 292,147,299 | 257,373,568 | 230,713,438 | 215,767,304 | 211,199,108 | 234,568,272 |
| Total net debt applicable to limit | 28,852,646 | 31,673,860 | 30,886,602 | 29,728,410 | 28,698,030 | 34,902,020 | 44,729,667 | 24,001,005 | 25,834,379 | 41,994,826 |
| Legal debt margin | 207,445,891 | 254,240,845 | 289,165,516 | 289,854,586 | 263,449,269 | 222,471,548 | 185,983,771 | 191,766,299 | 185,364,728 | 192,573,446 |
| Total net debt applicable to the limit as a percentage of debt limit | 13.91% | 12.46% | 10.68% | 10.26% | 10.89% | 15.69% | 24.05% | 12.52% | 13.94% | 21.81% |

Legal Debt Margin Calculation for Fiscal Year 2015

| | |
|---|----------------------|
| Real Market Value | 7,818,942,393 |
| Add Back: exempt real property | - |
| Total Real Market Value (M\$) | <u>7,818,942,393</u> |
| Debt Limit (3% of total RMV Value) | 234,568,272 |
| Amount of debt applicable to debt limit | 100,439,000 |
| Total Bonded Debt: | |

| | |
|---|-------------------|
| Deductions: | |
| Assets in debt service funds available for payment of principal | 232,035 |
| Special assessment bonds (Urban Renewal) | 4,293,139 |
| Revenue bonds | 53,919,000 |
| Urban redevelopment bonds | - |
| Total deductions | <u>58,444,174</u> |

| | |
|------------------------------------|---------------------------|
| Total net debt applicable to limit | 41,994,826 |
| Legal Debt Margin | <u><u>192,573,446</u></u> |

| | |
|--|----------------------|
| Total net debt applicable to the limit as a percentage of the debt limit | <u><u>21.81%</u></u> |
|--|----------------------|

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

City of Medford, Oregon
Schedule 13
Pledged Revenue Coverage 06/30/15
Last Ten Fiscal Years - Unaudited
(Amounts in dollars)

| Parks Revenue Bonds | | | | | | |
|----------------------------------|--------------------------------|-----------------------|--|---------------------------------------|--------------|------------------------------------|
| Fiscal Year Ended June 30, | Gross Revenues ¹ | Operating Expenses | Net Revenue Available For Debt Service | Total Parks Bonds Paid during year | | Coverage Actual Debt Service |
| | | | | Principal | Interest | |
| 2006 | 2,669,132 | 266,302 | 2,402,830 | 210,000 | 232,149 | 5.43 |
| 2007 ² | 3,851,761 | 183,109 | 3,668,652 | 215,000 | 223,749 | 8.36 |
| 2008 | 4,143,944 | 311,782 | 3,832,162 | 705,000 | 1,125,434 | 2.09 |
| 2009 ³ | 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 ⁴ | 2,901,938 | 500,107 | 2,401,831 | 4,528,000 | 926,641 | 0.44 |
| 2013 ⁵ | 4,068,145 | 185,455 | 3,882,689 | 1,076,000 | 746,619 | 2.13 |
| 2014 ⁶ | 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 |
| | | | | | | |
| | \$ 38,962,497 | \$ 2,839,164 | \$ 32,406,668 | \$ 11,994,000 | \$ 7,654,322 | |

Source: City of Medford Finance Department

Notes:

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

¹ Parks revenue comes from a portion of the Transient Lodging Tax (25%) and Car Rental Tax and a Parks Utility Fee. Bond proceeds of \$3,673,000 are not included

² Gross Revenues do not include Bond proceeds of \$18,965,000

³ Gross Revenues were higher in FY09 due to receipt of grants for the Santo Center & the Sports Park.

⁴ The 2002 Parks bond was defeased in FY11/12 and \$3,673,000 was reissued.

⁵ SDC revenue was up from prior year due to increased building. We also received a \$400,000 grant

⁶ 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
 6/30/2015

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) |
| 2006 | 73,960 | 12,853 | 19 | 5.7 | 36,256 | 6,322 | 31,785 | 414 | 74,011 | 465 | 108,564 |
| 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 | 286,182 | 246 | 59,738 |

(1) Portland State University - April 2015
 (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 2013 (published 11.20.2014) 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
6/30/2015

| <u>Employer</u> | <u>2015 ¹</u> | | | <u>Feb 2005 ²</u> | | |
|------------------------------|--------------------------|-------------|--|------------------------------|-------------|--|
| | <u>Employees (1)</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Asante (RV Medical) | 4,231 | 1 | 4.41% | 3,782 | 1 | 11.49% |
| Lithia Motors | 3,000 | 2 | 3.13% | 470 | 8 | |
| Harry & David Operations | 2,000 | 3 | 2.09% | 3,500 | 2 | 10.64% |
| Rogue Valley Medical Center | 1,638 | 4 | 1.71% | | | |
| Allegiant Air | 1,500 | 5 | 1.56% | | | |
| Providence Medical Center | 1,300 | 6 | 1.36% | 1,150 | 3 | 3.49% |
| Medford School District 549C | 1,157 | 7 | 1.21% | 1,083 | 4 | |
| Jackson County | 1,027 | 8 | 1.07% | 1,023 | 5 | |
| Wal-Mart Stores | 930 | 9 | 0.97% | | | |
| Boise | 875 | 10 | 0.91% | | | |
| Boise Building Solutions | | | | 970 | 6 | 2.95% |
| Timber Products | | | | 692 | 7 | 2.10% |
| City of Medford | 405 | 16 | 0.42% | 433 | 9 | 1.32% |
| Rogue Valley Manor | 450 | 14 | 0.47% | 357 | 3 | 1.08% |

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

Source

(1) Chamber of Commerce 10/16/15 -- 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

6/30/2015

| | (2) <u>05-06</u> | (1) <u>06-07</u> | (1) <u>07-08</u> | (1) <u>08-09</u> | (1) <u>09-10</u> | 1, 2 <u>10-11</u> | <u>11-12</u> | <u>12-13</u> | <u>13-14</u> | <u>14-15</u> |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|--------------|--------------|--------------|--------------|
| City Manager | 11.0 | 11.0 | 9.3 | 8.0 | 8.0 | 9.0 | 8.0 | 7.0 | 9.0 | 10.2 |
| Information Services | 11.0 | 10.8 | 12.0 | 13.5 | 13.0 | 12.0 | 11.0 | 10.0 | 12.0 | 10.0 |
| Recorder | 1.1 | 1.0 | 1.0 | 1.0 | 1.0 | - | - | - | - | - |
| Human Resources | 3.8 | 3.5 | 4.4 | 4.2 | 4.0 | 4.0 | 4.0 | 4.3 | 5.4 | 6.0 |
| Print Shop | - | - | - | - | - | - | - | - | - | - |
| Finance | 10.4 | 11.4 | 11.4 | 11.3 | 11.2 | 10.2 | 11.4 | 11.2 | 10.2 | 11.2 |
| Planning | 19.4 | 18.5 | 17.0 | 16.0 | 16.5 | 17.0 | 17.0 | 16.0 | 17.0 | 17.0 |
| Building Inspection | 16.4 | 16.0 | 14.6 | 11.2 | 11.2 | 9.0 | 8.0 | 8.3 | 9.0 | 11.0 |
| Public Works | | | | | | | | | | |
| Engineering | 32.7 | 32.7 | 34.7 | 34.0 | 32.5 | 32.6 | 32.4 | 33.1 | 34.2 | 34.6 |
| Maintenance | 56.0 | 56.5 | 57.1 | 57.6 | 58.0 | 52.8 | 57.0 | 55.6 | 56.0 | 58.4 |
| WRD | 23.4 | 23.8 | 25.7 | 25.5 | 24.9 | 23.0 | 24.8 | 24.7 | 25.0 | 24.3 |
| City Attorney | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Municipal Court | 8.0 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.9 | 7.5 | 7.6 | 8.0 |
| Police | | | | | | | | | | |
| Sworn Officers | 96.0 | 99.0 | 99.0 | 99.0 | 101.0 | 101.3 | 103.8 | 102.8 | 103.0 | 100.3 |
| Civilians | 61.1 | 63.8 | 69.3 | 68.1 | 68.7 | 41.6 | 44.5 | 37.3 | 39.1 | 36.4 |
| Fire | | | | | | | | | | |
| Firefighters/officers | 69.7 | 67.0 | 67.0 | 72.0 | 73.0 | 66.0 | 72.0 | 71.0 | 74.0 | 72.0 |
| Civilians | 2.0 | 7.9 | 7.9 | 7.2 | 6.3 | 8.9 | 9.5 | 6.4 | 3.5 | 7.1 |
| Parks & Recreation | 46.3 | 48.5 | 53.7 | 55.7 | 56.7 | 60.5 | 61.6 | 50.8 | 54.1 | 44.0 |
| Urban Renewal | 4.0 | 4.3 | 4.0 | 4.0 | 1.0 | - | - | - | - | - |
| TOTAL | 475.3 | 486.2 | 499.6 | 499.8 | 498.6 | 459.5 | 477.0 | 450.1 | 463.3 | 454.6 |

Source: City Finance Department

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

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

A full-time (FT) employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2080.

City of Medford, Oregon
Schedule 17
Operating Indicators by Function
 Last Ten Fiscal Years - Unaudited

| Function | Fiscal Year Ending 6/30/XX | | | | | | | | | |
|---------------------------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|-------------------|-------------------|---------------|---------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 ¹ | 2013 ¹ | 2014 | 2015 |
| Police | | | | | | | | | | |
| Part I - Major Crimes | 5,450 | 4,898 | 4,379 | 4,285 | 4,706 | 5,510 | 5,999 | 6,698 | 6,892 | 6,291 |
| Part II - Other Crimes | 7,707 | 8,633 | 10,525 | 11,087 | 11,903 | 14,093 | 15,964 | 17,369 | 17,529 | 17,615 |
| Total Part I & II | 13,157 | 13,531 | 14,904 | 15,372 | 16,609 | 19,603 | 21,963 | 24,067 | 24,421 | 23,906 |
| Clearance Rate Part I & II | 47.40% | 57.25% | 73.53% | 77.49% | 79.28% | 73.15% | 73.10% | 73.10% | 76.40% | 74.40% |
| Cases Cleared Part I & II | 6,224 | 7,826 | 6,434 | 6,675 | 12,749 | 14,085 | 15,082 | 17,266 | 17,474 | 16,890 |
| # of Juvenile Charges Part I & II | 1,718 | 1,818 | 2,098 | 1,219 | 1,819 | 1,500 | 13,666 | 1,086 | 986 | 1,161 |
| # of Adult Arrest Charges Part I & II | 8,030 | 9,001 | 9,065 | 5,250 | 9,390 | 11,909 | 14,049 | 16,630 | 16,353 | 15,838 |
| Traffic Accidents - Fatal | 2 | 3 | 3 | 2 | 1 | 2 | 2 | 1 | 2 | 5 |
| Traffic Accidents - Injury | 255 | 199 | 180 | 324 | 370 | 377 | 329 | 325 | 387 | 433 |
| Traffic Accidents - Prop Damage | 1,477 | 1,232 | 1,241 | 1,161 | 1,184 | 1,141 | 1,132 | 1,089 | 1,063 | 1,242 |
| Total Accidents | 1,734 | 1,434 | 1,424 | 1,487 | 1,555 | 1,520 | 1,463 | 1,415 | 1,452 | 1,680 |
| Fire | | | | | | | | | | |
| Number of Fires | 625 | 369 | 362 | 348 | 288 | 270 | 328 | 341 | 320 | 475 |
| Overpressure, heat, explosion | 15 | 20 | 13 | 14 | 14 | 16 | 20 | 20 | 13 | 29 |
| EMS, Rescue, MVA | 7,438 | 5,471 | 5,665 | 5,496 | 5,189 | 5,501 | 5,872 | 6,560 | 6,819 | 6,544 |
| Hazardous Conditions | 259 | 179 | 160 | 132 | 134 | 124 | 140 | 140 | 117 | 1 |
| Service Call | 369 | 296 | 261 | 272 | 218 | 210 | 267 | 23 | 374 | 361 |
| Good Intent Calls | 1,256 | 3,008 | 3,170 | 1,226 | 953 | 933 | 1,232 | 1,456 | 1,456 | 1,180 |
| False Alarm | 1,018 | 617 | 529 | 444 | 457 | 437 | 468 | 544 | 504 | 420 |
| Severe Weather | 8 | - | 3 | 2 | 7 | 4 | 2 | - | 5 | 4 |
| Special Incident | 25 | 7 | 13 | 17 | 9 | 9 | 10 | 15 | 15 | 294 |
| Uncategorized | - | 8 | 9 | - | - | - | - | - | 7 | 0 |
| Total Incident Responses | 11,013 | 9,975 | 10,185 | 7,951 | 7,269 | 8,078 | 8,626 | 9,268 | 9,630 | 9,308 |
| Total City only | 9,762 | - | 553 | 6,897 | 6,899 | 7,108 | 7,552 | 6,180 | 8,410 | 8,254 |
| Total Rural Only | 1,251 | - | 9,461 | 725 | 616 | 703 | 687 | 558 | 656 | 651 |
| Out of District Responses | | | | | | | | | | |
| Mutual Aid Received | | | | 62 | 52 | 44 | 71 | 66 | N/A | N/A |
| Mutual Aid Given | | | | 115 | 118 | 107 | 96 | 194 | N/A | N/A |
| Highways and streets | | | | | | | | | | |
| Miles of Streets Added | 8,27 | 5,80 | 5,59 | 2,74 | 2,58 | 0,98 | 0,12 | 3,77 | 2,54 | 1,08 |
| Streetslights added | 340 | 247 | 233 | 54 | 87 | 56 | -171 | -190 | 276 | 0 |
| Culture and recreation (2) | | | | | | | | | | |
| Aquatics | - | 30,043 | 35,665 | 30,260 | 27,434 | 28,639 | 29,000 | 22,000 | N/A | N/A |
| Youth & Adult Sports | - | 5,928 | 6,811 | 8,740 | 9,614 | 19,043 | 10,000 | 10,000 | N/A | N/A |
| Youth Programs/Day Camps | - | 736 | 1,641 | 1,856 | 2,146 | 3,046 | 2,000 | 2,000 | N/A | N/A |
| Community Recreation | - | 15,050 | 18,200 | 9,717 | 10,623 | 25,950 | 15,000 | 15,000 | N/A | N/A |
| Special Interest Classes | - | 2,396 | 3,040 | 1,429 | 1,571 | 1,791 | 2,000 | 2,000 | N/A | N/A |
| Wastewater | | | | | | | | | | |
| Miles of Sanitary Sewers Added | 7 | 3 | 3,65 | 0,77 | 0,42 | 0,18 | 0,32 | 1 | 1,11 | 1 |
| Miles of Storm Sewers Added | 8 | 6 | 5,7 | 2,17 | 1,69 | 1,08 | 0,05 | 3,49 | 2,44 | 0 |
| Average Daily Million Gallons Treated | 21,000 | 19,000 | 18,850 | 16,800 | 16,700 | 19,480 | 17,500 | 18,100 | 16,500 | 17,500 |
| Building/Planning/Engineering | | | | | | | | | | |
| Total Permits | 8,711 | 7,904 | 5,491 | 3,998 | 3,631 | 3,861 | 4,107 | 5,978 | 6,515 | 6,074 |
| Commercial Building Permits Issued | 414 | 458 | 413 | 382 | 263 | 348 | 438 | 668 | 650 | 680 |
| Value Commercial Construction | 74,011,081 | 91,033,057 | 103,975,011 | 146,729,009 | 23,444,266 | 56,595,164 | 100,538,768 | 130,698,992 | 229,864,567 | 266,181,937 |
| Single Family Residence Issued | 465 | 395 | 141 | 107 | 115 | 98 | 100 | 209 | 267 | 246 |
| Value Residential | 82,849,082 | 73,424,688 | 24,963,894 | 18,930,470 | 21,702,285 | 17,257,053 | 21,095,566 | 45,102,560 | 70,936,549 | 59,738,022 |
| Square miles Added to City | 1,36 | 0,62 | 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
6/30/2015

| | <u>Fiscal Year Ending 6/30/XX</u> | | | | | | | | | |
|--------------------------|-----------------------------------|--------|--------|--------|--------|--------|--------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 ⁶ | 2014 ⁶ | 2015 ⁶ |
| Public Safety | | | | | | | | | | |
| Fire Protection: | | | | | | | | | | |
| Number of Stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Police Protection: | | | | | | | | | | |
| Number of Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sewers: | | | | | | | | | | |
| Miles of Sanitary Sewers | 251 | 253 | 257 | 258 | 258 | 258 | 259 | 260 | 261 | 262 |
| Miles of Storm Sewers | 150 | 156 | 162 | 164 | 166 | 167 | 167 | 170 | 173 | 173 |
| Public Works | | | | | | | | | | |
| Area -- Square Miles | 24.92 | 25.30 | 25.62 | 25.72 | 25.72 | 25.72 | 25.72 | 25.73 | 25.73 | 25.73 |
| Miles of Streets | 241.22 | 247.02 | 252.61 | 255.35 | 257.93 | 258.91 | 259.03 | 262.80 | 265.34 | 266.42 |
| Number of Street Lights | 5,860 | 6,107 | 6,340 | 6,394 | 6,481 | 6,537 | 6,366 | 6,176 | 6,452 | 6,535 |
| Culture and recreation: | | | | | | | | | | |
| Number of Parks | 40 | 39 | 48 | 48 | 45 | 46 | 46 | 37 | 37 | 37 |
| Total Park Acreage | 2,403 | 2,364 | 2,393 | 2,393 | 2,393 | 2,399 | 2,392 | 2,392 | 2,392 | 2,392 |
| Number of Libraries | 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

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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 6/30/15

Outstanding Obligations

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

| | Issue Date | Maturity Date | Amount Issued | Amount Outstanding as of 6/30/15 |
|---|------------|---------------|--------------------|----------------------------------|
| General Obligation Bonds | | | | |
| General Obligation Bonds, Series 2006 | 6/27/2006 | 6/1/2026 | 4,600,000 | 2,200,000 |
| Total G.O. bonds | | | 4,600,000 | 2,200,000 |
| Full Faith & Credit Obligations or Limited Tax Bonds Paid from Tax Sources (NOT subject to annual appropriation) | | | | |
| General Obligation Bonds, Series 2011C | 12/15/2011 | 1/10/2025 | 20,950,000 | 16,985,000 |
| Pension Obligations, Series (2004) (Taxable) ⁽¹⁾ | 5/27/2004 | 6/1/2028 | 29,205,000 | 27,335,000 |
| Total FF&C Obligations & Limited Tax Bonds | | | 50,155,000 | 44,320,000 |
| Total Net Direct Debt (Including Pension Obligations) ⁽²⁾ | | | 54,755,000 | 46,520,000 |
| Total Net Direct Debt (Excluding Pension Obligations) ⁽²⁾ | | | 25,550,000 | 19,185,000 |
| Revenue Obligations (Self-Supporting, not included in Net direct Debt) | | | | |
| Parks Police Fire 2013 | 12/18/2013 | 7/1/2043 | 38,155,000 | 37,975,000 |
| Limited Tax Revenue Bonds, Series 2011B (Parks) | 8/4/2011 | 6/1/2022 | 3,673,000 | 2,664,000 |
| Limited Tax Revenue Bonds, Series 2007 (Parks) | 3/20/2007 | 6/1/2027 | 18,965,000 | 13,280,000 |
| Total Self-Supporting Revenue Obligations | | | 60,793,000 | 53,919,000 |
| Total Gross direct Debt (including Pension Obligations) ⁽³⁾ | | | 115,548,000 | 100,439,000 |
| Total Gross direct Debt (excluding Pension Obligations) ⁽³⁾ | | | 86,343,000 | 73,104,000 |

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, 2015 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 \$16,985,000 as of 6/30/15.

Source: City of Medford

DEBT INFORMATION

Debt Ratios ⁽¹⁾

**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 |
| 2014 Population | 76,650 | | | 76,650 | | |
| 2015 Real Market Value | 7,818,942,393 | \$ 102,008 | | 7,818,942,393 | \$ 102,008 | |
| Gross Direct Debt ⁽²⁾ | 100,439,000 | \$ 1,310 | 1.28% | 73,104,000 | \$ 954 | 0.93% |
| Net Direct Debt ⁽³⁾ | 53,919,000 | \$ 703 | 0.69% | 19,185,000 | \$ 250 | 0.25% |
| Net Overlapping Debt | 164,197,318 | \$ 2,142 | 2.10% | 164,197,318 | \$ 2,142 | 2.10% |
| Net Direct & Net Overlapping Debt | 218,116,318 | \$ 2,846 | 2.79% | 183,382,318 | \$ 2,392 | 2.35% |

(1) Outstanding Debt information is as of 06/30/2015

(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

| | |
|------------------------------|---------------|
| 2015 Real Market Value | 7,818,942,393 |
| Debt limitation (3% of RMV) | 234,568,272 |
| Total Applicable bonded debt | 41,994,826 |
| Debt Margin | 192,573,446 |
| Percent of limit issued | 21.81% |

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

The Agency has outstanding tax increment debt which is not an obligation of the City. As of June 30, 2015 the total outstanding debt of the Medford Urban Renewal Agency (MURA) was \$16,985,000

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 6/30/15, the project has not begun and the City did not draw down any of the loan.

CITY OF MEDFORD - UNAUDITED

Table 3
6/30/2015

Overlapping Debt

Continuing Disclosure for:
Series 2006 Sidewalk Bonds - Table 14

The following table outlines the outstanding debt of overlapping entities.

| Overlapping district | Overlapping District Real Market Value | Percent Overlapping | Gross Direct Debt | Net Direct Debt |
|--|---|------------------------|----------------------|--------------------|
| Jackson County | 22,228,024,269 | 35.1200% | 18,468,154 | 6,485,111 |
| Jackson County Housing Authority | 22,228,024,269 | 35.1200% | 3,434,474 | - |
| JC School District #4 (Phoenix-Talent) | 2,376,826,799 | 32.1500% | 21,655,000 | 6,962,191 |
| JC School District #549C (Medford) | 9,314,793,300 | 75.1700% | 191,940,000 | 144,282,642 |
| JC School District #6 (Central Point) | 2,774,124,847 | 1.4100% | 14,467,255 | 204,596 |
| Rogue Community College | 31,108,884,550 | 25.0900% | 17,790,000 | - |
| Rogue Community College (Jackson Cty Bond) | 22,228,024,269 | 35.1200% | 17,835,000 | 6,262,778 |
| Totals | | | 285,589,883 | 164,197,318 |

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

CITY OF MEDFORD - UNAUDITED
Table 4
6/30/2015

Future Debt Service

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

| Year of Maturity | Parks Revenue, Series 2011B | | General Ob. (Mura) ² Revenue, Series 2011C | | Pers 2004 | | Sidewalk, Series 2006 | | Parks Revenue, Series 2007 | | Police Fire Parks 2013 | | Total Requirements | |
|------------------|-----------------------------|----------------|---|------------------|-------------------|-------------------|-----------------------|----------------|----------------------------|------------------|------------------------|-------------------|--------------------|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 15-16 | 343,000 | 86,314 | 1,410,000 | 572,025 | 800,000 | 1,651,958 | 330,000 | 95,889 | 870,000 | 532,931 | 205,000 | 1,763,706 | 3,958,000 | 4,702,823 |
| 16-17 | 385,000 | 75,200 | 1,465,000 | 501,525 | 975,000 | 1,605,790 | 345,000 | 81,039 | 905,000 | 488,131 | 210,000 | 1,757,481 | 4,245,000 | 4,519,167 |
| 17-18 | 365,000 | 63,698 | 1,510,000 | 428,775 | 1,170,000 | 1,548,548 | 355,000 | 65,514 | 945,000 | 461,931 | 220,000 | 1,749,931 | 4,565,000 | 4,318,398 |
| 18-19 | 391,000 | 51,872 | 1,575,000 | 383,475 | 1,380,000 | 1,479,039 | 375,000 | 50,426 | 985,000 | 424,131 | 225,000 | 1,741,031 | 4,921,000 | 4,129,974 |
| 19-20 | 390,000 | 39,528 | 1,635,000 | 336,225 | 1,610,000 | 1,396,032 | 390,000 | 34,489 | 1,030,000 | 384,731 | 915,000 | 1,713,656 | 5,970,000 | 3,904,661 |
| 20-21 | 409,000 | 26,892 | 1,700,000 | 287,175 | 1,860,000 | 1,289,190 | 405,000 | 17,719 | 1,070,000 | 343,531 | 965,000 | 1,666,656 | 6,409,000 | 3,641,163 |
| 21-22 | 421,000 | 13,640 | 1,785,000 | 236,175 | 2,135,000 | 1,187,311 | - | - | 1,115,000 | 300,731 | 1,010,000 | 1,617,281 | 6,466,000 | 3,355,139 |
| 22-23 | - | - | 1,975,000 | 182,625 | 2,430,000 | 1,068,891 | - | - | 1,165,000 | 286,131 | 1,065,000 | 1,565,406 | 6,535,000 | 3,063,053 |
| 23-24 | - | - | 1,970,000 | 126,375 | 2,745,000 | 912,726 | - | - | 1,215,000 | 209,931 | 1,120,000 | 1,510,781 | 7,050,000 | 2,759,414 |
| 24-25 | - | - | 2,070,000 | 67,275 | 3,085,000 | 746,419 | - | - | 1,270,000 | 160,931 | 1,175,000 | 1,453,406 | 7,610,000 | 2,427,031 |
| 25-26 | - | - | - | - | 3,475,000 | 556,778 | - | - | 1,325,000 | 110,131 | 1,235,000 | 1,393,156 | 6,035,000 | 2,060,066 |
| 26-27 | - | - | - | - | 3,880,000 | 344,977 | - | - | 1,385,000 | 57,131 | 1,300,000 | 1,329,781 | 6,565,000 | 1,731,889 |
| 27-28 | - | - | - | - | 1,780,000 | 108,491 | - | - | - | - | 1,365,000 | 1,263,156 | 3,145,000 | 1,371,647 |
| 28-29 | - | - | - | - | - | - | - | - | - | - | 1,435,000 | 1,193,156 | 1,435,000 | 1,193,156 |
| 29-30 | - | - | - | - | - | - | - | - | - | - | 1,505,000 | 1,127,181 | 1,505,000 | 1,127,181 |
| 30-31 | - | - | - | - | - | - | - | - | - | - | 1,565,000 | 1,065,781 | 1,565,000 | 1,065,781 |
| 31-32 | - | - | - | - | - | - | - | - | - | - | 1,625,000 | 1,000,966 | 1,625,000 | 1,000,966 |
| 32-33 | - | - | - | - | - | - | - | - | - | - | 1,705,000 | 924,825 | 1,705,000 | 924,825 |
| 33-34 | - | - | - | - | - | - | - | - | - | - | 1,795,000 | 837,325 | 1,795,000 | 837,325 |
| 34-35 | - | - | - | - | - | - | - | - | - | - | 1,895,000 | 757,575 | 1,895,000 | 757,575 |
| 35-36 | - | - | - | - | - | - | - | - | - | - | 1,465,000 | 686,075 | 1,465,000 | 686,075 |
| 36-37 | - | - | - | - | - | - | - | - | - | - | 1,540,000 | 615,763 | 1,540,000 | 615,763 |
| 37-38 | - | - | - | - | - | - | - | - | - | - | 1,610,000 | 545,850 | 1,610,000 | 545,850 |
| 38-39 | - | - | - | - | - | - | - | - | - | - | 1,680,000 | 471,825 | 1,680,000 | 471,825 |
| 39-40 | - | - | - | - | - | - | - | - | - | - | 1,760,000 | 394,425 | 1,760,000 | 394,425 |
| 40-41 | - | - | - | - | - | - | - | - | - | - | 1,840,000 | 313,425 | 1,840,000 | 313,425 |
| 41-42 | - | - | - | - | - | - | - | - | - | - | 1,925,000 | 228,713 | 1,925,000 | 228,713 |
| 42-43 | - | - | - | - | - | - | - | - | - | - | 2,015,000 | 140,063 | 2,015,000 | 140,063 |
| 43-44 | - | - | - | - | - | - | - | - | - | - | 2,105,000 | 47,363 | 2,105,000 | 47,363 |
| | 2,664,000 | 357,145 | 16,985,000 | 3,121,650 | 27,335,000 | 13,895,150 | 2,200,000 | 345,075 | 13,280,000 | 3,739,975 | 37,975,000 | 30,875,739 | 100,439,000 | 52,334,734 |

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

CITY OF MEDFORD - UNAUDITED
Table 5
6/30/2015

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 |
|---------------------|----------------------------|-------------------|------------------------------|-------------------|----------------------------|
| 2006 | 7,915,603,826 | 18.67% | 4,654,783,741 | 5.34% | 58.81% |
| 2007 | 9,530,490,159 | 20.40% | 4,961,125,232 | 6.58% | 52.06% |
| 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 | 7,818,942,393 | 11.06% | 6,455,476,797 | 6.28% | 82.56% |

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 6/30/2015 |
|---------------------|-------------------------------|-------------------|-------------------|--------------|--------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| 2006 | 4,492,708,015 | 5.76% | 23,790,437 | 120,222 | 23,910,659 | 5.2953 | 0.97 | 0.9939 |
| 2007 | 4,792,108,010 | 6.66% | 25,583,055 | 380,026 | 25,963,080 | 5.2953 | 0.97 | 0.9871 |
| 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 |

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
 3. Collection percentages as of 6/30/15 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 |
|---------------------|------------------------------|-------------------------------|-----------------|
| 2006 | 23,790,437 | 60.01 | 0.00025% |
| 2007 | 25,375,596 | 61.06 | 0.00024% |
| 2008 | 27,071,783 | 67.81 | 0.00025% |
| 2009 | 28,635,704 | 41.06 | 0.00014% |
| 2010 | 29,594,947 | 52.71 | 0.00018% |
| 2011 | 30,336,848 | 108.06 | 0.00036% |
| 2012 | 30,436,685 | 91.11 | 0.00030% |
| 2013 | 30,162,386 | 79.48 | 0.00026% |
| 2014 | 32,980,912 | 119.97 | 0.00036% |
| 2015 | 34,355,304 | 116.44 | 0.00034% |

CITY OF MEDFORD - UNAUDITED

Table 6

Period Ending 6/30/15

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 |
|-----------------------------------|----------------------------|-----------------------|-------------------|
| Within the City of Medford | | | |
| Schools | | | |
| School District 549C | 4.2399 | 1.859 | 6.0989 |
| Education Service district | 0.34 | | 0.34 |
| Rogue CC | 0.4948 | 0.1088 | 0.6036 |
| Total Education | \$ 5.0747 | \$ 1.9678 | \$ 7.0425 |
| Local Government | | | |
| Jackson County | 1.9875 | 0.1722 | 2.1597 |
| Library District | 0.5018 | - | 0.5018 |
| City of Medford | 5.1090 | 0.0735 | 5.1825 |
| Medford URA | 0.4953 | 0.4291 | 0.9244 |
| Vector | 0.0414 | | 0.0414 |
| JC Soil Water | 0.0483 | | 0.0483 |
| Rogue Valley TD | 0.1710 | | 0.1710 |
| Total Local Government | \$ 8.3543 | \$ 0.6748 | \$ 9.0291 |
| | \$ 13.4290 | \$ 2.6426 | \$ 16.0716 |

1. The 2014-15 Taxable Assessed Value to compute the tax rate code of 49-01 is \$5,479,138,879 which is 87.97 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

An Independently Owned Member
McGLADREY ALLIANCE



We have audited the basic financial statements of City of Medford, Oregon (City) as of and for the year ended June 30, 2015, and have issued our report thereon dated January 22, 2016. 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.

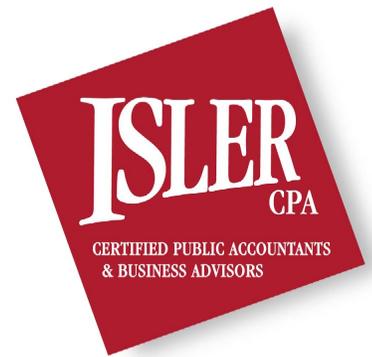
Our reports on internal control are presented separately under this cover.

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 22, 2016

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



An Independently Owned Member
McGLADREY ALLIANCE



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, 2015, 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 22, 2016.

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 style with a long, sweeping tail on the letter "n".

Paul R Nielson, CPA, a member of the firm
Eugene, Oregon
January 22, 2016



An Independently Owned Member
McGLADREY ALLIANCE



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 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, 2015. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2015.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

ISLER CPA



By Paul R Nielson, CPA, a member of the firm
January 22, 2016

CITY OF MEDFORD
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

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 510(a) of OMB Circular A-133? | No |

Identification of Major Federal Award Programs:

| Name of Federal Program or Cluster | CFDA Number |
|---|-------------|
| Community Development Block Grants/NSP3 | 14.218 |
| Highway Planning and Construction | 20.205 |

| | |
|--|-----------|
| Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 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 2015

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Federal Expenditures |
|--|------------------------|-------------------------|
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: | | |
| CDBG Entitlement Grants: | | |
| Direct programs: | | |
| Community Development Block Grant: B11-MC-410005 | 14.218 | \$ 693,220 |
| | | <u>-</u> |
| Total CDBG Entitlement Grants | | <u>693,220</u> |
| U.S. DEPARTMENT OF JUSTICE | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | 52,048 |
| MADGE JAG/Byrne Grant (Gang Enforcement) LE11-07JAG & LE11-10JAG | 16.738 | 51,756 |
| Passed through OR Criminal Justice Commission: | | |
| JAG/Byrne Grant (Gang Enforcement) (Madge/HIDTA) | 95.001 | 142,331 |
| | | <u>142,331</u> |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | <u>246,135</u> |
| DEPARTMENT OF TRANSPORTATION | | |
| Passed through Oregon Department of Transportation: | | |
| Highway Planning and Construction | 20.205 | 229,468 |
| State and Community Highway Safety | 20.600 | 3,425 |
| Occupant Protection Incentive Grants | 20.616 | 2,750 |
| | | <u>2,750</u> |
| TOTAL DEPARTMENT OF TRANSPORTATION | | <u>235,643</u> |
| DEPARTMENT OF HOMELAND SECURITY | | |
| Direct Program: | | |
| State Homeland Security Program | 97.073 | 7,553 |
| | | <u>7,553</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | <u>\$ 1,182,551</u> |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Medford under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The Schedule is prepared on the modified accrual basis of accounting.

2. Of the federal expenditures presented in the Schedule, the City provided federal funds to subrecipient as follows:

| <u>CFDA Number</u> | <u>Program Name</u> | <u>Amount provided to subrecipients</u> |
|--------------------|-----------------------------------|---|
| 14.218 | Community Development Block Grant | \$501,290 |