

CITY OF MEDFORD, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by:
City Finance Department

CITY OF MEDFORD

June 30, 2011

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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

December 29, 2011

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, 2011 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 that 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. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of the proper recording of financial transactions.

State law requires that 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, 2011 and has issued an unqualified ("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 and serves a population of 75,180. 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:

For five of the past six years, Medford's economic growth has kept pace with the rest of the State but it has been negatively impacted by the economic conditions that have affected the rest of the country. Because of Medford's diversity, it has been able to maintain its position as the economic engine for Southern Oregon. Existing businesses continue to lead job creation with 85% net new jobs coming from existing business growth but at a lesser rate than in the past few years. Medford recently has seen an increase in inquiries from businesses considering relocation and expansion. The City's Electronic Commerce Zone is the most active in the State and has contributed to our ability to weather the national and state economic downturn. Medford has increased revenues from property taxes due to increased tax assessed values. This increase has been partially offset by a decline in the collection rate. In total, revenues from property taxes are up. Since the largest share of City revenues comes from property taxes, any change is significant to City government and its ability to provide services.

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 3,600 employees. Not considering categories, Harry and David Operations is the largest employer in the area with 2,000 employees. Transient lodging tax revenues have been strong despite the current economy. While Medford has not experienced growth in the past few years, it has not seen the sharp decline in transient lodging tax realize by many other cities in Oregon. The amount of money spent by visitors to Jackson County and Medford continues to be a solid revenue factor for the region. The tourism industry accounts for over 4,200 jobs in Jackson County and Medford.

Medford continues to grow at a rate of 1%-2%. Population for the region is projected to grow by 1.5% through 2012. Based on past trends, Medford is expected to capture a significant share of this population increase and is expected to surpass 80,000 citizens by 2012.

Long-term financial planning:

The current economic climate presents unique challenges. Because the City of Medford has been continually conservative and frugal with past budgeting, it is better equipped to handle these challenges. In an effort to make the best use of tax payer dollars, the City is focusing on ways to conserve its existing assets while improving livability. Efforts to accomplish this goal include: maintaining a three month contingency fund for personnel and operating expenses, continued upkeep and maintenance of buildings, facilities and infrastructure in order to avoid increased future costs resulting from deferred maintenance, controlled growth of personnel costs by taking advantage of vacancies (with the exception

of Police and Fire), and continued investment in technology in order to facilitate a higher volume and quality of service even with decreased personnel services costs.

Unreserved, undesignated fund balance in the general fund falls within the policy guidelines set by Council. As a part of the vision plan for the City, work continues on the identified 17 street projects as well as the safe sidewalk project approved by voters in the fall of 2004. In March of 2007 the City of Medford issued bonds for \$18.9 million. The proceeds from which were used to substantially complete the Medford Sports and Community Park, as well as to build a gymnasium at the Santo Community Center.

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 with 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, 2010. 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 Governing 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

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, 2010

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



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

CITY OF MEDFORD

Officials of the City

June 30, 2011

CITY COUNCIL

Term Expires December 31

Gary Wheeler	Mayor	2012
Chris Corcoran	Council member Ward 3	2012
Al Densmore	Council member Ward 1, President	2014
Dick Gordon	Council member Ward 1, Vice President	2012
Greg Jones	Council member Ward 4	2012
James F. Kuntz	Council member Ward 2	2012
Bob Strosser	Council member Ward 4	2014
Karen Blair	Council member Ward 2	2014
John Michaels	Council member Ward 3	2014

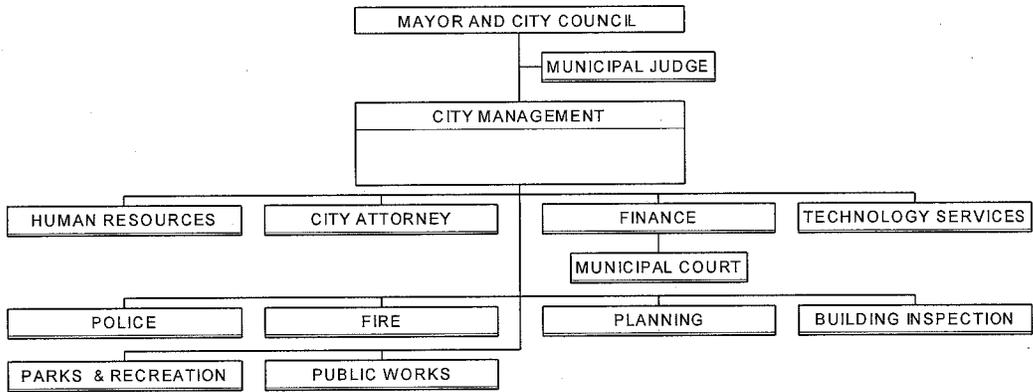
PRINCIPAL OFFICIALS

John William Hoke, Pro-tem City Manager
John Huttli, City Attorney
Alison Chan, Finance Director

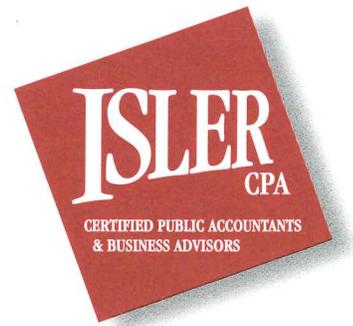
CITY ADDRESS

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

CITY OPERATIONS SUMMARY



FINANCIAL SECTION



Independent Auditors' Report

Honorable Mayor and City Council Members
City of Medford

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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 30 through 40 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, other supplemental budgetary comparison schedules, other financial schedules, statistical tables and other schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

ISLER CPA

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

By Paul Nielson, CPA, a member of the firm
December 29, 2011

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 \$347.9 million at June 30, 2011, consisting of \$259.8 million in net capital assets, \$51.4 million in cash and cash equivalents and \$36.7 million in receivables and other assets. The City's governmental activities liabilities totaled \$77.4 million at June 30, 2011, consisting of \$70.1 million in noncurrent liabilities and \$7.3 million in accounts payable and other liabilities. Total net assets were \$270.5 million of which \$225.1 million were invested in capital assets, net of related debt, \$30.9 million were restricted and the remaining \$14.5 million were unrestricted.

The City's governmental activities net assets increased by \$8.6 million or 3 percent. Overall governmental activities revenue increased by \$3.7 million or 5 percent. The increase was most noticeable in the operating grants and contributions, which had increased revenues of \$1.4 million.

The City's business-type activities assets totaled \$98.5 million at June 30, 2011, consisting of \$76.2 million in capital assets, \$21.0 million in cash and cash equivalents and \$1.3 million in receivables and other assets. The City's business-type activities liabilities totaled \$1.8 million at June 30, 2011, consisting of \$0.2 million in noncurrent liabilities and \$1.6 million in accounts payable and other liabilities. Total net assets were \$96.7 million of which \$76.2 million was invested in capital, \$11.5 million was restricted and the remaining \$9.0 million was unrestricted.

The City's business-type activities net assets increased by \$1.1 million or 1 percent. Business-type activities revenue decreased by \$(0.1) million or (1) 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 Assets, Statement of Activities, Fund Financial Statements and the Notes to the Financial Statements. Statements of Net Assets 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 Assets 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.
 - 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 ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011 AND 2010
(in millions)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash and investments	\$ 51.4	\$ 52.3	\$ 21.0	\$ 21.9	\$ 72.4	\$ 74.2
Other assets	36.7	36.6	1.3	1.0	38.0	37.6
Capital assets, net of depreciation	<u>259.8</u>	<u>255.4</u>	<u>76.2</u>	<u>73.6</u>	<u>336.0</u>	<u>329.0</u>
Total assets	<u>347.9</u>	<u>344.3</u>	<u>98.5</u>	<u>96.5</u>	<u>446.4</u>	<u>440.8</u>
Other liabilities	\$ 7.3	\$ 6.7	\$ 1.6	\$ 0.7	\$ 8.9	\$ 7.4
Long-term debt outstanding	<u>70.1</u>	<u>75.8</u>	<u>0.2</u>	<u>0.2</u>	<u>70.3</u>	<u>76.0</u>
Total liabilities	<u>77.4</u>	<u>82.5</u>	<u>1.8</u>	<u>0.9</u>	<u>79.2</u>	<u>83.4</u>
Net assets:						
Invested in capital assets, net of related debt	225.1	214.6	76.2	73.6	301.3	288.2
Restricted	30.9	27.7	11.5	13.1	42.4	40.8
Unrestricted	<u>14.5</u>	<u>19.5</u>	<u>9.0</u>	<u>8.9</u>	<u>23.5</u>	<u>28.4</u>
Total net assets	<u>\$ 270.5</u>	<u>\$ 261.8</u>	<u>\$ 96.7</u>	<u>\$ 95.6</u>	<u>\$ 367.2</u>	<u>\$ 357.4</u>

TABLE 2
CITY OF MEDFORD - STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDING JUNE 30, 2011 AND 2010
(in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
REVENUES						
General revenues:						
Taxes	\$ 43.7	\$ 42.2	\$ -	\$ -	\$ 43.7	\$ 42.2
Other	0.3	0.7	0.1	0.2	0.4	0.9
Program revenues:						
Charges for services	19.8	19.4	11.0	10.7	30.8	30.1
Operating grants and contributions	6.7	5.3	0.2	-	6.9	5.3
Capital grants and contributions	9.7	8.9	1.1	1.6	10.8	10.5
Total revenues	<u>80.2</u>	<u>76.5</u>	<u>12.4</u>	<u>12.5</u>	<u>92.6</u>	<u>89.0</u>
EXPENSES						
General government	7.9	6.9	-	-	7.9	6.9
Public safety	33.4	30.9	-	-	33.4	30.9
Highways and streets	14.1	14.1	-	-	14.1	14.1
Culture and recreation	7.6	7.1	-	-	7.6	7.1
Community development	6.0	6.0	-	-	6.0	6.0
Interest on long-term debt	3.3	3.9	-	-	3.3	3.9
Sewer services	-	-	10.3	10.1	10.3	10.1
Parking services	-	-	0.3	0.4	0.3	0.4
Total expenses	<u>72.3</u>	<u>68.9</u>	<u>10.6</u>	<u>10.5</u>	<u>82.9</u>	<u>79.4</u>
Increase (decrease) in net assets before transfers	7.9	7.6	1.8	2.0	9.7	9.6
Transfers	<u>0.7</u>	<u>0.7</u>	<u>(0.7)</u>	<u>(0.7)</u>	<u>-</u>	<u>-</u>
Change in net assets	8.6	8.3	1.1	1.3	9.7	9.6
Beginning net assets	<u>261.8</u>	<u>253.5</u>	<u>95.6</u>	<u>94.3</u>	<u>357.4</u>	<u>347.8</u>
Ending net assets	<u>\$ 270.4</u>	<u>\$ 261.8</u>	<u>\$ 96.7</u>	<u>\$ 95.6</u>	<u>\$ 367.1</u>	<u>\$ 357.4</u>

Financial Analysis:

Governmental Funds. As of the end of the current year, the City's governmental funds reported a combined ending fund balance of \$48.8 million, a decrease from the prior year of \$(1.4) million. Approximately \$17.8 million or 37 percent of this total constitutes unassigned fund balance, which is available for spending at the government's discretion. 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 \$17.8 million. Unassigned fund balance represents 36 percent of the total General Fund expenditures. The unassigned fund balance of the City's General Fund increased \$0.3 million or 2 percent from the prior year.

The Street Improvement Fund accounts outside funds received and used for street improvements and maintenance. At the end of the current year, the Street Improvement Fund had a fund balance of \$4.7 million which is reserved for future highway and street projects. This was a decrease of \$(1.2) million or (20) percent from the prior year.

Proprietary Funds. The City has 2 enterprise funds: the Sewer Utility Fund and the Parking Facilities Fund. As of the end of the current year, the Sewer Utility Fund unrestricted net assets of \$8.8 million, restricted net assets of \$11.5 million and invested in capital assets of 75.1 million. Net assets increased \$1.2 million to \$95.4 million. The Parking Facilities Fund had unrestricted net assets of \$0.2 million and net assets decreased \$(0.1) million to \$1.4 million.

Budgetary Highlights:

The City's final budget differs from the original budget in that it contains supplemental appropriations approved during the fiscal year. The budget for the General Fund expenditures was increased by \$4.0 million. \$3.2 million of the increase was funded through grants. The remaining \$0.7 million was funded through increased revenues and transfers. The primary reasons for the increases are as follows:

- \$3.2 million increase to parks and recreation, \$1.1 million was grant-funded activities
- \$3.0 million increase to police for grant-funded activities
- \$1.0 million increase to neighborhood resources for grant-funded activities

The City's actual fiscal year operating costs, within the General Fund, was 39 percent of the final biennial budget. This generated an increase to the General Fund balance of \$2.3 million.

Capital Assets and Debt Administration:

Capital Assets. As of June 30, 2011, the City had \$336.0 million in capital assets, net of depreciation as reflected in the following table, which represents a net increase (additions, deductions and depreciation) of \$7.0 million.

**TABLE 3
CITY OF MEDFORD - CAPITAL ASSETS
FOR FISCAL YEAR ENDING JUNE 30, 2011 AND 2010
(in millions)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 22.3	\$ 19.9	\$ 1.2	\$ 1.2	\$ 23.5	\$ 21.1
Land rights of way	82.5	82.5	-	-	82.5	82.5
Construction in progress	13.4	6.3	4.4	2.0	17.8	8.3
Buildings	18.4	17.8	3.9	4.1	22.3	21.9
Improvements	26.6	27.7	16.6	17.4	43.2	45.1
Equipment	5.8	4.5	3.4	3.3	9.2	7.8
Sewers	-	-	15.5	15.6	15.5	15.6
Storm drains	-	-	31.2	30.0	31.2	30.0
Parking structures	2.7	3.3	-	-	2.7	3.3
Road network	88.1	93.4	-	-	88.1	93.4
Total	\$ 259.8	\$ 255.4	\$ 76.2	\$ 73.6	\$ 336.0	\$ 329.0

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)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Beginning balance	\$ 255.4	\$ 73.6	\$ 329.0
Additions	22.8	8.4	31.2
Transfers	(6.7)	(2.6)	(9.3)
Depreciation	(11.7)	(3.2)	(14.9)
Ending balance	\$ 259.8	\$ 76.2	\$ 336.0

Capital assets, net of depreciation for governmental activities increased \$4.4 million. Additions included acquisition of land of \$2.4 million, buildings and building improvements of \$1.6 million, equipment purchases \$2.4 million, infrastructure \$2.9 million, and construction in progress of \$13.3 million. Offsetting these additions were depreciation and transfers of \$18.9 million.

Business-type activities capital assets, net of depreciation increased \$2.6 million. Additions included sewers of \$0.4 million, storm drains of \$2.0 million, equipment and other additions of \$0.9, and construction in progress of \$5.0 million. Offsetting these additions were depreciation and transfers of \$5.8 million. For more detailed information on the City's capital asset activity, refer to Note III (E) of the financial statements.

Debt Administration. As of year-end, the City had \$70.3 million in debt outstanding compared to \$78.8 million last year. For more detailed information, refer to Note III (F) 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	\$ 67.4	\$ -	\$ 67.4
Compensated absences	2.1	0.2	2.3
Other post employment benefits	0.6	-	0.6
Total	<u>\$ 70.1</u>	<u>\$ 0.2</u>	<u>\$ 70.3</u>

Economic Factors and the Next Biennium Budget and Rates:

The economy has had a negative impact on the City's revenues; however the funds that have experienced less than budgeted revenues have reduced expenditures. At this time, expenditures have been reduced sufficiently that the net cash flows are projected to be within budget. While in the long run this may have a negative impact from a maintenance and operational stand point, from a financial standpoint, the all city funds are balanced and continue to maintain adequate reserves.

The assumptions used to prepare the biennium budget are listed below. The results from the first year of the biennium are such that a revision of the second year of the biennium has not been required. The following are the major assumptions used in developing the 2009-2011 biennial budget:

- Increases in assessed tax valuation for property taxes projections is budgeted to remain a 10 year low of 4% in each year of the biennium
- Property tax collection rate is budgeted to remain at a 10 year low of 93% in each year of the biennium
- Wages and salaries for the seven unions and the non-represented employees are budgeted to increase between 2.5% - 4.3% in each year of the biennium
- PERS costs are budgeted to be 7.5% of payroll in each year of the biennium, if the PERS pension bond payments are added as a cost, PERS costs as a percent of payroll increases to 19% in each year of the biennium

Financial Contact:

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

BASIC FINANCIAL STATEMENTS

CITY OF MEDFORD

Statement of Net Assets

June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Medford Water Commission
ASSETS				
Cash and cash equivalents	\$ 51,364,309	\$ 21,049,240	\$ 72,413,549	\$ 22,820,133
Receivables:				
Accounts	5,940,467	474,654	6,415,121	1,612,403
Taxes	2,788,216	-	2,788,216	-
Loans	401,288	-	401,288	99,024
Due from Medford Water Commission	907,379	735,723	1,643,102	-
Due from City of Medford	-	-	-	112,386
Inventory	692,898	72,736	765,634	1,014,758
Bond issuance costs, net of amortization	545,164	-	545,164	-
Prepaid pension expense	24,083,666	-	24,083,666	2,363,003
Other assets	1,200	-	1,200	161,379
Restricted cash and cash equivalents	1,389,372	-	1,389,372	638,390
Capital assets not being depreciated	118,134,385	5,620,895	123,755,280	11,896,480
Depreciable capital assets, net	141,640,101	70,569,403	212,209,504	88,300,183
Total Assets	\$ 347,888,445	\$ 98,522,651	\$ 446,411,096	\$ 129,018,139
LIABILITIES				
Accounts payable	\$ 4,889,467	\$ 1,381,859	\$ 6,271,326	\$ 1,052,141
Payroll and related accruals	2,043,119	185,647	2,228,766	-
Deposits	299,830	-	299,830	405,198
Due to Medford Water Commission	71,946	40,440	112,386	-
Due to City of Medford	-	-	-	1,643,102
Retainage payable	-	-	-	84,928
Other liabilities	-	-	-	57,023
Long term liabilities:				
Due within one year:				
Bonds payable	5,830,000	-	5,830,000	-
Loan from State of Oregon	60,892	-	60,892	-
Land purchase contract	200,000	-	200,000	-
Compensated absences	428,558	37,197	465,755	-
Due in more than one year:				
Bonds payable, including unamortized premium of \$49,011	60,983,011	-	60,983,011	-
Loan from State of Oregon	184,801	-	184,801	-
Land purchase contract	175,175	-	175,175	-
Compensated absences	1,714,232	148,788	1,863,020	337,212
Other post employment benefits	553,547	-	553,547	-
Total Liabilities	77,434,578	1,793,931	79,228,509	3,579,604
NET ASSETS				
Invested in capital assets, net of debt	225,070,486	76,190,298	301,260,784	100,196,663
Restricted for:				
Future system development	-	11,544,184	11,544,184	638,390
Public Safety	1,710,116	-	1,710,116	-
Highways and streets	18,354,090	-	18,354,090	-
Culture and recreation	1,849,208	-	1,849,208	-
Community development	3,766,736	-	3,766,736	-
Debt service	3,778,977	-	3,778,977	-
PERS contribution	1,457,607	-	1,457,607	-
Unrestricted	14,466,647	8,994,238	23,460,885	24,603,482
Total Net Assets	270,453,867	96,728,720	367,182,587	125,438,535
Total liabilities and net assets	\$ 347,888,445	\$ 98,522,651	\$ 446,411,096	\$ 129,018,139

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, 2011

Functions/Programs	Expenses	Program Revenues			Net revenue (expense) and Changes in Net Assets			Component Unit Medford Water Commission
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental activities:								
General government	7,943,745	4,921,821	54,660	-	(2,967,264)	-	(2,967,264)	-
Public safety	33,360,267	2,799,003	1,028,922	-	(29,532,342)	-	(29,532,342)	-
Highways and streets	14,115,089	7,241,299	3,751,548	7,914,014	4,791,772	-	4,791,772	-
Culture and recreation	7,573,132	3,123,140	18,000	1,835,134	(2,596,858)	-	(2,596,858)	-
Community development	6,044,328	1,716,297	1,890,849	-	(2,437,182)	-	(2,437,182)	-
Interest on long-term debt	3,294,488	-	-	-	(3,294,488)	-	(3,294,488)	-
Total governmental activities	72,331,049	19,801,560	6,743,979	9,749,148	(36,036,362)	-	(36,036,362)	-
Business-type activities:								
Sewer services	10,297,075	10,740,971	228,961	1,110,753	-	1,783,610	1,783,610	-
Parking services	336,183	272,916	-	-	-	(63,267)	(63,267)	-
Total business-type activities	10,633,258	11,013,887	228,961	1,110,753	-	1,720,343	1,720,343	-
Total primary government	\$ 82,964,307	\$ 30,815,447	\$ 6,972,940	\$ 10,859,901	\$ (36,036,362)	\$ 1,720,343	\$ (34,316,019)	\$ -
Component unit:								
Medford Water Commission	\$ 12,560,268	\$ 13,802,135	\$ -	\$ 792,228	\$ -	\$ -	\$ -	\$ 2,034,095
General Revenues:								
Property taxes - City of Medford					30,126,569	-	30,126,569	-
Property taxes - Medford Urban Renewal Agency					4,710,540	-	4,710,540	-
Use taxes					8,840,324	-	8,840,324	-
Unrestricted investment earnings					343,150	130,587	473,737	-
Gain (loss) on capital asset sales					(46,097)	-	(46,097)	-
Transfers					696,058	(696,058)	-	-
Total general revenues and transfers					44,670,544	(565,471)	44,105,073	-
Change in net assets					8,634,182	1,154,872	9,789,054	2,034,095
Net assets - beginning					261,819,685	95,573,848	357,393,533	123,404,440
Net assets - ending					\$ 270,453,867	\$ 96,728,720	\$ 367,182,587	\$ 125,438,535

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

CITY OF MEDFORD
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General Fund</u>	<u>Street Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 19,715,634	\$ 5,370,604	\$ 23,542,978	\$ 48,629,216
Receivables				
Accounts	3,806,097	1,165,202	951,732	5,923,031
Taxes	2,294,288	-	493,928	2,788,216
Loans	-	-	401,288	401,288
Inventories	56,353	-	-	56,353
Due from other funds	140,252	-	-	140,252
Due from Medford Water Commission	54,449	26,347	798,148	878,944
Other current assets	1,200	-	-	1,200
Restricted cash and cash equivalents	-	-	1,389,372	1,389,372
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 26,068,273</u>	<u>\$ 6,562,153</u>	<u>\$ 27,577,446</u>	<u>\$ 60,207,872</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,347,838	\$ 1,840,457	\$ 1,591,992	\$ 4,780,287
Payroll and related accruals	1,751,403	7,266	193,913	1,952,582
Due to other funds	-	-	140,252	140,252
Due to Medford Water Commission	52,532	-	19,414	71,946
Deferred revenue	<u>3,581,665</u>	<u>-</u>	<u>887,178</u>	<u>4,468,843</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>6,733,438</u>	<u>1,847,723</u>	<u>2,832,749</u>	<u>11,413,910</u>
Fund balances:				
Nonspendable:				
Inventory	56,353	-	-	56,353
Restricted for:				
Public safety	-	-	108,594	108,594
Highways and streets	-	-	9,867,064	9,867,064
Culture and recreation	-	-	1,504,922	1,504,922
Community development	-	-	3,766,736	3,766,736
Debt service	-	-	3,778,977	3,778,977
Committed for:				
Public Safety	-	-	1,601,522	1,601,522
Highways and streets	-	4,714,430	3,772,596	8,487,026
Culture and recreation	-	-	344,286	344,286
PERS contributions	1,457,607	-	-	1,457,607
Unassigned	<u>17,820,875</u>	<u>-</u>	<u>-</u>	<u>17,820,875</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>19,334,835</u>	<u>4,714,430</u>	<u>24,744,697</u>	<u>48,793,962</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 26,068,273</u>	<u>\$ 6,562,153</u>	<u>\$ 27,577,446</u>	<u>\$ 60,207,872</u>

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

CITY OF MEDFORD
 Reconciliation of Governmental Funds Balance Sheet
 to Statement of Net Assets
 June 30, 2011

Fund balances - total governmental funds \$ 48,793,962

Amounts reported for governmental activities in the statement of net assets 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	376,973,847	
Less accumulated depreciation	<u>(117,224,849)</u>	259,748,998

A portion of the City's property taxes and assessments receivable are collected after year-end, but are not available soon enough to pay for current year's operations, and therefore are not reported as revenues in the governmental funds.		4,468,843
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In a prior year the City paid bond issuance costs, this transaction was recorded as an expenditure in the governmental funds when the transaction occurred.		545,164
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In a prior year the City made payments to PERS to pay down its unfunded pension liability, this transaction was recorded as an expenditure in the governmental funds.		24,083,666
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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	(299,830)	
Compensated absences	(2,124,586)	
Other postemployment benefits	(553,547)	
Bonds payable	(66,764,000)	
Unamortized bond premium	(49,011)	
Land purchase contract	(375,175)	
Loan from State of Oregon	<u>(245,693)</u>	(70,411,842)

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 Assets.		<u>3,225,076</u>
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Net assets of governmental activities		<u>\$ 270,453,867</u>
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CITY OF MEDFORD
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year ended June 30, 2011

	<u>General Fund</u>	<u>Street Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES				
Taxes				
Property	\$ 29,356,906	\$ -	\$ 5,201,578	\$ 34,558,484
Franchise and lodging	8,854,145	-	1,186,626	10,040,771
Fuel	-	-	3,751,548	3,751,548
Other	-	-	313,011	313,011
Special assessments	10,054	-	1,479	11,533
Charges for services	1,185,923	-	136,232	1,322,155
Fines and penalties	1,395,800	-	-	1,395,800
Intergovernmental	3,931,730	139,318	34,158	4,105,206
Licenses, permits and fees	621,612	-	10,453,284	11,074,896
Investment earnings	134,920	30,266	165,307	330,493
Grants and contributions	3,347,096	4,912,891	832,652	9,092,639
Rental income	-	-	24,842	24,842
Other revenue	93,221	19,721	133,960	246,902
	<u>48,931,407</u>	<u>5,102,196</u>	<u>22,234,677</u>	<u>76,268,280</u>
Total revenues				
EXPENDITURES				
Current				
General government	7,943,745	-	-	7,943,745
Public safety	29,649,785	-	847,458	30,497,243
Highways and streets	443,240	399,326	5,914,338	6,756,904
Culture and recreation	4,918,106	-	198,083	5,116,189
Community development	1,824,250	-	2,562,677	4,386,927
Debt service:				
Debt service principal	-	-	6,202,289	6,202,289
Debt service - interest	-	-	3,562,294	3,562,294
Capital outlay	<u>4,750,358</u>	<u>5,891,245</u>	<u>6,255,639</u>	<u>16,897,242</u>
	<u>49,529,484</u>	<u>6,290,571</u>	<u>25,542,778</u>	<u>81,362,833</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(598,077)</u>	<u>(1,188,375)</u>	<u>(3,308,101)</u>	<u>(5,094,553)</u>
OTHER FINANCING SOURCES (USES)				
Contributions	-	-	2,102,585	2,102,585
Sale of capital assets	33,166	-	385,310	418,476
Land purchase contract	-	-	375,175	375,175
Transfers in	4,317,173	-	5,270,148	9,587,321
Transfers out	<u>(3,440,381)</u>	<u>(19,100)</u>	<u>(5,353,782)</u>	<u>(8,813,263)</u>
	<u>909,958</u>	<u>(19,100)</u>	<u>2,779,436</u>	<u>3,670,294</u>
Total other financing source (uses)				
Net change in fund balances	311,881	(1,207,475)	(528,665)	(1,424,259)
Beginning fund balances	<u>19,022,954</u>	<u>5,921,905</u>	<u>25,273,362</u>	<u>50,218,221</u>
Ending fund balances	<u>\$ 19,334,835</u>	<u>\$ 4,714,430</u>	<u>\$ 24,744,697</u>	<u>\$ 48,793,962</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 fund to The Statement of Activities
For the Year Ended June 30, 2011

Net change in fund balance - total governmental funds \$ (1,424,259)

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	15,720,859	
Contributed capital assets	1,508,938	
Less current year depreciation	<u>(11,649,687)</u>	5,580,110

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. (464,573)

In a prior year the City made payments to PERS to pay down its unfunded pension liability. This transactions was recorded as an expenditure in the governmental funds, but is being amortized over the estimated useful life for the Statement of Activities. (1,106,835)

Contributions of capital assets to outside entities are not recorded in the fund statements. Equipment acquired through a federal grant, and transferred to Emergency Services of Central Oregon is an expense in the statement of activities. (700,856)

In a prior year the City paid bond issuance costs, this transaction was recorded as an expenditure in the governmental funds. This amount is being amortized over the estimated bond payback period for the Statement of Activities. (65,953)

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 deferred revenue increases/decreases revenue in the statement of net assets. 319,215

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 41,457

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 assets. 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	263,812	
Amortization of premium	3,994	
Accrual of other postemployment benefits which are not reported as an expenditure in governmental funds	(166,494)	
Land purchase contract	(375,175)	
Principal payments	<u>6,202,290</u>	5,928,427

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. 527,449

Change in net assets of governmental activities \$ 8,634,182

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

CITY OF MEDFORD
Balance Sheet
Proprietary Funds
June 30, 2011

	Business - type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Parking Facilities Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 20,816,005	\$ 233,235	\$ 21,049,240	\$ 2,735,093
Receivables	443,717	30,937	474,654	17,436
Inventories	72,736	-	72,736	636,545
Due from Medford Water Commission	735,723	-	735,723	28,435
Total current assets	<u>22,068,181</u>	<u>264,172</u>	<u>22,332,353</u>	<u>3,417,509</u>
Noncurrent assets:				
Capital assets:				
Land and construction in progress	4,514,275	1,106,620	5,620,895	-
Capital assets, net of accumulated depreciation	<u>70,561,522</u>	<u>7,881</u>	<u>70,569,403</u>	<u>25,488</u>
Total noncurrent assets	<u>75,075,797</u>	<u>1,114,501</u>	<u>76,190,298</u>	<u>25,488</u>
Total assets	<u>\$ 97,143,978</u>	<u>\$ 1,378,673</u>	<u>\$ 98,522,651</u>	<u>\$ 3,442,997</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,364,336	\$ 17,523	\$ 1,381,859	\$ 109,180
Payroll and related accruals	183,524	2,123	185,647	90,537
Due to Medford Water Commission	39,516	924	40,440	-
Compensated absences, due within one year	<u>37,197</u>	<u>-</u>	<u>37,197</u>	<u>3,641</u>
Total current liabilities	<u>1,624,573</u>	<u>20,570</u>	<u>1,645,143</u>	<u>203,358</u>
Long-term liabilities:				
Compensated absences, due in more than one year	<u>148,788</u>	<u>-</u>	<u>148,788</u>	<u>14,563</u>
Total liabilities	<u>1,773,361</u>	<u>20,570</u>	<u>1,793,931</u>	<u>217,921</u>
NET ASSETS				
Invested in capital assets	75,075,797	1,114,501	76,190,298	25,488
Restricted for:				
Future system development	11,544,184	-	11,544,184	-
Unrestricted	<u>8,750,636</u>	<u>243,602</u>	<u>8,994,238</u>	<u>3,199,588</u>
Total net assets	<u>95,370,617</u>	<u>1,358,103</u>	<u>96,728,720</u>	<u>3,225,076</u>
Total liabilities and net assets	<u>\$ 97,143,978</u>	<u>\$ 1,378,673</u>	<u>\$ 98,522,651</u>	<u>\$ 3,442,997</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 Assets
Proprietary Funds
For the Year ended June 30, 2011

	Business - type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Parking Facilities Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 10,689,983	\$ 272,806	\$ 10,962,789	\$ 103,595
Intergovernmental	28,050	-	28,050	1,967,832
Other revenue	22,780	110	22,890	115,262
Total operating revenues	<u>10,740,813</u>	<u>272,916</u>	<u>11,013,729</u>	<u>2,186,689</u>
OPERATING EXPENSES				
Salaries and fringe benefits	4,772,422	31,560	4,803,982	839,858
Operating supplies	846,679	8	846,687	299,976
Professional services	858,696	165,619	1,024,315	45,387
Repairs and maintenance	222,780	54,775	277,555	8,297
Premiums and claims	68,647	16,010	84,657	360,248
Utilities	243,015	55,892	298,907	1,741
General, administrative, and engineering	122,614	8,809	131,423	28,893
Depreciation	3,162,222	3,510	3,165,732	9,497
Total operating expenses	<u>10,297,075</u>	<u>336,183</u>	<u>10,633,258</u>	<u>1,593,897</u>
Operating income (loss)	<u>443,738</u>	<u>(63,267)</u>	<u>380,471</u>	<u>592,792</u>
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of capital assets	158	-	158	-
Grants and contracts	228,961	-	228,961	-
Investment earnings	129,027	1,560	130,587	12,657
Total nonoperating revenues (expenses)	<u>358,146</u>	<u>1,560</u>	<u>359,706</u>	<u>12,657</u>
Income (loss) before contributions and transfers	801,884	(61,707)	740,177	605,449
CONTRIBUTIONS AND TRANSFERS				
Contributions	1,110,753	-	1,110,753	-
Transfers out	(683,358)	(12,700)	(696,058)	(78,000)
Total contributions and transfers	<u>427,395</u>	<u>(12,700)</u>	<u>414,695</u>	<u>(78,000)</u>
Change in net assets	1,229,279	(74,407)	1,154,872	527,449
Beginning net assets	<u>94,141,338</u>	<u>1,432,510</u>	<u>95,573,848</u>	<u>2,697,627</u>
Ending net assets	<u>\$ 95,370,617</u>	<u>\$ 1,358,103</u>	<u>\$ 96,728,720</u>	<u>\$ 3,225,076</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, 2011

	Business - type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Parking Facilities Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 10,469,639	\$ 265,636	\$ 10,735,275	\$ 99,878
Receipt from interfund services provided	-	-	-	2,095,763
Payments to suppliers	(2,380,755)	(301,968)	(2,682,723)	(848,510)
Payments to employees	(4,802,867)	(30,446)	(4,833,313)	(835,813)
Net cash provided (used) by operating activities	<u>3,286,017</u>	<u>(66,778)</u>	<u>3,219,239</u>	<u>511,318</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grant	228,961	-	228,961	-
Transfers to other funds	(683,358)	(12,700)	(696,058)	(78,000)
Net cash provided (used) by noncapital financing activities	<u>(454,397)</u>	<u>(12,700)</u>	<u>(467,097)</u>	<u>(78,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	158	-	158	-
Capital contributions (system development charges)	675,791	-	675,791	-
Acquisition and construction of capital assets	(4,365,780)	-	(4,365,780)	-
Net cash provided (used) by capital and related financing activities	<u>(3,689,831)</u>	<u>-</u>	<u>(3,689,831)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	129,027	1,560	130,587	12,657
Increase (decrease) in cash	(729,184)	(77,918)	(807,102)	445,975
Cash at beginning of year	21,545,189	311,153	21,856,342	2,289,118
Cash at end of year	<u>\$ 20,816,005</u>	<u>\$ 233,235</u>	<u>\$ 21,049,240</u>	<u>\$ 2,735,093</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 443,738	\$ (63,267)	\$ 380,471	\$ 592,792
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	3,162,222	3,510	3,165,732	9,497
(Increase) decrease in accounts receivable	(271,174)	(7,280)	(278,454)	3,223
(Increase) decrease in inventories	-	-	-	(73,162)
Increase (decrease) in accounts payable	(18,324)	(855)	(19,179)	(25,077)
Increase (decrease) in accrued payroll and related expenses	20,243	1,114	21,357	7,864
Increase (decrease) in compensated absences	(50,688)	-	(50,688)	(3,819)
Total adjustments	<u>2,842,279</u>	<u>(3,511)</u>	<u>2,838,768</u>	<u>(81,474)</u>
Net cash provided (used) by operating activities	<u>\$ 3,286,017</u>	<u>\$ (66,778)</u>	<u>\$ 3,219,239</u>	<u>\$ 511,318</u>
Noncash capital activities:				
Contributions of capital assets from developers	\$ 434,962	\$ -	\$ 434,962	\$ -
Capital assets costs included in accounts payable	<u>\$ 1,185,090</u>	<u>\$ -</u>	<u>\$ 1,185,090</u>	<u>\$ -</u>

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

CITY OF MEDFORD
Notes to the Financial Statements
June 30, 2011

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 units are reported in separate columns in the government-wide financial statements (see note below for description) to emphasize that they are 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, 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 a 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 assets 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 Financial Statements
June 30, 2011

Note I - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements, continued

Net assets are reported as restricted when constraints placed on net assets 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.

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 assets 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 sixty 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 Improvement Fund* is a capital projects fund that accounts for the construction of arterial streets and is primarily financed from funds from the State of Oregon and Jackson County. City Management has voluntarily elected to report this fund as major fund.

The government reports the following major proprietary funds:

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.

The *Parking Facilities Fund* accounts for the maintenance, operation, improvements, and expansion of the City's off-street parking facilities. City Management has voluntarily elected to report this fund as major fund.

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

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 receiving the service.

The City's government-wide and proprietary fund accounting and financial reporting practices are based on Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The City has elected not to apply FASB guidance issued subsequent to November 30, 1989 to business-type activities and to enterprise funds.

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.

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.

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 and net assets

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 Financial Statements
June 30, 2011

Note I - Summary of significant accounting policies (continued)

E. Assets, liabilities and net assets, 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 deferred 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 restricted primarily for construction and bonded debt service by The Oregon Department of Transportation or bonded debt indentures.

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note I - Summary of significant accounting policies (continued)

E. Assets, liabilities and net assets, 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, 2011, 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. 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 pay out for the amount in excess of 520 hours upon termination of employment. No amount has been accrued for these pay outs, 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 if they have matured; for example, as a result of employee resignations and retirements.

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

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

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note I - Summary of significant accounting policies (continued)

E. Assets, liabilities and net assets, continued

8. Pension plan

Substantially all of the City's employees are participants in the Oregon Public Employees Retirement System (OPERS), a statewide agent multi-employer defined benefit pension plan. Contributions to OPERS are made on a current basis as required by the plan, and are charged to expenditures/expenses as funded.

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 an ordinance or resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the ordinance or resolution at any time through the passage of an additional ordinance or 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 annual 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.

Note II - Stewardship, compliance, and accountability

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, material 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

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note II - Stewardship, compliance, and accountability

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 2009-2011.

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.

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 assets as "Cash and cash equivalents."

As of June 30, 2011, the City's cash and investment balances were reported as follows:

	<u>Primary Government</u>	<u>Weighted average maturity in years</u>
Subject to interest rate risk:		
U.S. agency securities	21,497,905	3.449
Corporate bonds	1,532,990	1.757
Not subject to interest rate risk or maturities are less than one month:		
Petty cash	5,058	
LGIP	28,575,757	
Deposits with financial institutions	<u>22,191,211</u>	
Total cash and investments	<u>\$ 73,802,921</u>	

Cash and investments are reported as follows:

Unrestricted cash and cash equivalents	\$ 72,413,549
Restricted cash and cash equivalents	<u>1,389,372</u>
Total cash and investments	<u>\$ 73,802,921</u>

Deposits

Custodial credit risk - deposits. Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City maintains its deposits in accordance with ORS 295. Under that Statute, all deposits must be covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized with eligible securities in amounts determined by the Office of the State Treasurer. At June 30, 2011, the City's deposits, with a bank balance of \$23,390,643, 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 investment as follows:

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

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

A. Cash and investments, continued

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.

At June 30, 2011, the City's investments were rated as follows:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Standard & Poors Rating</u>	<u>Percent of Total Investments</u>
U.S. agency securities:			
Federal Farm Credit Bank	\$ 1,070,000	AAA	2.07 %
Federal Home Loan Bank	7,529,046	AAA	14.59 %
Federal Home Loan Mortgage Corp.	4,499,549	AAA	8.72 %
Federal National Mortgage Assoc.	<u>8,399,310</u>	AAA	16.28 %
Total U.S. agency securities	<u>21,497,905</u>		
Corporate bonds:			
General Electric Capital Corp.	1,033,542	AA+	2.00 %
Johnson & Johnson	<u>499,448</u>	AAA	0.97 %
Total Corporate bonds	<u>1,532,990</u>		
LGIP	<u>28,575,757</u>	Not rated	<u>55.37 %</u>
Total investments	<u>\$ 51,606,652</u>		<u>100.00 %</u>

The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by the OSTF and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2011, the fair value of the City's deposits with the LGIP approximates cost. The OSTF financial statements are available at <http://www.ost.state.or.us/>.

The LGIP's portfolio concentration of credit risk at June 30, 2011 included: Corporate Notes (45.8%), U.S. Treasury and Agency Securities (38.5%), Government Guaranteed Corporate Securities (10.6%), Commercial Paper (2.7%), Bank Notes (1.2%), Certificates of Deposits (.6%) and Municipal Bonds (0.6%). The credit risk associated with the investments was: AAA rating (48.0%), AA rating (18.2%), A rating (32.5%), BBB rating (0.2%), not rated (.6%), and ratings withdrawn (0.5%).

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 33% 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 25% per issuer. Obligations of the states of Oregon, California, Idaho, and Washington are restricted to no more than 10% for any one issuer.

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

B. Loan receivables

MURA entered into loan agreements whereby the Agency provided local businesses in downtown Medford loans for rehabilitation construction costs. Each loan bears an interest rate of 2% and is collateralized by a deed of trust. No allowance has been established by the Agency because all notes receivable are considered entirely collectible.

<u>Issue Date</u>	<u>Monthly Payment</u>	<u>Final Payment Date</u>	<u>Balance 6/30/2011</u>
December 1, 2003	\$ 759	December 1, 2013	\$ 99,811
August 11, 2003	506	October 1, 2013	66,698
March 15, 2005	1,733	June 1, 2013	<u>234,779</u>
Total			<u>\$ 401,288</u>

C. Prepaid expenses

The City and the Commission made advance payments to the Oregon Public Employees Retirement System to reduce the outstanding unfunded actuarial liability. The payments were made in September 2000 and May 2004. These amounts have been recorded as a prepaid expense, and are being amortized over 30 years on a straight-line basis. The balances, net of accumulated amortization, at year end were \$24,083,666 and \$2,363,300 for the City and the Commission, respectively.

D. Deferred revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. These deferred revenue amounts are not reported in the statement of net assets, as the revenue is recognized in the government-wide Statement of Net Assets. At the end of the current fiscal year, the various components of deferred revenue in the governmental funds were as follows:

<u>Deferred revenue</u>	<u>2011</u>
Property taxes	\$ 2,200,416
Municipal court receivable	1,337,634
Franchise agreement	387,552
Notes receivable	401,288
Assessments receivable	<u>141,953</u>
Total	<u>\$ 4,468,843</u>

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

E. Capital assets

Capital asset activity for the year ended June 30, 2011 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	\$ 19,935,898	\$ 2,411,559	\$ (174,974)	\$ 22,172,483
Land - rights of way	82,502,755	107,673	-	82,610,428
Construction in progress	<u>6,276,352</u>	<u>13,296,240</u>	<u>(6,221,118)</u>	<u>13,351,474</u>
Total capital assets, not being depreciated	<u>108,715,005</u>	<u>15,815,472</u>	<u>(6,396,092)</u>	<u>118,134,385</u>
Capital assets, being depreciated:				
Buildings	23,580,411	1,573,451	-	25,153,862
Improvements	38,015,583	21,679	(90,441)	37,946,821
Equipment	24,490,460	2,427,754	(390,603)	26,527,611
Parking structures	6,704,335	-	(377,026)	6,327,309
Infrastructure	<u>160,509,489</u>	<u>2,912,261</u>	<u>-</u>	<u>163,421,750</u>
Total capital assets, being depreciated	253,300,278	6,935,145	(858,070)	259,377,353
Less accumulated depreciation for:				
Buildings	(6,131,363)	(713,287)	-	(6,844,650)
Improvements	(9,564,053)	(1,770,008)	36,176	(11,297,885)
Equipment	(19,544,505)	(1,531,962)	393,491	(20,682,976)
Parking structures	(3,420,194)	(316,369)	138,246	(3,598,317)
Infrastructure	<u>(67,985,866)</u>	<u>(7,327,558)</u>	<u>-</u>	<u>(75,313,424)</u>
Total accumulated depreciation	<u>(106,645,981)</u>	<u>(11,659,184)</u>	<u>567,913</u>	<u>(117,737,252)</u>
Total capital assets, being depreciated, net	<u>146,654,297</u>	<u>(4,724,039)</u>	<u>(290,157)</u>	<u>141,640,101</u>
Governmental activities capital assets, net	<u>\$ 255,369,302</u>	<u>\$ 11,091,433</u>	<u>\$ (6,686,249)</u>	<u>\$ 259,774,486</u>

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

E. Capital assets, continued

Primary Government	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,173,026	\$ -	\$ -	\$ 1,173,026
Construction in progress	<u>2,038,998</u>	<u>5,018,745</u>	<u>(2,609,874)</u>	<u>4,447,869</u>
Total capital assets, not being depreciated	<u>3,212,024</u>	<u>5,018,745</u>	<u>(2,609,874)</u>	<u>5,620,895</u>
Capital assets, being depreciated:				
Buildings	6,506,455	-	-	6,506,455
Improvements	27,218,744	17,975	-	27,236,719
Equipment	15,475,392	907,927	(9,000)	16,374,319
Sewers	25,903,523	409,785	-	26,313,308
Storm drains	<u>38,505,350</u>	<u>1,990,826</u>	<u>-</u>	<u>40,496,176</u>
Total capital assets, being depreciated	113,609,464	3,326,513	(9,000)	116,926,977
Less accumulated depreciation for:				
Buildings	(2,448,329)	(162,255)	-	(2,610,584)
Improvements	(9,841,020)	(752,013)	-	(10,593,033)
Equipment	(12,142,374)	(908,369)	9,000	(13,041,743)
Sewers	(10,282,598)	(517,171)	-	(10,799,769)
Storm drains	<u>(8,486,521)</u>	<u>(825,924)</u>	<u>-</u>	<u>(9,312,445)</u>
Total accumulated depreciation	<u>(43,200,842)</u>	<u>(3,165,732)</u>	<u>9,000</u>	<u>(46,357,574)</u>
Total capital assets, being depreciated, net	<u>70,408,622</u>	<u>160,781</u>	<u>-</u>	<u>70,569,403</u>
Business-type activities capital assets, net	<u>\$ 73,620,646</u>	<u>\$ 5,179,526</u>	<u>\$ (2,609,874)</u>	<u>\$ 76,190,298</u>

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

Governmental activities:	
General government	\$ 510,630
Public safety	1,027,230
Highways and streets	6,599,294
Culture and recreation	2,232,430
Community development	<u>1,289,600</u>
Total depreciation expense - governmental activities	<u>\$ 11,659,184</u>
Business-type activities:	
Sewer	\$ 3,162,222
Parking services	<u>3,510</u>
Total depreciation expense - business-type activities	<u>\$ 3,165,732</u>

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

E. 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	\$ 3,290,095	\$ -	\$ 654,968	\$ 3,945,063
Construction in progress	<u>5,272,609</u>	<u>6,623,775</u>	<u>(3,944,967)</u>	<u>7,951,417</u>
Total capital assets, not being depreciated	<u>8,562,704</u>	<u>6,623,775</u>	<u>(3,289,999)</u>	<u>11,896,480</u>
Capital assets, being depreciated:				
Buildings, supply and distribution system	118,046,403	3,617,934	(1,953)	121,662,384
Equipment	<u>5,443,604</u>	<u>67,357</u>	<u>(60,725)</u>	<u>5,450,236</u>
Total capital assets, being depreciated	<u>123,490,007</u>	<u>3,685,291</u>	<u>(62,678)</u>	<u>127,112,620</u>
Less accumulated depreciation for:				
Buildings, supply and distribution system	(33,111,793)	(2,131,365)	1,410	(35,241,748)
Equipment	<u>(3,365,327)</u>	<u>(266,087)</u>	<u>60,725</u>	<u>(3,570,689)</u>
Total accumulated depreciation	<u>(36,477,120)</u>	<u>(2,397,452)</u>	<u>62,135</u>	<u>(38,812,437)</u>
Total capital assets, being depreciated, net	<u>87,012,887</u>	<u>1,287,839</u>	<u>(543)</u>	<u>88,300,183</u>
Medford Water Commission capital assets, net	<u>\$ 95,575,591</u>	<u>\$ 7,911,614</u>	<u>\$ (3,290,542)</u>	<u>\$ 100,196,663</u>

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

F. Long-term debt

General Obligation 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. For the year ended June 30, 2011 the City had 89% of capacity available. General obligation 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 %	\$ 29,060,000
2. 2006 Sidewalk Series maturing on 2021	<u>4,600,000</u>	4.00 to 4.50 %	<u>3,390,000</u>
Total general obligation bonds outstanding:			<u>\$ 32,450,000</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 following schedule shows the debt service requirements for general obligation bonds as of June 30, 2011:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 515,000	\$ 1,893,612
2013	650,000	1,869,375
2014	795,000	1,837,791
2015	955,000	1,797,559
2016	1,130,000	1,747,847
2017-2021	8,865,000	7,577,785
2022-2026	13,880,000	4,461,125
2027-2031	<u>5,660,000</u>	<u>453,468</u>
Total	<u>\$ 32,450,000</u>	<u>\$ 21,638,562</u>

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

F. 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:			
Gas tax, street revenue bonds, maturing 2014	\$ 9,300,000	4.00 - 4.40%	\$ 2,350,000
Gas tax, revenue bonds, maturing 2012	5,000,000	3.00 - 4.15%	585,000
2002 Parks limited tax revenue bonds, maturing 2022	5,700,000	3.00 - 5.00%	3,735,000
2007 Parks limited tax revenue bonds, maturing 2027	18,965,000	3.50 - 4.16%	16,430,000
2002A Refunding bonds, maturing 2013	9,050,000	3.00 - 4.50%	1,975,000
2004 Urban redevelopment bonds, maturing 2013	9,500,000	3.55%	2,345,000
2005 Series A, maturing 2013	3,488,000	3.73%	1,776,000
2007 Series A, maturing 2022	2,570,000	4.65%	2,118,000
2009 Urban redevelopment bonds Series A, maturing 2024	3,000,000	4.75%	<u>3,000,000</u>
Total revenue bonds outstanding:			<u>\$ 34,314,000</u>

The Gas Tax revenue bonds were issued to finance street improvement and construction projects. Principal and interest on Gas Tax revenue bonds are payable first from gas tax revenues and second, if necessary, from general tax revenues. The Gas Tax revenue bond maturing 2010 through 2014 has an interest rate of 4.0% from 2000 to 2008, 4.1% in 2009, 4.2% in 2010 and 2011, 4.25% in 2012, 4.3% in 2013, and 4.4% in 2014. The Gas Tax revenue bond maturing in 2012 has an interest rate of 3.0% from 2002 to 2004, 3.15% in 2005, 3.4% in 2006, 3.65% in 2007, 3.9% in 2008, 4.0% in 2009, 4.1% in 2010, and 4.15% in 2011.

The 2002 and 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 2002 Parks limited tax revenue bond has an interest rate of 3.0% from 2003 to 2005, 4.0% from 2006 to 2009, 4.25% from 2010 to 2013, 4.4% in 2014, 4.5% in 2015, 4.6% in 2016, 4.75% in 2017 and 2018, 4.875% in 2019 and 2020, and 5.0% in 2021 and 2022.

The 2007 Parks limited tax revenue bond has an interest rate of 4.00% from 2008 to 2026 and 4.125% in 2027.

The Urban Renewal bonds were issued to finance public improvement projects to revitalize downtown Medford. The 2002 Urban Renewal bond has an interest rate of 3.00% from 2002 to 2005, 3.60% from 2006 to 2007, 4.00% in 2008, 4.125% in 2009, and 4.50% from 2010 to 2013.

The 2004, 2005, 2007 and 2009 series Urban Redevelopment bonds were issued to finance further development of the areas in the Urban Renewal District boundaries.

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

F. Long-term debt, continued

The following schedule shows the debt service requirements for revenue bonds as of June 30, 2011:

Year ending June 30,	<u>Governmental Activities</u>	
	Principal	Interest
2012	\$ 5,315,000	\$ 1,427,414
2013	5,257,000	1,224,815
2014	2,259,000	1,013,686
2015	1,500,000	916,472
2016	1,567,000	852,420
2017-2021	8,951,000	3,185,033
2022-2026	8,080,000	1,209,197
2027	<u>1,385,000</u>	<u>57,131</u>
Total	<u>\$ 34,314,000</u>	<u>\$ 9,886,168</u>

Loans

Loans at year end are as follows:

<u>Loan</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Oregon Housing loan	\$ 600,000	1.00 %	\$ 245,693
Land purchase contract	\$ 375,175	5.00%	\$ 375,175

The land purchase contract was used to finance the purchase of land and easements. The contract requires a payment of \$200,000 on or before December 31, 2011. The balance is to be paid quarterly from the park system development fees collected by the City for development of the Cedar Landing PUD. The unpaid balance is due by December 31, 2013.

The Oregon Housing loan was issued to help finance housing construction in downtown Medford. The following schedule shows the debt service requirements for the Oregon Housing loan as of June 30, 2011:

Year ending June 30,	<u>Governmental Activities</u>	
	Principal	Interest
2012	\$ 60,893	\$ 2,457
2013	61,501	1,848
2014	<u>123,299</u>	<u>1,233</u>
Total	<u>\$ 245,693</u>	<u>\$ 5,538</u>

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

F. Long-term debt, continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 32,845,000	\$ -	\$ (395,000)	\$ 32,450,000	\$ 515,000
Revenue bonds	40,061,000	-	(5,747,000)	34,314,000	5,315,000
Total bonds payable	<u>72,906,000</u>	<u>-</u>	<u>(6,142,000)</u>	<u>66,764,000</u>	<u>5,830,000</u>
Land purchase contract	-	375,175	-	375,175	200,000
Oregon housing loan	<u>305,894</u>	<u>-</u>	<u>(60,201)</u>	<u>245,693</u>	<u>60,892</u>
Total bonds and notes payable	73,211,894	375,175	(6,202,201)	67,384,868	6,090,892
Compensated absences	<u>2,188,066</u>	<u>3,463,396</u>	<u>(3,508,672)</u>	<u>2,142,790</u>	<u>428,558</u>
Governmental activities long-term liabilities	<u>\$ 75,399,960</u>	<u>\$ 3,838,571</u>	<u>\$ (9,710,873)</u>	<u>\$ 69,527,658</u>	<u>\$ 6,519,450</u>
Business-type activities:					
Compensated absences	<u>\$ 236,673</u>	<u>\$ 273,000</u>	<u>\$ (323,688)</u>	<u>\$ 185,985</u>	<u>\$ 37,197</u>

The General Fund and debt service funds have been used to liquidate compensated absences in prior years.

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

Bonds payable ending balance	\$ 66,764,000
Less: current portion	(5,830,000)
Add: unamortized premium	<u>49,011</u>
Bonds payable, due in more than one year	<u>\$ 60,983,011</u>

G. Governmental Activities net assets invested in capital assets, net of related debt

Net assets invested in capital assets, net of related debt for Governmental Activities as presented in the Statement of Net Assets as of June 30, 2011 is determined as follows:

Capital assets, net	\$ 259,774,486
Less outstanding principal on capital asset related debt:	
General obligation bonds, excluding PERS bond \$29,060,000	(3,390,000)
Revenue bonds, excluding unspent \$3,000,000 2009 Urban redevelopment bonds	<u>(31,314,000)</u>
Governmental Activities net assets invested in capital assets, net of related debt	<u>\$ 225,070,486</u>

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note III - Detailed notes on all funds, continued

H. Interfund receivables, payables and transfers

Interfund balances consist of cash advances by the general fund to other nonmajor governmental funds. The interfund balance between the City's General fund and MURA's General fund consists of payroll and PERS debt expenses that MURA reimburses the City for.

	Due From Other Funds	Due To Other Funds
General Fund	\$ 140,252	\$ -
Nonmajor Governmental Funds	-	140,252
Total	<u>\$ 140,252</u>	<u>\$ 140,252</u>

Interfund transfers:

Transfers Out:	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total Transfers Out
General Fund	\$ -	\$ 3,440,381	\$ 3,440,381
Street Improvement Fund	19,100	-	19,100
Nonmajor Governmental Funds	3,524,015	1,829,767	5,353,782
Sewer Utility Fund	683,358	-	683,358
Parking Facilities Fund	12,700	-	12,700
Internal Service Funds	78,000	-	78,000
Total transfers in	<u>\$ 4,317,173</u>	<u>\$ 5,270,148</u>	<u>\$ 9,587,321</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.

I. 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.

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.

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.

J. Related party transactions

The Commission acts as an agent for the sewer drainage and street utilities owned by the City by billing and collecting their customer accounts. These customer accounts are included in the Commission's accounts receivable, with a corresponding payable to the City. Collections of billings of the sewer, drainage, and street fee accounts are remitted on a monthly basis. The Commission charged the City \$592,000 for processing and collecting \$17,524,320 in sewer, drainage, street fee billings, park utility fees, and public safety fees. Water sales to the City were \$131,549 the year ended June 30, 2011.

The Commission pays the City for legal counsel, other services, and materials and supplies. During the year, the Commission paid the City \$103,537 for these items. The Commission also paid the City a franchise tax amounting to \$119,117 in fiscal year 2011 and garage charges of \$135,773.

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note - Other information, continued

L. 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 assets.

M. 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.

MURA is involved in a number of urban renewal projects involving commitments to complete the projects in the future. At June 30, 2011, total commitments were \$9.8 million.

There are seven labor agreements between the City and its employees, all of which were expired by June 30, 2011. All the agreements are still in negotiations. The following is a list of the agreements and their effective dates:

- AFSCME July 2007 through June 2011
- IAFF July 2008 through June 2011
- Teamsters Construction & Maintenance July 2007 through June 2010
- Teamsters Mechanics July 2007 through June 2010
- Teamsters Parks July 2007 through June 2010
- Teamsters Police July 2007 through June 2010
- Teamsters WRD July 2008 through June 2011

N. 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).

Cities, counties, and special districts that participate in OPERS may choose to join the State and Local Government Rate Pool (SLGRP). State agencies, community colleges, and public institutions of higher education are required by law to be part of the pool. All Oregon school districts are required by law to be part of a separate school district pool. 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. The City has elected to join the SLGRP. For members of the SLGRP, OPERS is a cost-sharing, multiple-employer plan administered by the OPERB and benefits are established by state statute.

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note - Other information, continued

N. Pension plans, continued

OPERS, a component unit of the State of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281, by calling (503) 598-7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>.

City employees participate in one or more OPERS retirement plans that provide pension, death, disability, and post-employment healthcare benefits to members and their beneficiaries:

- PERS (Public Employee Retirement System) is a defined benefit pension plan provided to members or their beneficiaries who were hired prior to August 29, 2003. In 1995, the Legislature enacted a second level or "tier" of PERS benefits for persons who established PERS membership on or after January 1, 1996. These Tier Two members do not have the Tier One assumed earnings rate guarantee, and have a higher normal retirement age of 60, compared to 58 for Tier One. Employer contributions to PERS are required by state statute and are made at actuarially determined rates as adopted by the OPERB. The City's current annual required contribution rate of 5.74% was based on a December 31, 2008 actuarial evaluation. Up through December 31, 2008, covered employees were also required by state statute to contribute 6% of their annual salary to the PERS plan.
- OPSRP (Oregon Public Service Retirement Plan) is a hybrid retirement plan with two components: a defined benefit pension plan and a defined contribution pension plan.

The defined benefit pension plan is provided to members or their beneficiaries who were hired on or after August 29, 2003. Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the OPERB. The City's current required contribution rates for the OPSRP defined benefit pension plan are 2.57% for general service employees and 5.28% for police and fire employees.

The defined contribution pension plan (called the Individual Account Program, or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. The City has elected to contribute the 6% "pick-up" for the year ended June 30, 2011. The City's 6% "pick-up" contributions for the years ending June 30, 2011, 2010, and 2009 were \$1,806,866, \$1,860,637, and \$1,826,894. Plan members of PERS retain their existing PERS accounts, but member contributions beginning in 2004 are deposited in the member's IAP, not into the member's PERS account.

Annual Pension Cost - The City contributed 5.74% of covered payroll for PERS tier one and tier two and 2.57% for general service and 5.28% for police and fire of covered payroll for OPSRP for the fiscal year ended June 30, 2011. All participating employers are required by law to submit the contributions as adopted by the OPERB. The City's contributions, exclusive of the 6% "pick-up" for the years ending June 30, 2011, 2010, and 2009 were \$1,693,149, \$1,622,196, and \$2,478,048 respectively, equal to the required contributions for each year.

O. Other Postemployment Benefits (OPEB)

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 IAFS and ASCME 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 18. 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.

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note - Other information, continued

O. Other Postemployment Benefits (OPEB), continued

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, 2011, the City's combined plan contributions were \$69,055.

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, 2011, the implicit benefit payments (contributions made), and changes in the City's net OPEB obligation:

Annual required contribution	\$ 245,453
Interest on net OPEB obligation	17,417
Adjustment to the annual required contribution	<u>(27,321)</u>
Annual OPEB cost (expense)	235,549
Contributions made	<u>(69,055)</u>
Increase in net OPEB obligation	166,494
Net OPEB obligation, beginning of year	<u>387,053</u>
Net OPEB obligation, end of year	<u>\$ 553,547</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 2011 and the preceding two years were as follows:

Fiscal year ending June 30	Annual OPEB Cost	Contribution	Percentage of annual OPEB cost contributed	Net OPEB obligation
2009	\$ 253,852	\$ 30,840	12%	\$ 223,012
2010	\$ 223,640	\$ 59,599	27%	\$ 387,053
2011	\$ 235,549	\$ 69,055	29%	\$ 553,547

Funded Status and Funding Progress

As of August 1, 2010, the actuarial accrued liability for benefits was \$1,304,522 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,304,522. For the fiscal year ending June 30, 2011, 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 \$31,368,055, and the ratio of the UAAL to the covered payroll was 4.2%

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.

CITY OF MEDFORD
Notes to Financial Statements
June 30, 2011

Note - Other information, continued

O. Other Postemployment Benefits (OPEB), continued

The August 1, 2010 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 8.5% in the first year, 7.5% in the second year, 6.5% in the third year, 6.0% for the 4th through 23rd year, 5.5% for the 24th through 47th year, and 5.0% 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.

P. Subsequent events

Effective August 4, the City issued the 2011 Series A and B Limited Tax Revenue Refunding Bonds. The bonds were issued to reduce debt service payments.

	Gas Tax, Street Revenue Bonds	2002 Parks Limited Tax Revenue Bonds
Bonds refunded:		
Original Principal Amount	\$9,300,000	5,700,000
Annual Percentage Rate	4.00 - 4.40%	3.00 - 5.00%
Balance June 30, 2011	\$2,350,000	\$3,735,000
2011 Limited Tax Revenue Refunding Bonds:		
Tax Revenue Refunding Bond Issue	Series 2011A	Series 2011B
Principal Amount	\$2,010,000	\$3,673,000
Annual Percentage Rate	1.898%	3.24%
Maturity Date	2/1/2014	6/1/2022

In December of 2011 the City issued bonds in the amount of \$20,950,000 to finance the activities of MURA. An agreement between the City and MURA stipulates that MURA will make the payments required for this debt.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Property taxes	\$ 57,766,000	\$ 57,766,000	\$ 28,520,914	\$ 29,356,906	\$ 57,877,820	\$ 111,820
Franchise taxes	15,810,000	15,810,000	7,417,722	7,667,517	15,085,239	(724,761)
Lodging taxes	2,520,000	2,520,000	1,136,610	1,186,628	2,323,238	(196,762)
Special assessments	-	-	-	10,054	10,054	10,054
Licenses, permits and fees	1,380,000	1,380,000	682,970	621,612	1,304,582	(75,418)
Intergovernmental	10,458,400	10,548,400	4,626,343	4,931,730	9,558,073	(990,327)
Charges for services	2,324,100	2,452,700	1,153,464	1,185,923	2,339,387	(113,313)
Fines and penalties	2,652,000	2,652,000	1,332,950	1,395,800	2,728,750	76,750
Investment earnings	606,800	606,800	253,171	134,920	388,091	(218,709)
Contributions and donations	4,000	22,000	20,019	21,501	41,520	19,520
Other revenue	103,000	103,000	132,021	93,221	225,242	122,242
Grants and contracts	409,260	4,876,220	1,415,917	3,325,595	4,741,512	(134,708)
Total revenues	94,033,560	98,737,120	46,692,101	49,931,407	96,623,508	(2,113,612)
Expenditures:						
Mayor and council	1,978,090	2,974,810	1,026,741	1,752,806	2,779,547	195,263
Neighborhood resources	375,530	359,051	129,809	60,039	189,848	169,203
Municipal court	1,388,390	1,407,890	686,857	713,695	1,400,552	7,338
Police	38,219,710	41,204,270	19,279,227	20,330,254	39,609,481	1,594,789
Fire	21,642,860	22,285,640	10,147,160	11,530,603	21,677,763	607,877
Parks and recreations:						
Parks and recreation	6,852,200	7,620,817	3,385,342	3,739,457	7,124,799	496,018
City tree program	263,740	279,740	141,237	117,995	259,232	20,508
Building maintenance	3,581,480	6,022,553	1,734,748	3,242,034	4,976,782	1,045,771
Planning	3,540,060	3,608,330	1,568,901	1,634,837	3,203,738	404,592
Public works - engineering	1,442,740	1,325,240	557,459	443,240	1,000,699	324,541
City managers office	2,115,030	2,192,379	923,625	992,413	1,916,038	276,341
Technology services	5,472,360	5,729,720	2,542,594	2,686,925	5,229,519	500,201
Legal	1,019,830	1,035,990	475,006	503,418	978,424	57,566
Human resources	941,620	955,120	448,141	485,573	933,714	21,406
Finance	4,747,370	3,185,350	1,327,551	1,378,695	2,706,246	479,104
Contingency	16,268,000	13,703,650	-	-	-	13,703,650
Total expenditures	109,849,010	113,890,550	44,374,398	49,611,984	93,986,382	19,904,168
Excess revenues over (under) expenditures	<u>(15,815,450)</u>	<u>(15,153,430)</u>	<u>2,317,703</u>	<u>319,423</u>	<u>2,637,126</u>	<u>17,790,556</u>
Other financing sources (uses):						
Transfers in	4,031,440	5,819,440	2,357,386	3,317,173	5,674,559	(144,881)
Transfers out	(4,256,000)	(5,770,000)	(2,385,810)	(3,357,881)	(5,743,691)	26,309
Sale of capital assets	-	-	33,055	33,166	66,221	66,221
Total other financing sources (uses)	<u>(224,560)</u>	<u>49,440</u>	<u>4,631</u>	<u>(7,542)</u>	<u>(2,911)</u>	<u>(52,351)</u>
Net change in fund balances	(16,040,010)	(15,103,990)	2,322,334	311,881	2,634,215	17,738,205
Fund Balance:						
Beginning	<u>16,526,820</u>	<u>16,661,000</u>	<u>16,700,620</u>	<u>19,022,954</u>	<u>16,700,620</u>	<u>39,620</u>
Ending	<u>\$ 486,810</u>	<u>\$ 1,557,010</u>	<u>\$ 19,022,954</u>	<u>\$ 19,334,835</u>	<u>\$ 19,334,835</u>	<u>\$ 17,777,825</u>

CITY OF MEDFORD

Notes to Required Supplementary Information

June 30, 2011

Note 1 - Basis of Budgeting

Except for the classification of transfers from Medford Urban Renewal Agency (MURA) of \$1M and transfers to MURA of \$82,500, the basis of budgeting is the same as GAAP for the General Fund. The transfer in was budgeted as intergovernmental revenue and the transfer out was budgeted as an expenditures.

Note 2 - Schedule of Funding Progress - OPEB

Other Postemployment 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>
8/1/2010	\$ -	\$ 1,304,522	\$ 1,304,522	-	N/A	N/A

The City's other post employment benefits include retiree healthcare. The actuarial cost method for retiree healthcare benefits is entry age normal.

OTHER SUPPLEMENTARY INFORMATION

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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Intergovernmental	\$ 801,000	\$ 801,000	\$ 172,406	\$ 139,318	\$ 311,724	\$ (489,276)
Investment earnings	70,000	70,000	74,978	30,266	105,244	35,244
Other revenue	12,712,000	12,712,000	8,077	19,721	27,798	(12,684,202)
Grants and contracts	<u>1,677,700</u>	<u>1,677,700</u>	<u>5,210,543</u>	<u>4,912,891</u>	<u>10,123,434</u>	<u>8,445,734</u>
Total revenues	<u>15,260,700</u>	<u>15,260,700</u>	<u>5,466,004</u>	<u>5,102,196</u>	<u>10,568,200</u>	<u>(4,692,500)</u>
Expenditures:						
Street improvement projects	14,823,070	14,969,070	1,313,203	6,290,571	7,603,774	7,365,296
Contingency	-	850,200	-	-	-	850,200
Total expenditures	<u>14,823,070</u>	<u>15,819,270</u>	<u>1,313,203</u>	<u>6,290,571</u>	<u>7,603,774</u>	<u>8,215,496</u>
Excess revenues over (under) expenditures	<u>437,630</u>	<u>(558,570)</u>	<u>4,152,801</u>	<u>(1,188,375)</u>	<u>2,964,426</u>	<u>3,522,996</u>
Other financing sources (uses):						
Transfers out	<u>(40,100)</u>	<u>(40,100)</u>	<u>(21,000)</u>	<u>(19,100)</u>	<u>(40,100)</u>	<u>-</u>
Total other financing sources (uses)	<u>(40,100)</u>	<u>(40,100)</u>	<u>(21,000)</u>	<u>(19,100)</u>	<u>(40,100)</u>	<u>-</u>
Net change in fund balances	397,530	(598,670)	4,131,801	(1,207,475)	2,924,326	3,522,996
Fund Balance:						
Beginning	<u>793,900</u>	<u>1,790,100</u>	<u>1,790,104</u>	<u>5,921,905</u>	<u>1,790,104</u>	<u>4</u>
Ending	<u>\$ 1,191,430</u>	<u>\$ 1,191,430</u>	<u>\$ 5,921,905</u>	<u>\$ 4,714,430</u>	<u>\$ 4,714,430</u>	<u>\$ 3,523,000</u>

NONMAJOR COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF MEDFORD

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2011

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 16,946,154	\$ 3,110,424	\$ 3,486,399	\$ 23,542,977
Receivables				
Accounts	949,459	-	2,273	951,732
Taxes	-	493,928	-	493,928
Loans	-	-	401,288	401,288
Due from Medford Water Commission	798,148	-	-	798,148
Restricted cash and cash equivalents	<u>813,040</u>	<u>576,332</u>	<u>-</u>	<u>1,389,372</u>
Total assets	<u>\$ 19,506,801</u>	<u>\$ 4,180,684</u>	<u>\$ 3,889,960</u>	<u>\$ 27,577,445</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,452,138	\$ -	\$ 139,854	\$ 1,591,992
Payroll and related accruals	191,328	-	2,585	193,913
Due to other funds	140,252	-	-	140,252
Due to Medford Water Commission	19,414	-	-	19,414
Deferred revenue	<u>84,182</u>	<u>401,708</u>	<u>401,288</u>	<u>887,178</u>
Total liabilities	<u>1,887,314</u>	<u>401,708</u>	<u>543,727</u>	<u>2,832,749</u>
Fund balances:				
Restricted for:				
Public Safety	108,594	-	-	108,594
Highways and streets	8,426,936	-	1,440,128	9,867,064
Culture and recreation	1,503,119	-	1,803	1,504,922
Community development	1,862,434	-	1,904,302	3,766,736
Debt service	-	3,778,977	-	3,778,977
Committed for:				
Public Safety	1,601,522	-	-	1,601,522
Highways and streets	3,772,596	-	-	3,772,596
Culture and recreation	<u>344,286</u>	<u>-</u>	<u>-</u>	<u>344,286</u>
Total fund balances	<u>17,619,487</u>	<u>3,778,977</u>	<u>3,346,233</u>	<u>24,744,697</u>
Total liabilities and fund balances	<u>\$ 19,506,801</u>	<u>\$ 4,180,685</u>	<u>\$ 3,889,960</u>	<u>\$ 27,577,446</u>

CITY OF MEDFORD

Nonmajor Governmental Funds

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

Year ended June 30, 2011

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
REVENUES				
Taxes				
Property	\$ -	\$ 5,201,578	\$ -	\$ 5,201,578
Franchise and lodging	1,186,626	-	-	1,186,626
Fuel	3,751,548	-	-	3,751,548
Other	313,011	-	-	313,011
Special assessments	1,479	-	-	1,479
Charges for services	136,232	-	-	136,232
Intergovernmental	34,158	-	-	34,158
Licenses, permits and fees	10,431,534	-	21,750	10,453,284
Investment earnings	106,301	22,363	36,642	165,306
Grants and contributions	832,652	-	-	832,652
Rental income	-	-	24,842	24,842
Other revenue	104,442	-	29,518	133,960
Total revenues	<u>16,897,983</u>	<u>5,223,941</u>	<u>112,752</u>	<u>22,234,676</u>
EXPENDITURES				
Current				
Public safety	847,458	-	-	847,458
Highways and streets	5,850,973	-	63,365	5,914,338
Culture and recreation	198,083	-	-	198,083
Community development	2,370,880	-	191,797	2,562,677
Debt service:				
Principal	-	6,202,289	-	6,202,289
Interest	-	3,562,294	-	3,562,294
Capital outlay	4,063,355	-	2,192,284	6,255,639
Total expenditures	<u>13,330,749</u>	<u>9,764,583</u>	<u>2,447,446</u>	<u>25,542,778</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,567,234</u>	<u>(4,540,642)</u>	<u>(2,334,694)</u>	<u>(3,308,102)</u>
OTHER FINANCING SOURCES (USES)				
Contributions	2,102,585	-	-	2,102,585
Sale of capital assets	7,000	-	378,310	385,310
Debt proceeds	375,175	-	-	375,175
Transfers in	15,000	5,172,648	82,500	5,270,148
Transfers out	(4,342,799)	(1,000,000)	(10,983)	(5,353,782)
Total other financing source (uses)	<u>(1,843,039)</u>	<u>4,172,648</u>	<u>449,827</u>	<u>2,779,436</u>
Net change in fund balances	1,724,195	(367,994)	(1,884,867)	(528,666)
Beginning fund balances	<u>15,895,292</u>	<u>4,146,970</u>	<u>5,231,100</u>	<u>25,273,362</u>
Ending fund balances	<u>\$ 17,619,487</u>	<u>\$ 3,778,976</u>	<u>\$ 3,346,233</u>	<u>\$ 24,744,696</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:

- Public Safety Fund – Accounts for specified resources to be expended on additional or expanded police patrol and fire operations.
- 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.
- Street Utility Fund - Accounts for street development fees to be expended on street improvements and maintenance.
- Community Promotions Fund - Accounts for Hotel-Motel room 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, set aside for reconstruction projects within the Bear Creek Area.
- Bear Creek Maintenance Fund - Accounts for amounts, held in a fiduciary capacity, set aside for maintaining the Bear Creek Area.
- 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, 2011

	<u>Public Safety Fund - 010</u>	<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>Street Utility Fund - 024</u>
ASSETS							
Cash and cash equivalents	\$ 1,536,669	\$ 2,208,782	\$ 1,478,117	\$ 42,622	\$ 1,918,828	\$ 5,367,063	\$ 4,059,097
Receivables							
Accounts	556	370,837	51,107	-	1,722	87,358	50,943
Due from Medford Water Commission	91,757	-	-	-	-	-	602,283
Restricted cash and cash equivalents	<u>-</u>	<u>791,110</u>	<u>-</u>	<u>21,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,628,982</u>	<u>\$ 3,370,729</u>	<u>\$ 1,529,224</u>	<u>\$ 64,552</u>	<u>\$ 1,920,550</u>	<u>\$ 5,454,421</u>	<u>\$ 4,712,323</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 12,869	\$ 255,316	\$ 44,658	\$ 6,272	\$ 27,975	\$ 5,991	\$ 835,729
Payroll and related accruals	12,406	48,536	1,933	-	30,138	4,189	90,443
Due to other funds	-	-	-	-	-	-	-
Due to Medford Water Commission	2,185	-	-	-	27	-	13,555
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,182</u>	<u>-</u>
Total liabilities	<u>27,460</u>	<u>303,852</u>	<u>46,591</u>	<u>6,272</u>	<u>58,140</u>	<u>94,362</u>	<u>939,727</u>
Fund balances:							
Restricted for:							
Public Safety	-	-	-	-	-	-	-
Highways and streets	-	3,066,877	-	-	-	5,360,059	-
Culture and recreation	-	-	1,482,633	-	-	-	-
Community development	-	-	-	-	1,862,410	-	-
Committed to:							
Public Safety	1,601,522	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	3,772,596
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,280</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,601,522</u>	<u>3,066,877</u>	<u>1,482,633</u>	<u>58,280</u>	<u>1,862,410</u>	<u>5,360,059</u>	<u>3,772,596</u>
Total liabilities and fund balances	<u>\$ 1,628,982</u>	<u>\$ 3,370,729</u>	<u>\$ 1,529,224</u>	<u>\$ 64,552</u>	<u>\$ 1,920,550</u>	<u>\$ 5,454,421</u>	<u>\$ 4,712,323</u>

Community Promotions Fund - 030	Community Development Block Grant Fund - 037	Police Grant Fund - 039	Bear Creek Reconstruction Fund - 094	Bear Creek Maintenance Fund - 095	Parks Utility Fund - 098	Veteran's Park Fund - 091	Community Park Reserve Fund - 092	Total
\$ 54,547	\$ -	\$ 69,873	\$ 12,235	\$ 37,205	\$ 98,129	\$ 8,251	\$ 54,736	\$ 16,946,154
51,107	296,492	38,721	-	-	616	-	-	949,459
-	-	-	-	-	104,108	-	-	798,148
-	-	-	-	-	-	-	-	813,040
<u>\$ 105,654</u>	<u>\$ 296,492</u>	<u>\$ 108,594</u>	<u>\$ 12,235</u>	<u>\$ 37,205</u>	<u>\$ 202,853</u>	<u>\$ 8,251</u>	<u>\$ 54,736</u>	<u>\$ 19,506,801</u>
\$ 105,654	\$ 155,080	\$ -	\$ -	\$ 248	\$ 2,346	\$ -	\$ -	\$ 1,452,138
-	1,136	-	-	-	2,547	-	-	191,328
-	140,252	-	-	-	-	-	-	140,252
-	-	-	-	-	3,647	-	-	19,414
-	-	-	-	-	-	-	-	84,182
<u>105,654</u>	<u>296,468</u>	<u>-</u>	<u>-</u>	<u>248</u>	<u>8,540</u>	<u>-</u>	<u>-</u>	<u>1,887,314</u>
-	-	108,594	-	-	-	-	-	108,594
-	-	-	-	-	-	-	-	8,426,936
-	-	-	12,235	-	-	8,251	-	1,503,119
-	24	-	-	-	-	-	-	1,862,434
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,601,522
-	-	-	-	-	-	-	-	3,772,596
-	-	-	-	36,957	194,313	-	54,736	344,286
-	24	108,594	12,235	36,957	194,313	8,251	54,736	17,619,487
<u>\$ 105,654</u>	<u>\$ 296,492</u>	<u>\$ 108,594</u>	<u>\$ 12,235</u>	<u>\$ 37,205</u>	<u>\$ 202,853</u>	<u>\$ 8,251</u>	<u>\$ 54,736</u>	<u>\$ 19,506,801</u>

CITY OF MEDFORD

Nonmajor Special Revenue Funds

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

(Expenditures by Department)

Year ended June 30, 2011

	<u>Public Safety Fund - 010</u>	<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>Street Utility Fund - 024</u>
REVENUES							
Taxes							
Franchise and lodging	\$ -	\$ -	\$ 593,314	\$ -	\$ -	\$ -	\$ -
Fuel	-	3,751,548	-	-	-	-	-
Other	-	-	313,011	-	-	-	-
Special assessments	-	-	-	-	-	1,479	-
Other services	-	15,761	102,500	-	-	-	1,978
Intergovernmental	-	-	-	-	5,480	-	28,678
Licenses, permits and fees	1,107,164	-	-	-	1,058,944	-	7,009,208
Investment earnings	8,343	15,160	10,549	401	11,427	36,856	19,110
Grants and contributions	-	-	-	-	-	-	-
Other revenue	-	76	128	3,806	860	60	26,499
Total revenues	<u>1,115,507</u>	<u>3,782,545</u>	<u>1,019,502</u>	<u>4,207</u>	<u>1,076,711</u>	<u>38,395</u>	<u>7,085,473</u>
EXPENDITURES							
Current							
Public safety	837,986	-	-	-	-	-	-
Highways and streets	-	1,684,897	-	-	-	151,071	4,015,005
Culture and recreation	-	-	60,321	2,109	-	-	-
Community development	-	-	-	-	986,571	-	-
Capital outlay	-	33,957	1,228,282	12,188	-	1,372,503	1,416,425
Total expenditures	<u>837,986</u>	<u>1,718,854</u>	<u>1,288,603</u>	<u>14,297</u>	<u>986,571</u>	<u>1,523,574</u>	<u>5,431,430</u>
Excess (deficiency) of revenues over (under) expenditures	<u>277,521</u>	<u>2,063,691</u>	<u>(269,101)</u>	<u>(10,090)</u>	<u>90,140</u>	<u>(1,485,179)</u>	<u>1,654,043</u>
OTHER FINANCING SOURCES (USES)							
Contributions	-	-	610,400	-	-	1,492,185	-
Sale of capital assets	-	7,000	-	-	-	-	-
Land sale contract	-	-	375,175	-	-	-	-
Transfers in	-	-	-	-	-	-	15,000
Transfers out	<u>(50,800)</u>	<u>(1,582,302)</u>	<u>(756,989)</u>	<u>-</u>	<u>(324,768)</u>	<u>(6,800)</u>	<u>(504,675)</u>
Total other financing source (uses)	<u>(50,800)</u>	<u>(1,575,302)</u>	<u>228,586</u>	<u>-</u>	<u>(324,768)</u>	<u>1,485,385</u>	<u>(489,675)</u>
Net change in fund balances	226,721	488,389	(40,515)	(10,090)	(234,628)	206	1,164,368
Beginning fund balances	<u>1,374,801</u>	<u>2,578,488</u>	<u>1,523,148</u>	<u>68,370</u>	<u>2,097,038</u>	<u>5,359,853</u>	<u>2,608,228</u>
Ending fund balances	<u>\$ 1,601,522</u>	<u>\$ 3,066,877</u>	<u>\$ 1,482,633</u>	<u>\$ 58,280</u>	<u>\$ 1,862,410</u>	<u>\$ 5,360,059</u>	<u>\$ 3,772,596</u>

<u>Community Promotions Fund - 030</u>	<u>Community Development Block Grant Fund - 037</u>	<u>Police Grant Fund - 039</u>	<u>Bear Creek Reconstruction Fund - 094</u>	<u>Bear Creek Maintenance Fund - 095</u>	<u>Parks Utility Fund - 098</u>	<u>Veteran's Park Fund - 091</u>	<u>Community Park Reserve Fund - 092</u>	<u>Total</u>
\$ 593,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,186,626
-	-	-	-	-	-	-	-	3,751,548
-	-	-	-	-	-	-	-	313,011
-	-	-	-	-	-	-	-	1,479
-	-	-	-	-	-	-	15,993	136,232
-	-	-	-	-	-	-	-	34,158
-	-	-	-	-	1,256,218	-	-	10,431,534
-	-	249	73	221	3,575	49	288	106,301
-	767,580	65,072	-	-	-	-	-	832,652
-	37,441	35,569	-	3	-	-	-	104,442
<u>593,312</u>	<u>805,021</u>	<u>100,890</u>	<u>73</u>	<u>224</u>	<u>1,259,793</u>	<u>49</u>	<u>16,281</u>	<u>16,897,983</u>
-	-	9,472	-	-	-	-	-	847,458
-	-	-	-	-	-	-	-	5,850,973
-	-	-	-	507	135,146	-	-	198,083
593,312	790,997	-	-	-	-	-	-	2,370,880
-	-	-	-	-	-	-	-	4,063,355
<u>593,312</u>	<u>790,997</u>	<u>9,472</u>	<u>-</u>	<u>507</u>	<u>135,146</u>	<u>-</u>	<u>-</u>	<u>13,330,749</u>
-	14,024	91,418	73	(283)	1,124,647	49	16,281	3,567,234
-	-	-	-	-	-	-	-	2,102,585
-	-	-	-	-	-	-	-	7,000
-	-	-	-	-	-	-	-	375,175
-	-	-	-	-	-	-	-	15,000
-	(14,000)	-	-	-	(1,102,465)	-	-	(4,342,799)
-	(14,000)	-	-	-	(1,102,465)	-	-	(1,843,039)
-	24	91,418	73	(283)	22,182	49	16,281	1,724,195
-	-	17,176	12,162	37,240	172,131	8,202	38,455	15,895,292
<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 108,594</u>	<u>\$ 12,235</u>	<u>\$ 36,957</u>	<u>\$ 194,313</u>	<u>\$ 8,251</u>	<u>\$ 54,736</u>	<u>\$ 17,619,487</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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Licenses, permits and fees	\$ 2,215,000	\$ 2,215,000	\$ 1,100,382	\$ 1,107,164	\$ 2,207,546	\$ (7,454)
Investment earnings	23,400	23,400	12,834	8,343	21,177	(2,223)
Total revenues	<u>2,238,400</u>	<u>2,238,400</u>	<u>1,113,216</u>	<u>1,115,507</u>	<u>2,228,723</u>	<u>(9,677)</u>
Expenditures:						
Police	1,375,730	1,375,730	337,850	425,916	763,766	611,964
Fire	1,280,840	1,280,840	346,614	412,070	758,684	522,156
Contingency	332,100	332,100	-	-	-	332,100
Total expenditures	<u>2,988,670</u>	<u>2,988,670</u>	<u>684,464</u>	<u>837,986</u>	<u>1,522,450</u>	<u>1,466,220</u>
Excess revenues over (under) expenditures	<u>(750,270)</u>	<u>(750,270)</u>	<u>428,752</u>	<u>277,521</u>	<u>706,273</u>	<u>1,456,543</u>
Other financing sources (uses):						
Transfers out	<u>(106,000)</u>	<u>(106,000)</u>	<u>(55,199)</u>	<u>(50,800)</u>	<u>(105,999)</u>	<u>1</u>
Net change in fund balances	(856,270)	(856,270)	373,553	226,721	600,274	1,456,544
Fund Balance:						
Beginning	<u>866,360</u>	<u>866,360</u>	<u>1,001,248</u>	<u>1,374,801</u>	<u>1,001,248</u>	<u>134,888</u>
Ending	<u>\$ 10,090</u>	<u>\$ 10,090</u>	<u>\$ 1,374,801</u>	<u>\$ 1,601,522</u>	<u>\$ 1,601,522</u>	<u>\$ 1,591,432</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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
State gas tax	\$ 6,620,000	\$ 6,620,000	\$ 3,201,504	\$ 3,751,548	\$ 6,953,052	\$ 333,052
Charges for services	90,000	90,000	56,434	15,761	72,195	(17,805)
Investment earnings	93,400	93,400	25,196	15,160	40,356	(53,044)
Other revenue	-	-	-	76	76	76
Grants and contracts	-	-	39	-	39	39
Total revenues	6,803,400	6,803,400	3,283,173	3,782,545	7,065,718	262,318
Expenditures:						
Street maintenance and construction	6,926,750	6,940,650	3,034,355	1,718,854	4,753,209	2,187,441
Contingency	506,600	492,700	-	-	-	492,700
Total expenditures	7,433,350	7,433,350	3,034,355	1,718,854	4,753,209	2,680,141
Excess revenues over (under) expenditures	(629,950)	(629,950)	248,818	2,063,691	2,312,509	2,942,459
Other financing sources (uses):						
Transfers out	(2,567,780)	(2,567,780)	(980,805)	(1,582,302)	(2,563,107)	4,673
Sale of capital assets	-	-	-	7,000	7,000	7,000
Net change in fund balances	(3,197,730)	(3,197,730)	(731,987)	488,389	(243,598)	2,954,132
Fund Balance:						
Beginning	3,197,780	3,197,780	3,310,475	2,578,488	3,310,475	112,695
Ending	\$ 50	\$ 50	\$ 2,578,488	\$ 3,066,877	\$ 3,066,877	\$ 3,066,827

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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Lodging taxes	\$ 1,260,000	\$ 1,260,000	\$ 568,305	\$ 593,314	\$ 1,161,619	\$ (98,381)
Other taxes	650,000	650,000	296,517	313,011	609,528	(40,472)
Charges for services	886,000	886,000	598,231	712,900	1,311,131	425,131
Investment earnings	490,200	490,200	22,352	10,549	32,901	(457,299)
Contributions and donations	21,000	21,000	78,900	-	78,900	57,900
Other revenue	-	-	578	128	706	706
Grants and contracts	-	-	9,440	-	9,440	9,440
Total revenues	3,307,200	3,307,200	1,574,323	1,629,902	3,204,225	(102,975)
Expenditures:						
Park development	2,153,560	3,324,780	881,342	913,428	1,794,770	1,530,010
Contingency	40,700	40,700	-	-	-	40,700
Total expenditures	2,194,260	3,365,480	881,342	913,428	1,794,770	1,570,710
Excess revenues over (under) expenditures	1,112,940	(58,280)	692,981	716,474	1,409,455	1,467,735
Other financing sources (uses):						
Transfers out	(1,562,460)	(1,862,460)	(1,105,100)	(756,989)	(1,862,089)	371
Sale of capital assets	-	-	663	-	663	663
Total other financing sources (uses)	(1,562,460)	(1,862,460)	(1,104,437)	(756,989)	(1,861,426)	1,034
Net change in fund balances	(449,520)	(1,920,740)	(411,456)	(40,515)	(451,971)	1,468,769
Fund Balance:						
Beginning	463,390	1,934,610	1,934,604	1,523,148	1,934,604	(6)
Ending	\$ 13,870	\$ 13,870	\$ 1,523,148	\$ 1,482,633	\$ 1,482,633	\$ 1,468,763

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, 2011

	<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	\$ -	\$ -	\$ 753	\$ 401	\$ 1,154	\$ 1,154
Other revenue	<u>5,000</u>	<u>5,000</u>	<u>6,915</u>	<u>3,806</u>	<u>10,721</u>	<u>5,721</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>7,668</u>	<u>4,207</u>	<u>11,875</u>	<u>6,875</u>
Expenditures:						
Cemetery special projects	<u>32,200</u>	<u>32,200</u>	<u>4,640</u>	<u>14,297</u>	<u>18,937</u>	<u>13,263</u>
Excess revenues over (under) expenditures	<u>(27,200)</u>	<u>(27,200)</u>	<u>3,028</u>	<u>(10,090)</u>	<u>(7,062)</u>	<u>20,138</u>
Net change in fund balances	(27,200)	(27,200)	3,028	(10,090)	(7,062)	20,138
Fund Balance:						
Beginning	<u>60,750</u>	<u>60,750</u>	<u>65,342</u>	<u>68,370</u>	<u>65,342</u>	<u>4,592</u>
Ending	<u>\$ 33,550</u>	<u>\$ 33,550</u>	<u>\$ 68,370</u>	<u>\$ 58,280</u>	<u>\$ 58,280</u>	<u>\$ 24,730</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, 2011

	<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	\$ 1,872,000	\$ 1,872,000	\$ 805,963	\$ 1,058,944	\$ 1,864,907	\$ (7,093)
Intergovernmental	-	-	20,148	5,480	25,628	25,628
Investment earnings	93,400	93,400	25,228	11,427	36,655	(56,745)
Other revenue	-	-	22,465	860	23,325	23,325
Total revenues	1,965,400	1,965,400	873,804	1,076,711	1,950,515	(14,885)
Expenditures:						
Building safety	2,153,710	2,153,710	1,009,615	986,571	1,996,186	157,524
Contingency	540,000	540,000	-	-	-	540,000
Total expenditures	2,693,710	2,693,710	1,009,615	986,571	1,996,186	697,524
Excess revenues over (under) expenditures	(728,310)	(728,310)	(135,811)	90,140	(45,671)	682,639
Other financing sources (uses):						
Transfers out	(664,800)	(664,800)	(340,000)	(324,768)	(664,768)	32
Net change in fund balances	(1,393,110)	(1,393,110)	(475,811)	(234,628)	(710,439)	682,671
Fund Balance:						
Beginning	2,614,090	2,614,090	2,572,849	2,097,038	2,572,849	(41,241)
Ending	\$ 1,220,980	\$ 1,220,980	\$ 2,097,038	\$ 1,862,410	\$ 1,862,410	\$ 641,430

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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Special assessments	\$ -	\$ -	\$ 2,122	\$ 1,479	\$ 3,601	\$ 3,601
Intergovernmental	-	200,000	200,000	-	200,000	-
Charges for services	3,440,000	3,440,000	1,021,237	1,492,185	2,513,422	(926,578)
Investment earnings	256,800	256,800	73,451	36,856	110,307	(146,493)
Other revenue	-	-	4,510	60	4,570	4,570
Total revenues	3,696,800	3,896,800	1,301,320	1,530,580	2,831,900	(1,064,900)
Expenditures:						
Street development	9,019,950	9,219,950	2,449,686	1,523,574	3,973,260	5,246,690
Contingency	31,300	31,300	-	-	-	31,300
Total expenditures	9,051,250	9,251,250	2,449,686	1,523,574	3,973,260	5,277,990
Excess revenues over (under) expenditures	(5,354,450)	(5,354,450)	(1,148,366)	7,006	(1,141,360)	4,213,090
Other financing sources (uses):						
Transfers out	(623,320)	(623,320)	(615,579)	(6,800)	(622,379)	941
Sale of capital assets	-	-	1,265	-	1,265	1,265
Net change in fund balances	(5,977,770)	(5,977,770)	(1,762,680)	206	(1,762,474)	4,215,296
Fund Balance:						
Beginning	6,984,300	6,984,300	7,122,533	5,359,853	7,122,533	138,233
Ending	\$ 1,006,530	\$ 1,006,530	\$ 5,359,853	\$ 5,360,059	\$ 5,360,059	\$ 4,353,529
Differences in classification result in a reconciliation to GAAP Basis:						
Charges for services			(1,021,237)	(1,492,185)		
Contributions (System Development Charges)			1,021,237	1,492,185		
Total change in net assets			\$ (1,762,680)	\$ 5,360,059		

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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Licenses, permits and fees	\$ 11,121,600	\$ 11,786,600	\$ 6,043,265	\$ 7,009,208	\$ 13,052,473	\$ 1,265,873
Intergovernmental	66,800	66,800	14,954	28,678	43,632	(23,168)
Charges for services	-	-	1,973	1,978	3,951	3,951
Investment earnings	46,600	46,600	21,854	19,110	40,964	(5,636)
Other revenue	14,000	14,000	14,595	26,499	41,094	27,094
Grants and contracts	-	-	3,433	-	3,433	3,433
Total revenues	11,249,000	11,914,000	6,100,074	7,085,473	13,185,547	1,271,547
Expenditures:						
Street maintenance	10,385,450	11,050,450	4,630,858	5,431,430	10,062,288	988,162
Contingency	808,100	808,100	-	-	-	808,100
Total expenditures	11,193,550	11,858,550	4,630,858	5,431,430	10,062,288	1,796,262
Excess revenues over (under) expenditures	55,450	55,450	1,469,216	1,654,043	3,123,259	3,067,809
Other financing sources (uses):						
Transfers in	30,000	30,000	15,000	15,000	30,000	-
Transfers out	(1,011,500)	(1,011,500)	(506,799)	(504,675)	(1,011,474)	26
Sale of capital assets	-	-	4,445	-	4,445	4,445
Total other financing sources (uses)	(981,500)	(981,500)	(487,354)	(489,675)	(977,029)	4,471
Net change in fund balances	(926,050)	(926,050)	981,862	1,164,368	2,146,230	3,072,280
Fund Balance:						
Beginning	926,120	926,120	1,626,366	2,608,228	1,626,366	700,246
Ending	\$ 70	\$ 70	\$ 2,608,228	\$ 3,772,596	\$ 3,772,596	\$ 3,772,526

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, 2011

	<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	<u>\$ 1,260,000</u>	<u>\$ 1,260,000</u>	<u>\$ 568,303</u>	<u>\$ 593,312</u>	<u>\$ 1,161,615</u>	<u>\$ (98,385)</u>
Expenditures:						
Community promotion	<u>1,260,000</u>	<u>1,260,000</u>	<u>568,303</u>	<u>593,312</u>	<u>1,161,615</u>	<u>98,385</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, 2011

	<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:						
Other revenue	\$ -	\$ -	\$ -	\$ 24	\$ 24	\$ 24
Grants and contracts	<u>1,901,660</u>	<u>1,901,660</u>	<u>576,694</u>	<u>804,997</u>	<u>1,381,691</u>	<u>(519,969)</u>
Total revenues	<u>1,901,660</u>	<u>1,901,660</u>	<u>576,694</u>	<u>805,021</u>	<u>1,381,715</u>	<u>(519,945)</u>
Expenditures:						
Mayor and council	1,622,850	1,622,850	469,542	729,190	1,198,732	424,118
City managers office	<u>249,710</u>	<u>249,710</u>	<u>92,152</u>	<u>61,807</u>	<u>153,959</u>	<u>95,751</u>
Total expenditures	<u>1,872,560</u>	<u>1,872,560</u>	<u>561,694</u>	<u>790,997</u>	<u>1,352,691</u>	<u>519,869</u>
Excess revenues over (under) expenditures	<u>29,100</u>	<u>29,100</u>	<u>15,000</u>	<u>14,024</u>	<u>29,024</u>	<u>(76)</u>
Other financing sources (uses):						
Transfers out	<u>(290,240)</u>	<u>(290,240)</u>	<u>(15,000)</u>	<u>(14,000)</u>	<u>(29,000)</u>	<u>261,240</u>
Net change in fund balances	(261,140)	(261,140)	-	24	24	261,164
Fund Balance:						
Beginning	<u>261,140</u>	<u>261,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(261,140)</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 24</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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Investment earnings	\$ -	\$ -	\$ 135	\$ 249	\$ 384	\$ 384
Other revenue	-	-	-	35,569	35,569	35,569
Grants and contracts	-	1,200	7,075	65,072	72,147	70,947
Total revenues	-	1,200	7,210	100,890	108,100	106,900
Expenditures:						
Police	12,160	13,360	3,856	9,472	13,328	32
Excess revenues over (under) expenditures	(12,160)	(12,160)	3,354	91,418	94,772	106,932
Net change in fund balances	(12,160)	(12,160)	3,354	91,418	94,772	106,932
Fund Balance:						
Beginning	12,160	12,160	13,822	17,176	13,822	1,662
Ending	\$ -	\$ -	\$ 17,176	\$ 108,594	\$ 108,594	\$ 108,594

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, 2011

	<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	\$ -	\$ -	\$ 135	\$ 73	\$ 208	\$ 208
Expenditures:	-	-	-	-	-	-
Excess revenues over (under) expenditures	-	-	135	73	208	208
Net change in fund balances	-	-	135	73	208	208
Fund Balance:						
Beginning	<u>11,980</u>	<u>11,980</u>	<u>12,027</u>	<u>12,162</u>	<u>12,027</u>	<u>47</u>
Ending	<u>\$ 11,980</u>	<u>\$ 11,980</u>	<u>\$ 12,162</u>	<u>\$ 12,235</u>	<u>\$ 12,235</u>	<u>\$ 255</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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Investment earnings	\$ -	\$ -	\$ 414	\$ 221	\$ 635	\$ 635
Other revenue	-	-	-	3	3	3
Expenditures:						
Park maintenance	4,000	4,000	-	507	507	3,493
Contingency	500	500	-	-	-	500
Total expenditures	4,500	4,500	-	507	507	3,993
Excess revenues over (under) expenditures	(4,500)	(4,500)	414	(283)	131	4,631
Net change in fund balances	(4,500)	(4,500)	414	(283)	131	4,631
Fund Balance:						
Beginning	36,470	36,470	36,826	37,240	36,826	356
Ending	\$ 31,970	\$ 31,970	\$ 37,240	\$ 36,957	\$ 36,957	\$ 4,987

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, 2011

	<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	\$ 2,513,000	\$ 2,513,000	\$ 1,248,511	\$ 1,256,218	\$ 2,504,729	\$ (8,271)
Investment earnings	-	-	5,140	3,575	8,715	8,715
Other revenue	-	-	25	-	25	25
Total revenues	<u>2,513,000</u>	<u>2,513,000</u>	<u>1,253,676</u>	<u>1,259,793</u>	<u>2,513,469</u>	<u>469</u>
Expenditures:						
Park maintenance	344,170	344,170	127,409	135,146	262,555	81,615
Contingency	43,000	43,000	-	-	-	43,000
Total expenditures	<u>387,170</u>	<u>387,170</u>	<u>127,409</u>	<u>135,146</u>	<u>262,555</u>	<u>124,615</u>
Excess revenues over (under) expenditures	<u>2,125,830</u>	<u>2,125,830</u>	<u>1,126,267</u>	<u>1,124,647</u>	<u>2,250,914</u>	<u>125,084</u>
Other financing sources (uses):						
Transfers out	<u>(2,161,240)</u>	<u>(2,161,240)</u>	<u>(1,058,570)</u>	<u>(1,102,465)</u>	<u>(2,161,035)</u>	<u>205</u>
Net change in fund balances	(35,410)	(35,410)	67,697	22,182	89,879	125,289
Fund Balance:						
Beginning	<u>35,410</u>	<u>35,410</u>	<u>104,434</u>	<u>172,131</u>	<u>104,434</u>	<u>69,024</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,131</u>	<u>\$ 194,313</u>	<u>\$ 194,313</u>	<u>\$ 194,313</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, 2011

	<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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 49</u>	<u>\$ 140</u>	<u>\$ 140</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>91</u>	<u>49</u>	<u>140</u>	<u>140</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>91</u>	<u>49</u>	<u>140</u>	<u>140</u>
Fund Balance:						
Beginning	<u>7,050</u>	<u>7,050</u>	<u>8,111</u>	<u>8,202</u>	<u>8,111</u>	<u>1,061</u>
Ending	<u>\$ 7,050</u>	<u>\$ 7,050</u>	<u>\$ 8,202</u>	<u>\$ 8,251</u>	<u>\$ 8,251</u>	<u>\$ 1,201</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, 2011

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual for Budget Period	Variance with Final Budget
	Original	Final				
Revenues:						
Charges for services	\$ 4,000	\$ 4,000	\$ 27,203	\$ 15,993	\$ 43,196	\$ 39,196
Investment earnings	-	-	168	288	456	456
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>27,371</u>	<u>16,281</u>	<u>43,652</u>	<u>39,652</u>
Expenditures:	-	-	-	-	-	-
Excess revenues over (under) expenditures	<u>4,000</u>	<u>4,000</u>	<u>27,371</u>	<u>16,281</u>	<u>43,652</u>	<u>39,652</u>
Net change in fund balances	4,000	4,000	27,371	16,281	43,652	39,652
Fund Balance:						
Beginning	<u>5,130</u>	<u>5,130</u>	<u>11,084</u>	<u>38,455</u>	<u>11,084</u>	<u>5,954</u>
Ending	<u>\$ 9,130</u>	<u>\$ 9,130</u>	<u>\$ 38,455</u>	<u>\$ 54,736</u>	<u>\$ 54,736</u>	<u>\$ 45,606</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:

- Bancroft Bond Fund - Accounts for payment of principal and interest on special assessment improvement bonds. The principal source of revenue is the collection of bonded assessment liens and interest.
- General Debt Service Fund - Accounts for payment of principal and interest on general obligation debt. The principal source of revenue is property taxes.
- Revenue Bond Fund - Accounts for the payment of principal and interest on the Gas Tax Revenue Bonds. The principal source of revenue is the collection of street system development charges through interfund transfers.
- MURA Debt Service Fund - Accounts for the payment of principal and interest incurred on debt of the Medford Urban Renewal Agency. The principal source of revenues is property taxes.

CITY OF MEDFORD

Nonmajor Debt Service Funds

Combining Balance Sheet

June 30, 2011

	<u>General Debt Service Fund - 060</u>	<u>Revenue Bond Fund - 062</u>	<u>MURA Debt Service Fund - 906</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 72,458	\$ -	\$ 3,037,966	\$ 3,110,424
Receivables				
Taxes	105,513	-	388,415	493,928
Restricted cash and cash equivalents	<u>-</u>	<u>576,332</u>	<u>-</u>	<u>576,332</u>
Total assets	<u>\$ 177,971</u>	<u>\$ 576,332</u>	<u>\$ 3,426,381</u>	<u>\$ 4,180,684</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred revenue	<u>\$ 94,152</u>	<u>\$ -</u>	<u>\$ 307,556</u>	<u>\$ 401,708</u>
Fund balances:				
Reserved for:				
Debt service	<u>83,819</u>	<u>576,332</u>	<u>3,118,825</u>	<u>3,778,977</u>
Total liabilities and fund balances	<u>\$ 177,971</u>	<u>\$ 576,332</u>	<u>\$ 3,426,381</u>	<u>\$ 4,180,684</u>

CITY OF MEDFORD

Nonmajor Debt Service Funds

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

Year ended June 30, 2011

	<u>General Debt Service Fund - 060</u>	<u>Revenue Bond Fund - 062</u>	<u>MURA Debt Service Fund - 906</u>	<u>Total</u>
REVENUES				
Property taxes	\$ 491,038	\$ -	\$ 4,710,540	\$ 5,201,578
Investment earnings	<u>1,650</u>	<u>1,040</u>	<u>19,673</u>	<u>22,363</u>
 Total revenues	 <u>492,688</u>	 <u>1,040</u>	 <u>4,730,213</u>	 <u>5,223,941</u>
EXPENDITURES				
Current				
Debt service:				
Principal	650,000	1,985,000	3,567,289	6,202,289
Interest	<u>2,097,920</u>	<u>854,614</u>	<u>609,760</u>	<u>3,562,294</u>
Total expenditures	<u>2,747,920</u>	<u>2,839,614</u>	<u>4,177,049</u>	<u>9,764,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,255,232)</u>	<u>(2,838,574)</u>	<u>553,164</u>	<u>(4,540,642)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,319,917	2,852,731	-	5,172,648
Transfers out	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Total other financing source (uses)	<u>2,319,917</u>	<u>2,852,731</u>	<u>(1,000,000)</u>	<u>4,172,648</u>
Net change in fund balances	64,685	14,157	(446,836)	(367,994)
Beginning fund balances	<u>19,134</u>	<u>562,175</u>	<u>3,565,661</u>	<u>4,146,970</u>
Ending fund balances	<u>\$ 83,819</u>	<u>\$ 576,332</u>	<u>\$ 3,118,825</u>	<u>\$ 3,778,976</u>

CITY OF MEDFORD

Bancroft Bond Funds - 171

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2011

	Biennium Budget		First Year Actual	Variance with Final Budget
	Original	Final		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Other financing sources (uses):				
Transfers out	-	-	(140,792)	(140,792)
Net change in fund balances	-	-	(140,792)	(140,792)
Fund Balance:				
Beginning	-	-	140,792	140,792
Ending	\$ -	\$ -	\$ -	\$ -

Note: The Bancroft Bond Fund was closed effective July 1, 2009. The surplus or fund balance remaining after all interest and principal of the bonds was paid was transferred to the general fund.

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, 2011

	<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	\$ 857,000	\$ 857,000	\$ 404,200	\$ 491,038	\$ 895,238	\$ 38,238
Investment earnings	-	-	2,442	1,650	4,092	4,092
Total revenues	<u>857,000</u>	<u>857,000</u>	<u>406,642</u>	<u>492,688</u>	<u>899,330</u>	<u>42,330</u>
Expenditures:						
Debt service	<u>5,964,200</u>	<u>5,964,200</u>	<u>3,215,707</u>	<u>2,747,920</u>	<u>5,963,627</u>	<u>573</u>
Excess revenues over (under) expenditures	<u>(5,107,200)</u>	<u>(5,107,200)</u>	<u>(2,809,065)</u>	<u>(2,255,232)</u>	<u>(5,064,297)</u>	<u>42,903</u>
Other financing sources (uses):						
Transfers in	5,109,200	5,149,200	2,786,559	2,319,917	5,106,476	(42,724)
Transfers out	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Net change in fund balances	2,000	2,000	(22,506)	64,685	42,179	40,179
Fund Balance:						
Beginning	<u>26,470</u>	<u>26,470</u>	<u>41,640</u>	<u>19,134</u>	<u>41,640</u>	<u>15,170</u>
Ending	<u>\$ 28,470</u>	<u>\$ 28,470</u>	<u>\$ 19,134</u>	<u>\$ 83,819</u>	<u>\$ 83,819</u>	<u>\$ 55,349</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, 2011

	<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	<u>\$ 23,400</u>	<u>\$ 23,400</u>	<u>\$ 1,268</u>	<u>\$ 1,040</u>	<u>\$ 2,308</u>	<u>\$ (21,092)</u>
Expenditures:						
Debt service	<u>5,682,940</u>	<u>5,682,940</u>	<u>2,843,064</u>	<u>2,839,614</u>	<u>5,682,678</u>	<u>262</u>
Excess revenues over (under) expenditures	<u>(5,659,540)</u>	<u>(5,659,540)</u>	<u>(2,841,796)</u>	<u>(2,838,574)</u>	<u>(5,680,370)</u>	<u>(20,830)</u>
Other financing sources (uses):						
Transfers in	<u>5,710,800</u>	<u>5,710,800</u>	<u>2,852,207</u>	<u>2,852,731</u>	<u>5,704,938</u>	<u>(5,862)</u>
Net change in fund balances	51,260	51,260	10,411	14,157	24,568	(26,692)
Fund Balance:						
Beginning	<u>556,790</u>	<u>556,790</u>	<u>551,764</u>	<u>562,175</u>	<u>551,764</u>	<u>(5,026)</u>
Ending	<u>\$ 608,050</u>	<u>\$ 608,050</u>	<u>\$ 562,175</u>	<u>\$ 576,332</u>	<u>\$ 576,332</u>	<u>\$ (31,718)</u>

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, 2011

	<u>Annual Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 4,465,000	\$ 4,465,000	\$ 4,710,540	\$ 245,540
Investment earnings	<u>-</u>	<u>-</u>	<u>19,673</u>	<u>19,673</u>
Total revenues	<u>4,465,000</u>	<u>4,465,000</u>	<u>4,730,213</u>	<u>265,213</u>
Expenditures:				
Debt service	<u>5,277,600</u>	<u>5,277,600</u>	<u>5,177,049</u>	<u>100,551</u>
Excess revenues over (under) expenditures	<u>(812,600)</u>	<u>(812,600)</u>	<u>(446,836)</u>	<u>365,764</u>
Net change in fund balances	(812,600)	(812,600)	(446,836)	365,764
Fund Balance:				
Beginning	<u>5,158,000</u>	<u>5,158,000</u>	<u>3,565,661</u>	<u>(1,592,339)</u>
Ending	<u>\$ 4,345,400</u>	<u>\$ 4,345,400</u>	<u>\$ 3,118,825</u>	<u>\$ (1,226,575)</u>

Reconciliation to GAAP Basis:

The \$1M payment to the City of Medford's general fund is classified as a transfer in the basic financial statements, but is reported as debt service on the budgetary basis.

NONMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for revenue derived primarily from property taxes and state gas tax apportionments which are designated for the construction of specific projects. Funds included in this category are:

- Greenway Construction Fund - Accounts for construction of Bear Creek greenways.
- Special Sidewalk Fund – Accounts for the expenditure of the proceeds of the Sidewalk Bonds and Sidewalk grants.
- 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, 2011

	<u>Greenway Construction Fund - 041</u>	<u>Special Sidewalk Fund - 044</u>	<u>MURA Capital Projects Fund - 905</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 1,803	\$ 1,442,022	\$ 2,042,574	\$ 3,486,399
Receivables				
Accounts	-	-	2,273	2,273
Loans	-	-	401,288	401,288
Total assets	<u>\$ 1,803</u>	<u>\$ 1,442,022</u>	<u>\$ 2,446,135</u>	<u>\$ 3,889,960</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 139,854	\$ 139,854
Payroll and related accruals	-	1,894	691	2,585
Deferred revenue	-	-	401,288	401,288
Total liabilities	<u>-</u>	<u>1,894</u>	<u>541,833</u>	<u>543,727</u>
Fund Balances:				
Restricted for:				
Highways and streets	-	1,440,128	-	1,440,128
Culture and recreation	1,803	-	-	1,803
Community development	-	-	1,904,302	1,904,302
Total fund balances	<u>1,803</u>	<u>1,440,128</u>	<u>1,904,302</u>	<u>3,346,233</u>
Total liabilities and fund balances	<u>\$ 1,803</u>	<u>\$ 1,442,022</u>	<u>\$ 2,446,135</u>	<u>\$ 3,889,960</u>

CITY OF MEDFORD

Nonmajor Capital Project Funds

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

Year ended June 30, 2011

	<u>Greenway Construction Fund - 041</u>	<u>Special Sidewalk Fund - 044</u>	<u>MURA Capital Projects Fund - 905</u>	<u>Total</u>
REVENUES				
Licenses, permits and fees	\$ -	\$ -	\$ 21,750	\$ 21,750
Investment earnings	11	8,557	28,074	36,642
Rental income	-	-	24,842	24,842
Other revenue	-	-	29,518	29,518
Total revenues	<u>11</u>	<u>8,557</u>	<u>104,184</u>	<u>112,752</u>
EXPENDITURES				
Current				
Highways and streets	-	63,365	-	63,365
Community development	-	-	191,797	191,797
Capital outlay	-	19,802	2,172,482	2,192,284
Total expenditures	<u>-</u>	<u>83,167</u>	<u>2,364,279</u>	<u>2,447,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11</u>	<u>(74,610)</u>	<u>(2,260,095)</u>	<u>(2,334,694)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	378,310	378,310
Transfers in	-	-	82,500	82,500
Transfers out	-	(10,983)	-	(10,983)
Total other financing source (uses)	<u>-</u>	<u>(10,983)</u>	<u>460,810</u>	<u>449,827</u>
Net change in fund balances	11	(85,593)	(1,799,285)	(1,884,867)
Beginning fund balances	<u>1,792</u>	<u>1,525,721</u>	<u>3,703,587</u>	<u>5,231,100</u>
Ending fund balances	<u>\$ 1,803</u>	<u>\$ 1,440,128</u>	<u>\$ 1,904,302</u>	<u>\$ 3,346,233</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, 2011

	<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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 11</u>	<u>\$ 31</u>	<u>\$ 31</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>20</u>	<u>11</u>	<u>31</u>	<u>31</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>20</u>	<u>11</u>	<u>31</u>	<u>31</u>
Fund Balance:						
Beginning	<u>1,860</u>	<u>1,860</u>	<u>1,772</u>	<u>1,792</u>	<u>1,772</u>	<u>(88)</u>
Ending	<u>\$ 1,860</u>	<u>\$ 1,860</u>	<u>\$ 1,792</u>	<u>\$ 1,803</u>	<u>\$ 1,803</u>	<u>\$ (57)</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, 2011

	<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	<u>\$ 93,400</u>	<u>\$ 93,400</u>	<u>\$ 18,996</u>	<u>\$ 8,557</u>	<u>\$ 27,553</u>	<u>\$ (65,847)</u>
Expenditures:						
Sidewalk projects	<u>1,013,900</u>	<u>1,013,900</u>	<u>568,548</u>	<u>83,167</u>	<u>651,715</u>	<u>362,185</u>
Excess revenues over (under) expenditures	<u>(920,500)</u>	<u>(920,500)</u>	<u>(549,552)</u>	<u>(74,610)</u>	<u>(624,162)</u>	<u>296,338</u>
Other financing sources (uses):						
Transfers out	<u>(23,000)</u>	<u>(23,000)</u>	<u>(12,000)</u>	<u>(10,983)</u>	<u>(22,983)</u>	<u>17</u>
Net change in fund balances	<u>(943,500)</u>	<u>(943,500)</u>	<u>(561,552)</u>	<u>(85,593)</u>	<u>(647,145)</u>	<u>296,355</u>
Fund Balance:						
Beginning	<u>1,759,880</u>	<u>1,759,880</u>	<u>2,087,273</u>	<u>1,525,721</u>	<u>2,087,273</u>	<u>327,393</u>
Ending	<u>\$ 816,380</u>	<u>\$ 816,380</u>	<u>\$ 1,525,721</u>	<u>\$ 1,440,128</u>	<u>\$ 1,440,128</u>	<u>\$ 623,748</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, 2011

	<u>Annual Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Licenses, permits and fees	\$ 25,000	\$ 25,000	\$ 21,750	\$ (3,250)
Intergovernmental	-	-	82,500	82,500
Rental income	35,000	35,000	24,842	(10,158)
Investment earnings	50,000	50,000	28,074	(21,926)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>29,518</u>	<u>24,518</u>
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>186,684</u>	<u>71,684</u>
Expenditures:				
Personnel services	64,000	64,000	16,944	47,056
Materials and services	157,500	162,500	174,853	(12,353)
Capital outlay	5,618,500	5,788,500	2,172,482	3,616,018
Contingency	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>6,015,000</u>	<u>6,015,000</u>	<u>2,364,279</u>	<u>3,650,721</u>
Excess revenues over (under) expenditures	<u>(5,900,000)</u>	<u>(5,900,000)</u>	<u>(2,177,595)</u>	<u>3,722,405</u>
Other financing sources (uses):				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>378,310</u>	<u>378,310</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>378,310</u>	<u>378,310</u>
Net change in fund balances	(5,900,000)	(5,900,000)	(1,799,285)	4,100,715
Fund Balance:				
Beginning	<u>5,900,000</u>	<u>5,900,000</u>	<u>3,703,587</u>	<u>(2,196,413)</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,904,302</u>	<u>\$ 1,904,302</u>

Reconciliation to GAAP Basis:

A payment of \$82,500 from the City of Medford's general fund is classified as a transfer in the basic financial statements, but is reported as intergovernmental revenue on the budgetary basis.

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.

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, 2011

	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	\$ 2,144,880	\$ 2,325,016	\$ 5,412,776	\$ 889,190	\$ 996,593	\$ 9,047,550	\$ 20,816,005
Receivables	-	235,133	188,994	-	4,220	15,370	443,717
Inventories	-	-	72,736	-	-	-	72,736
Due from Medford Water Commission	-	303,447	-	-	432,276	-	735,723
Total current assets	<u>2,144,880</u>	<u>2,863,596</u>	<u>5,674,506</u>	<u>889,190</u>	<u>1,433,089</u>	<u>9,062,920</u>	<u>22,068,181</u>
Noncurrent assets:							
Capital assets:							
Land and construction in progress	-	808,686	3,563,597	-	141,992	-	4,514,275
Capital assets, net of accumulated depreciation	-	30,132,861	24,710,711	-	15,717,950	-	70,561,522
Total capital assets	-	30,941,547	28,274,308	-	15,859,942	-	75,075,797
Total assets	<u>\$ 2,144,880</u>	<u>\$ 33,805,143</u>	<u>\$ 33,948,814</u>	<u>\$ 889,190</u>	<u>\$ 17,293,031</u>	<u>\$ 9,062,920</u>	<u>\$ 97,143,978</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 10,242	\$ 478,090	\$ 251,151	\$ 46,551	\$ 91,242	\$ 487,060	\$ 1,364,336
Payroll and related accruals	4,540	52,620	80,818	4,413	41,133	-	183,524
Due to Medford Water Commission	-	15,098	559	-	23,859	-	39,516
Compensated absences, due within one year	-	6,421	22,703	-	8,073	-	37,197
Total current liabilities	<u>14,782</u>	<u>552,229</u>	<u>355,231</u>	<u>50,964</u>	<u>164,307</u>	<u>487,060</u>	<u>1,624,573</u>
Noncurrent liabilities:							
Compensated absences, due in more than one year	-	25,683	90,812	-	32,293	-	148,788
Total liabilities	<u>14,782</u>	<u>577,912</u>	<u>446,043</u>	<u>50,964</u>	<u>196,600</u>	<u>487,060</u>	<u>1,773,361</u>
NET ASSETS							
Invested in capital assets	-	30,941,547	28,274,308	-	15,859,942	-	75,075,797
Restricted for future development	2,130,098	-	-	838,226	-	8,575,860	11,544,184
Unrestricted	-	2,285,684	5,228,463	-	1,236,489	-	8,750,636
Total net assets	<u>2,130,098</u>	<u>33,227,231</u>	<u>33,502,771</u>	<u>838,226</u>	<u>17,096,431</u>	<u>8,575,860</u>	<u>95,370,617</u>
Total liabilities and fund balances	<u>\$ 2,144,880</u>	<u>\$ 33,805,143</u>	<u>\$ 33,948,814</u>	<u>\$ 889,190</u>	<u>\$ 17,293,031</u>	<u>\$ 9,062,920</u>	<u>\$ 97,143,978</u>

CITY OF MEDFORD

Sewer Utility Fund

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

Year ended June 30, 2011

	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	\$ -	\$ 3,524,551	\$ 2,352,789	\$ -	\$ 4,812,643	\$ -	\$ -	\$ 10,689,983
Intergovernmental	-	28,050	-	-	-	-	-	28,050
Other revenue	-	11,784	6,825	-	4,171	-	-	22,780
Total operating revenues	-	3,564,385	2,359,614	-	4,816,814	-	-	10,740,813
OPERATING EXPENSES								
Salaries and fringe benefits	86,646	1,377,148	2,212,977	33,697	1,061,954	-	-	4,772,422
Operating supplies	91,977	283,819	345,260	-	125,623	-	-	846,679
Professional services	58,241	223,589	132,120	-	444,746	-	-	858,696
Repairs and maintenance	-	17,795	156,683	-	48,302	-	-	222,780
Premiums and claims	-	6,514	38,433	-	23,700	-	-	68,647
Utilities	-	2,440	232,412	-	8,163	-	-	243,015
General, administrative, and engineering	-	6,767	103,472	-	12,375	-	-	122,614
Depreciation	-	919,825	1,649,261	-	593,136	-	-	3,162,222
Total operating expenses	236,864	2,837,897	4,870,618	33,697	2,317,999	-	-	10,297,075
Operating income (loss)	(236,864)	726,488	(2,511,004)	(33,697)	2,498,815	-	-	443,738
NONOPERATING REVENUE (EXPENSES)								
Gain on sale of capital assets	-	-	-	-	158	-	-	158
Grants and contracts	-	223,919	5,042	-	-	-	-	228,961
Investment earnings	12,924	14,827	31,796	5,248	5,641	58,591	-	129,027
Total nonoperating revenues (expenses)	12,924	238,746	36,838	5,248	5,799	58,591	-	358,146
Income (loss) before contributions and transfers	(223,940)	965,234	(2,474,166)	(28,449)	2,504,614	58,591	-	801,884
Contributions and transfers:								
Contributions	82,516	405,922	-	98,156	29,040	495,119	-	1,110,753
Transfers in	-	9,521	3,965,281	-	94,502	-	(4,069,304)	-
Transfers out	(9,701)	(245,099)	(210,988)	(94,902)	(2,317,921)	(1,874,051)	4,069,304	(683,358)
Total contributions and transfers	72,815	170,344	3,754,293	3,254	(2,194,379)	(1,378,932)	-	427,395
Change in net assets	(151,125)	1,135,578	1,280,127	(25,195)	310,235	(1,320,341)	-	1,229,279
Beginning net assets	2,281,223	32,091,653	32,222,644	863,421	16,786,196	9,896,201	-	94,141,338
Ending net assets	\$ 2,130,098	\$ 33,227,231	\$ 33,502,771	\$ 838,226	\$ 17,096,431	\$ 8,575,860	\$ -	\$ 95,370,617

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, 2011

	<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	\$ 740,000	\$ 740,000	\$ 63,395	\$ 82,516	\$ 145,911	\$ (594,089)
Investment earnings	<u>70,000</u>	<u>70,000</u>	<u>25,987</u>	<u>12,924</u>	<u>38,911</u>	<u>(31,089)</u>
Total revenues	<u>810,000</u>	<u>810,000</u>	<u>89,382</u>	<u>95,440</u>	<u>184,822</u>	<u>(625,178)</u>
Expenditures:						
Storm drain system development	1,275,420	1,275,420	149,451	246,385	395,836	879,584
Contingency	<u>15,600</u>	<u>15,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,600</u>
Total expenditures	<u>1,291,020</u>	<u>1,291,020</u>	<u>149,451</u>	<u>246,385</u>	<u>395,836</u>	<u>895,184</u>
Excess revenues over (under) expenditures	<u>(481,020)</u>	<u>(481,020)</u>	<u>(60,069)</u>	<u>(150,945)</u>	<u>(211,014)</u>	<u>270,006</u>
Other financing sources (uses):						
Transfers out	<u>(500)</u>	<u>(500)</u>	<u>(300)</u>	<u>(180)</u>	<u>(480)</u>	<u>20</u>
Total other financing sources (uses)	<u>(500)</u>	<u>(500)</u>	<u>(300)</u>	<u>(180)</u>	<u>(480)</u>	<u>20</u>
Net change in fund balances	(481,520)	(481,520)	(60,369)	(151,125)	(211,494)	270,026
Fund Balance:						
Beginning	<u>2,382,880</u>	<u>2,382,880</u>	<u>2,341,592</u>	<u>2,281,223</u>	<u>2,341,592</u>	<u>(41,288)</u>
Ending	<u>\$ 1,901,360</u>	<u>\$ 1,901,360</u>	<u>\$ 2,281,223</u>	<u>\$ 2,130,098</u>	<u>\$ 2,130,098</u>	<u>\$ 228,738</u>

Differences in classification result in a reconciliation to GAAP Basis:

Systems development charges are reported as charges for services on the budgetary basis.	\$ 63,395	\$ 82,516
Charges for services	<u>(63,395)</u>	<u>(82,516)</u>
Total change in net assets	<u>\$ (60,369)</u>	<u>\$ (151,125)</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, 2011

	<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:						
Intergovernmental	\$ 4,000	\$ 4,000	\$ 19,459	\$ 28,050	\$ 47,509	\$ 43,509
Charges for services	6,445,000	6,445,000	3,259,144	3,524,551	6,783,695	338,695
Investment earnings	23,400	23,400	21,367	14,827	36,194	12,794
Other revenue	4,000	4,000	1,133	11,784	12,917	8,917
Grants and contracts	<u>207,800</u>	<u>207,800</u>	<u>778</u>	<u>223,919</u>	<u>224,697</u>	<u>16,897</u>
Total revenues	<u>6,684,200</u>	<u>6,684,200</u>	<u>3,301,881</u>	<u>3,803,131</u>	<u>7,105,012</u>	<u>420,812</u>
Expenditures:						
Storm drain system maintenance	6,668,210	6,668,210	2,429,967	3,531,062	5,961,029	707,181
Contingency	<u>538,200</u>	<u>538,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,200</u>
Total expenditures	<u>7,206,410</u>	<u>7,206,410</u>	<u>2,429,967</u>	<u>3,531,062</u>	<u>5,961,029</u>	<u>1,245,381</u>
Excess revenues over (under) expenditures	<u>(522,210)</u>	<u>(522,210)</u>	<u>871,914</u>	<u>272,069</u>	<u>1,143,983</u>	<u>1,666,193</u>
Other financing sources (uses):						
Transfers out	<u>(495,000)</u>	<u>(495,000)</u>	<u>(249,900)</u>	<u>(245,099)</u>	<u>(494,999)</u>	<u>1</u>
Net change in fund balances	(1,017,210)	(1,017,210)	622,014	26,970	648,984	1,666,194
Fund Balance:						
Beginning	<u>1,568,220</u>	<u>1,568,220</u>	<u>1,668,804</u>	<u>2,290,818</u>	<u>1,668,804</u>	<u>100,584</u>
Ending	<u>\$ 551,010</u>	<u>\$ 551,010</u>	<u>\$ 2,290,818</u>	<u>\$ 2,317,788</u>	<u>\$ 2,317,788</u>	<u>\$ 1,766,778</u>
Reconciliation to GAAP Basis:						
Capital assets, net			29,865,156	30,941,547		
Compensated absences			<u>(64,321)</u>	<u>(32,104)</u>		
Total net assets - end of year			<u>\$ 32,091,653</u>	<u>\$ 33,227,231</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, 2011

	<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	\$ 4,585,000	\$ 4,585,000	\$ 2,380,165	\$ 2,352,789	\$ 4,732,954	\$ 147,954
Investment earnings	116,800	116,800	61,364	31,796	93,160	(23,640)
Other revenue	6,800	6,800	8,982	6,825	15,807	9,007
Grants and contracts	<u>2,900,000</u>	<u>2,900,000</u>	<u>-</u>	<u>5,042</u>	<u>5,042</u>	<u>(2,894,958)</u>
Total revenues	<u>7,608,600</u>	<u>7,608,600</u>	<u>2,450,511</u>	<u>2,396,452</u>	<u>4,846,963</u>	<u>(2,761,637)</u>
Expenditures:						
Sewage treatment maintenance	11,465,420	11,616,710	4,231,272	4,573,738	8,805,010	2,811,700
Contingency	<u>914,700</u>	<u>763,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>763,410</u>
Total expenditures	<u>12,380,120</u>	<u>12,380,120</u>	<u>4,231,272</u>	<u>4,573,738</u>	<u>8,805,010</u>	<u>3,575,110</u>
Excess revenues over (under) expenditures	<u>(4,771,520)</u>	<u>(4,771,520)</u>	<u>(1,780,761)</u>	<u>(2,177,286)</u>	<u>(3,958,047)</u>	<u>813,473</u>
Other financing sources (uses):						
Transfers in	4,436,000	4,436,000	2,094,919	2,094,730	4,189,649	(246,351)
Transfers out	<u>(437,800)</u>	<u>(437,800)</u>	<u>(226,700)</u>	<u>(210,988)</u>	<u>(437,688)</u>	<u>112</u>
Total other financing sources (uses)	<u>3,998,200</u>	<u>3,998,200</u>	<u>1,868,219</u>	<u>1,883,742</u>	<u>3,751,961</u>	<u>(246,239)</u>
Net change in fund balances	(773,320)	(773,320)	87,458	(293,544)	(206,086)	567,234
Fund Balance:						
Beginning	<u>5,596,670</u>	<u>5,596,670</u>	<u>5,475,328</u>	<u>5,562,786</u>	<u>5,475,328</u>	<u>(121,342)</u>
Ending	<u>\$ 4,823,350</u>	<u>\$ 4,823,350</u>	<u>\$ 5,562,786</u>	<u>\$ 5,269,242</u>	<u>\$ 5,269,242</u>	<u>\$ 445,892</u>

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

Inventory	72,736	72,736
Capital assets, net	26,698,051	28,274,308
Compensated absences	<u>(110,929)</u>	<u>(113,515)</u>
Total net assets - end of year	<u>\$ 32,222,644</u>	<u>\$ 33,502,771</u>

Differences in classification result in a reconciliation to GAAP Basis:

Transfers in as reported in budget to actual	2,094,919	2,094,730
Transfers in for GAAP purposes are increased for the amount transferred from the related fund 23 Sewage Treatment SDC Fund	<u>898,624</u>	<u>1,870,551</u>
Transfers in for GAAP combining schedule	<u>\$ 2,993,543</u>	<u>\$ 3,965,281</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, 2011

	<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	\$ 246,400	\$ 246,400	\$ 63,762	\$ 98,156	\$ 161,918	\$ (84,482)
Investment earnings	<u>23,400</u>	<u>23,400</u>	<u>10,046</u>	<u>5,248</u>	<u>15,294</u>	<u>(8,106)</u>
Total revenues	<u>269,800</u>	<u>269,800</u>	<u>73,808</u>	<u>103,404</u>	<u>177,212</u>	<u>(92,588)</u>
Expenditures:						
Sewer collection system development	1,067,480	1,067,480	155,955	128,199	284,154	783,326
Contingency	<u>12,200</u>	<u>12,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,200</u>
Total expenditures	<u>1,079,680</u>	<u>1,079,680</u>	<u>155,955</u>	<u>128,199</u>	<u>284,154</u>	<u>795,526</u>
Excess revenues over (under) expenditures	<u>(809,880)</u>	<u>(809,880)</u>	<u>(82,147)</u>	<u>(24,795)</u>	<u>(106,942)</u>	<u>702,938</u>
Other financing sources (uses):						
Transfers out	<u>(900)</u>	<u>(900)</u>	<u>(500)</u>	<u>(400)</u>	<u>(900)</u>	<u>-</u>
Net change in fund balances	(810,780)	(810,780)	(82,647)	(25,195)	(107,842)	702,938
Fund Balance:						
Beginning	<u>988,860</u>	<u>988,860</u>	<u>946,068</u>	<u>863,421</u>	<u>946,068</u>	<u>(42,792)</u>
Ending	<u>\$ 178,080</u>	<u>\$ 178,080</u>	<u>\$ 863,421</u>	<u>\$ 838,226</u>	<u>\$ 838,226</u>	<u>\$ 660,146</u>
Differences in classification result in a reconciliation to GAAP Basis:						
Charges for services			(63,762)	(98,156)		
Contributions (System Development Charges)			<u>63,762</u>	<u>98,156</u>		
Change in net assets			<u>\$ (82,647)</u>	<u>\$ (25,195)</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, 2011

	<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	\$ 9,412,000	\$ 9,412,000	\$ 4,563,723	\$ 4,812,643	\$ 9,376,366	\$ (35,634)
Investment earnings	-	-	6,212	5,641	11,853	11,853
Other revenue	10,000	10,000	4,773	4,171	8,944	(1,056)
Grants and contracts	-	-	2,019	-	2,019	2,019
Total revenues	<u>9,422,000</u>	<u>9,422,000</u>	<u>4,576,727</u>	<u>4,822,455</u>	<u>9,399,182</u>	<u>(22,818)</u>
Expenditures:						
Sewer system maintenance and construction	4,660,990	4,666,750	1,957,332	2,136,029	4,093,361	573,389
Contingency	231,300	225,540	-	-	-	225,540
Total expenditures	<u>4,892,290</u>	<u>4,892,290</u>	<u>1,957,332</u>	<u>2,136,029</u>	<u>4,093,361</u>	<u>798,929</u>
Excess revenues over (under) expenditures	<u>4,529,710</u>	<u>4,529,710</u>	<u>2,619,395</u>	<u>2,686,426</u>	<u>5,305,821</u>	<u>776,111</u>
Other financing sources (uses):						
Transfers out	(4,885,200)	(4,885,200)	(2,320,818)	(2,317,921)	(4,638,739)	246,461
Gain on sale of capital assets	-	-	-	158	158	158
Total other financing sources (uses)	<u>(4,885,200)</u>	<u>(4,885,200)</u>	<u>(2,320,818)</u>	<u>(2,317,763)</u>	<u>(4,638,581)</u>	<u>246,619</u>
Net change in fund balances	(355,490)	(355,490)	298,577	368,663	667,240	1,022,730
Fund Balance:						
Beginning	<u>355,570</u>	<u>355,570</u>	<u>609,615</u>	<u>908,192</u>	<u>609,615</u>	<u>254,045</u>
Ending	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 908,192</u>	<u>\$ 1,276,855</u>	<u>\$ 1,276,855</u>	<u>\$ 1,276,775</u>
Reconciliation to GAAP Basis:						
Capital assets, net			15,939,427	15,859,942		
Compensated absences			<u>(61,423)</u>	<u>(40,366)</u>		
Total net assets - end of year			<u>\$ 16,786,196</u>	<u>\$ 17,096,431</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, 2011

	<u>Biennium Budget</u>				Total Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>First Year</u>	<u>Second Year</u>	<u>for Budget</u>	<u>Final Budget</u>
			<u>Actual</u>	<u>Actual</u>	<u>Period</u>	
Revenues:						
Charges for services	\$ 1,208,000	\$ 1,208,000	\$ 714,818	\$ 495,119	\$ 1,209,937	\$ 1,937
Investment earnings	<u>280,000</u>	<u>280,000</u>	<u>110,170</u>	<u>58,591</u>	<u>168,761</u>	<u>(111,239)</u>
Total revenues	<u>1,488,000</u>	<u>1,488,000</u>	<u>824,988</u>	<u>553,710</u>	<u>1,378,698</u>	<u>(109,302)</u>
Expenditures:						
Sewage treatment SDC	<u>5,745,900</u>	<u>5,745,900</u>	<u>981,156</u>	<u>1,870,551</u>	<u>2,851,707</u>	<u>2,894,193</u>
Excess revenues over (under) expenditures	<u>(4,257,900)</u>	<u>(4,257,900)</u>	<u>(156,168)</u>	<u>(1,316,841)</u>	<u>(1,473,009)</u>	<u>2,784,891</u>
Other financing sources (uses):						
Transfers out	<u>(7,300)</u>	<u>(7,300)</u>	<u>(3,799)</u>	<u>(3,500)</u>	<u>(7,299)</u>	<u>1</u>
Net change in fund balances	(4,265,200)	(4,265,200)	(159,967)	(1,320,341)	(1,480,308)	2,784,892
Fund Balance:						
Beginning	<u>9,525,000</u>	<u>9,525,000</u>	<u>10,056,168</u>	<u>9,896,201</u>	<u>10,056,168</u>	<u>531,168</u>
Ending	<u>\$ 5,259,800</u>	<u>\$ 5,259,800</u>	<u>\$ 9,896,201</u>	<u>\$ 8,575,860</u>	<u>\$ 8,575,860</u>	<u>\$ 3,316,060</u>
Differences in classification result in a reconciliation to GAAP Basis:						
Charges for services			(714,818)	(495,119)		
Contributions (System Development Charges)			714,818	495,119		
Reduction in Sewage treatment maintenance for capital outlay expenditures transferred to the fund in which capitalized			(898,624)	(1,870,549)		
Increase in transfers out to the related fund 90 Sewage Treatment Fund			<u>898,624</u>	<u>1,870,549</u>		
Total change in net assets			<u>\$ (159,967)</u>	<u>\$ (1,320,341)</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, 2011

	<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	\$ 685,000	\$ 745,000	\$ 487,696	\$ 272,806	\$ 760,502	\$ 15,502
Investment earnings	5,000	5,000	1,968	1,560	3,528	(1,472)
Other revenue	-	-	-	110	110	110
Total revenues	<u>690,000</u>	<u>750,000</u>	<u>489,664</u>	<u>274,476</u>	<u>764,140</u>	<u>14,140</u>
Expenditures:						
Parking facilities maintenance and construction	792,900	886,900	408,172	332,673	740,845	146,055
Contingency	99,100	91,100	-	-	-	91,100
Total expenditures	<u>892,000</u>	<u>978,000</u>	<u>408,172</u>	<u>332,673</u>	<u>740,845</u>	<u>237,155</u>
Excess revenues over (under) expenditures	<u>(202,000)</u>	<u>(228,000)</u>	<u>81,492</u>	<u>(58,197)</u>	<u>23,295</u>	<u>251,295</u>
Other financing sources (uses):						
Transfers in	-	26,000	26,000	-	26,000	-
Transfers out	<u>(24,800)</u>	<u>(24,800)</u>	<u>(12,100)</u>	<u>(12,700)</u>	<u>(24,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(24,800)</u>	<u>1,200</u>	<u>13,900</u>	<u>(12,700)</u>	<u>1,200</u>	<u>-</u>
Net change in fund balances	(226,800)	(226,800)	95,392	(70,897)	24,495	251,295
Fund Balance:						
Beginning	<u>226,810</u>	<u>226,810</u>	<u>219,107</u>	<u>314,499</u>	<u>219,107</u>	<u>(7,703)</u>
Ending	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 314,499</u>	<u>\$ 243,602</u>	<u>\$ 243,602</u>	<u>\$ 243,592</u>
Reconciliation to GAAP Basis:						
Capital assets, net			<u>1,118,011</u>	<u>1,114,501</u>		
Total net assets - end of year			<u>\$ 1,432,510</u>	<u>\$ 1,358,103</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, 2011

	Risk Management Fund - 003	Fleet Maintenance Fund - 082	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,950,774	\$ 784,319	\$ 2,735,093
Receivables	-	17,436	17,436
Inventories	-	636,545	636,545
Due from Medford Water Commission	-	28,435	28,435
Total current assets	<u>1,950,774</u>	<u>1,466,735</u>	<u>3,417,509</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	-	25,488	25,488
Total noncurrent assets	<u>-</u>	<u>25,488</u>	<u>25,488</u>
Total assets	<u>\$ 1,950,774</u>	<u>\$ 1,492,223</u>	<u>\$ 3,442,997</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 62,929	\$ 46,251	\$ 109,180
Payroll and related accruals	78,056	12,481	90,537
Compensated absences, due within one year	-	3,641	3,641
Total current liabilities	<u>140,985</u>	<u>62,373</u>	<u>203,358</u>
Noncurrent liabilities:			
Compensated absences, due in more than one year	-	14,563	14,563
Total liabilities	<u>140,985</u>	<u>76,936</u>	<u>217,921</u>
NET ASSETS			
Invested in capital assets	-	25,488	25,488
Unrestricted	<u>1,809,789</u>	<u>1,389,799</u>	<u>3,199,588</u>
Total net assets	<u>1,809,789</u>	<u>1,415,287</u>	<u>3,225,076</u>
Total liabilities and net assets	<u>\$ 1,950,774</u>	<u>\$ 1,492,223</u>	<u>\$ 3,442,997</u>

CITY OF MEDFORD

Internal Service Funds

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

Year ended June 30, 2011

	Risk Management Fund - 003	Fleet Maintenance Fund - 082	Total
OPERATING REVENUES			
Charges for services	\$ -	\$ 103,595	\$ 103,595
Intergovernmental	1,332,625	635,207	1,967,832
Other revenue	<u>9,155</u>	<u>106,107</u>	<u>115,262</u>
Total operating revenues	<u>1,341,780</u>	<u>844,909</u>	<u>2,186,689</u>
OPERATING EXPENSES			
Salaries and fringe benefits	467,566	372,292	839,858
Operating supplies	9,626	290,350	299,976
Professional services	37,239	8,148	45,387
Repairs and maintenance	-	8,297	8,297
Premiums and claims	358,318	1,930	360,248
Utilities	-	1,741	1,741
General, administrative, and engineering	22,004	6,889	28,893
Depreciation	<u>-</u>	<u>9,497</u>	<u>9,497</u>
Total operating expenses	<u>894,753</u>	<u>699,144</u>	<u>1,593,897</u>
Operating income (loss)	<u>447,027</u>	<u>145,765</u>	<u>592,792</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	<u>8,214</u>	<u>4,443</u>	<u>12,657</u>
Income before contributions and transfers	455,241	150,208	605,449
Contributions and transfers:			
Transfers out	<u>(60,500)</u>	<u>(17,500)</u>	<u>(78,000)</u>
Change in net assets	394,741	132,708	527,449
Beginning net assets	<u>1,415,048</u>	<u>1,282,579</u>	<u>2,697,627</u>
Ending net assets	<u>\$ 1,809,789</u>	<u>\$ 1,415,287</u>	<u>\$ 3,225,076</u>

CITY OF MEDFORD
Internal Service Funds
Combining Statement of Cash Flows
Year ended June 30, 2011

	Risk Management Fund - 003	Fleet Maintenance Fund - 082	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ 99,878	\$ 99,878
Receipt from interfund services provided	1,354,449	741,314	2,095,763
Payments to suppliers	(450,672)	(397,838)	(848,510)
Payments to employees	<u>(458,543)</u>	<u>(377,270)</u>	<u>(835,813)</u>
Net cash provided (used) by operating activities	<u>445,234</u>	<u>66,084</u>	<u>511,318</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	<u>(60,500)</u>	<u>(17,500)</u>	<u>(78,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(60,500)</u>	<u>(17,500)</u>	<u>(78,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	<u>8,214</u>	<u>4,443</u>	<u>12,657</u>
Increase (decrease) in cash	392,948	53,027	445,975
Cash at beginning of year	<u>1,557,826</u>	<u>731,292</u>	<u>2,289,118</u>
Cash at end of year	<u>\$ 1,950,774</u>	<u>\$ 784,319</u>	<u>\$ 2,735,093</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	<u>\$ 447,027</u>	<u>\$ 145,765</u>	<u>\$ 592,792</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	9,497	9,497
(Increase) decrease in accounts receivable	12,669	(9,446)	3,223
(Increase) decrease in inventories	-	(73,162)	(73,162)
Increase (decrease) in accounts payable	(23,485)	(1,592)	(25,077)
Increase (decrease) in accrued payroll and related expenses	9,023	(1,159)	7,864
Increase (decrease) in compensated absences	-	(3,819)	(3,819)
Total adjustments	<u>(1,793)</u>	<u>(79,681)</u>	<u>(81,474)</u>
Net cash provided (used) by operating activities	<u>\$ 445,234</u>	<u>\$ 66,084</u>	<u>\$ 511,318</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, 2011

	<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:						
Intergovernmental	\$ 2,119,400	\$ 2,119,400	\$ 1,148,872	\$ 1,332,625	\$ 2,481,497	\$ 362,097
Investment earnings	23,400	23,400	13,347	8,214	21,561	(1,839)
Other revenue	-	-	1,893	9,155	11,048	11,048
Total revenues	<u>2,142,800</u>	<u>2,142,800</u>	<u>1,164,112</u>	<u>1,349,994</u>	<u>2,514,106</u>	<u>371,306</u>
Expenditures:						
Risk management	2,241,920	2,256,920	1,124,830	894,753	2,019,583	237,337
Contingency	280,200	265,200	-	-	-	265,200
Total expenditures	<u>2,522,120</u>	<u>2,522,120</u>	<u>1,124,830</u>	<u>894,753</u>	<u>2,019,583</u>	<u>502,537</u>
Excess revenues over (under) expenditures	<u>(379,320)</u>	<u>(379,320)</u>	<u>39,282</u>	<u>455,241</u>	<u>494,523</u>	<u>873,843</u>
Other financing sources (uses):						
Transfers out	<u>(120,100)</u>	<u>(120,100)</u>	<u>(59,500)</u>	<u>(60,500)</u>	<u>(120,000)</u>	<u>100</u>
Net change in fund balances	<u>(499,420)</u>	<u>(499,420)</u>	<u>(20,218)</u>	<u>394,741</u>	<u>374,523</u>	<u>873,943</u>
Fund Balance:						
Beginning	<u>1,221,970</u>	<u>1,221,970</u>	<u>1,435,266</u>	<u>1,415,048</u>	<u>1,435,266</u>	<u>213,296</u>
Ending	<u>\$ 722,550</u>	<u>\$ 722,550</u>	<u>\$ 1,415,048</u>	<u>\$ 1,809,789</u>	<u>\$ 1,809,789</u>	<u>\$ 1,087,239</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, 2011

	<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:						
Intergovernmental	\$ 1,018,600	\$ 1,063,600	\$ 681,483	\$ 635,207	\$ 1,316,690	\$ 253,090
Charges for services	115,000	143,340	77,873	103,595	181,468	38,128
Investment earnings	15,000	15,000	7,316	4,443	11,759	(3,241)
Other revenue	140,000	140,000	95,029	106,107	201,136	61,136
Grants and contracts	-	-	67	-	67	67
Total revenues	<u>1,288,600</u>	<u>1,361,940</u>	<u>861,768</u>	<u>849,352</u>	<u>1,711,120</u>	<u>349,180</u>
Expenditures:						
Fleet maintenance and operations	1,333,900	1,419,240	695,391	693,466	1,388,857	30,383
Contingency	165,800	153,800	-	-	-	153,800
Total expenditures	<u>1,499,700</u>	<u>1,573,040</u>	<u>695,391</u>	<u>693,466</u>	<u>1,388,857</u>	<u>184,183</u>
Excess revenues over (under) expenditures	<u>(211,100)</u>	<u>(211,100)</u>	<u>166,377</u>	<u>155,886</u>	<u>322,263</u>	<u>533,363</u>
Other financing sources (uses):						
Transfers out	(39,300)	(39,300)	(21,800)	(17,500)	(39,300)	-
Gain on sale of capital assets	-	-	3,187	-	3,187	3,187
Total other financing sources (uses)	<u>(39,300)</u>	<u>(39,300)</u>	<u>(18,613)</u>	<u>(17,500)</u>	<u>(36,113)</u>	<u>3,187</u>
Net change in fund balances	(250,400)	(250,400)	147,764	138,386	286,150	536,550
Fund Balance:						
Beginning	<u>446,200</u>	<u>446,200</u>	<u>1,121,853</u>	<u>1,269,617</u>	<u>1,121,853</u>	<u>675,653</u>
Ending	<u>\$ 195,800</u>	<u>\$ 195,800</u>	\$ 1,269,617	<u>\$ 1,408,003</u>	<u>\$ 1,408,003</u>	<u>\$ 1,212,203</u>
Reconciliation to GAAP Basis:						
Capital assets, net			34,985	25,488		
Compensated absences			<u>(22,023)</u>	<u>(18,204)</u>		
Total net assets - end of year			<u>\$ 1,282,579</u>	<u>\$ 1,415,287</u>		

OTHER FINANCIAL SCHEDULES

CITY OF MEDFORD
Schedule of Expenditures by Division
Budget and Actual
For the Year Ended June 30, 2011

	<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>				
Expenditures:						
Mayor and council	\$ 837,830	\$ 939,680	\$ 413,358	\$ 450,075	\$ 863,433	\$ 76,247
Community promotion	3,938,210	4,849,840	1,624,733	2,607,744	4,232,477	617,363
Advisory services	49,900	39,550	14,905	17,489	32,394	7,156
Vision implementation	35,000	28,590	11,589	-	11,589	17,001
Technology services	5,034,680	5,212,450	2,219,036	2,446,150	4,665,186	547,264
Technology services - capital improvements	720,530	800,120	423,913	357,906	781,819	18,301
City management	1,507,060	1,577,990	737,189	765,154	1,502,343	75,647
Economic development	521,490	527,029	124,329	129,374	253,703	273,326
Neighborhood resources	375,530	359,051	129,809	60,039	189,848	169,203
City recorder	336,190	337,070	154,260	77,192	231,452	105,618
City attorney	1,019,830	1,035,990	475,006	503,418	978,424	57,566
Municipal court	1,388,390	1,407,890	686,857	713,695	1,400,552	7,338
Human resources	941,620	955,120	448,141	485,573	933,714	21,406
Finance	2,355,890	2,445,370	1,156,352	1,166,198	2,322,550	122,820
Bond interest & redemption	11,647,140	11,647,140	6,058,770	5,587,534	11,646,304	836
Insurance	2,241,860	2,256,860	1,124,805	894,729	2,019,534	237,326
Downtown parking enforcement	792,900	886,900	408,171	332,673	740,844	146,056
General expense	2,391,480	739,980	171,199	212,497	383,696	356,284
Police - administration	3,373,080	3,416,423	1,814,879	1,863,171	3,678,050	(261,627)
Police - technical support	2,512,490	2,530,142	1,118,689	1,259,917	2,378,606	151,536
Police - patrol	18,701,230	19,321,138	8,656,590	9,022,983	17,679,573	1,641,565
Police - operations support	2,834,220	2,988,367	1,469,342	1,571,162	3,040,504	(52,137)
Police - police investigation	4,484,360	4,754,352	2,275,406	2,308,355	4,583,761	170,591
Police - grants	12,160	32,380	7,611	17,555	25,166	7,214
Police - administrative support	2,478,950	2,784,538	1,192,632	1,495,151	2,687,783	96,755
Police - central communication	4,955,390	4,985,800	2,382,242	2,252,279	4,634,521	351,279
Police - capital improvements	255,720	1,780,220	703,541	975,069	1,678,610	101,610
Fire - administration	389,290	404,565	190,881	219,993	410,874	(6,309)
Fire - operations	20,510,710	20,998,807	9,463,282	10,375,570	19,838,852	1,159,955
Fire - prevention	1,434,670	1,435,193	537,175	620,037	1,157,212	277,981
Fire - training	472,170	469,275	200,795	187,172	387,967	81,308
Fire - capital improvements	69,000	210,780	67,861	10,364	78,225	132,555
Fire - emergency management	47,860	47,860	33,781	529,537	563,318	(515,458)
Engineering and development	7,622,160	7,694,470	2,765,991	2,715,403	5,481,394	2,213,076
Engineering - capital improvements	30,452,420	31,093,270	6,108,283	9,203,440	15,311,723	15,781,547
PW - administration	1,373,530	1,373,530	668,918	686,765	1,355,683	17,847
PW - traffic maintenance	4,051,720	4,051,720	1,802,457	1,851,736	3,654,193	397,527
PW - street maintenance	4,649,100	4,724,100	2,239,906	2,239,749	4,479,655	244,445
PW - sewer maintenance	2,690,910	2,690,910	1,218,537	1,276,638	2,495,175	195,735
PW - storm drain maintenance	3,224,430	3,224,430	1,260,198	1,755,558	3,015,756	208,674
PW - fleet maintenance	1,330,900	1,416,240	697,850	693,271	1,391,121	25,119
PW - capital improvements	2,970,000	3,095,000	1,085,943	1,698,118	2,784,061	310,939

Continued on next page

CITY OF MEDFORD

Schedule of Expenditures by Division, continued

Budget and Actual

For the Year Ended June 30, 2011

	<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>				
Expenditures:						
Water reclamation division	7,457,540	7,608,830	3,110,063	3,385,874	6,495,937	1,112,893
Water reclamation - capital improvements	9,735,030	9,735,030	2,099,236	3,051,606	5,150,842	4,584,188
Planning	3,540,060	3,608,330	1,568,901	1,634,837	3,203,738	404,592
Parks - administration	740,550	750,553	348,156	375,242	723,398	27,155
Parks - general recreation	1,855,750	2,323,648	1,107,855	1,255,358	2,363,213	(39,565)
Parks - arts & cultural events	119,580	119,580	55,440	35,083	90,523	29,057
Parks - park maintenance	4,427,470	4,718,186	1,994,005	2,197,104	4,191,109	527,077
Parks - special restricted funds	66,720	66,720	9,234	15,982	25,216	41,504
Parks - city tree program	263,740	279,740	141,237	117,995	259,232	20,508
Parks - building maintenance	2,474,880	2,529,403	1,128,672	1,272,960	2,401,632	127,771
Parks - capital improvements	3,281,460	6,839,230	1,490,117	3,268,306	4,758,423	2,080,807
Building safety	2,142,360	2,142,360	1,009,024	981,572	1,990,596	151,764
Contingency	<u>20,828,600</u>	<u>18,908,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,908,500</u>
Total expenditures	213,965,740	221,200,240	78,407,152	89,228,352	167,635,504	53,564,736
Other financing sources:						
Transfers out	<u>19,317,340</u>	<u>21,171,340</u>	<u>-</u>	<u>10,599,551</u>	<u>10,599,551</u>	<u>10,571,789</u>
Total appropriations	<u>\$ 233,283,080</u>	<u>\$ 242,371,580</u>	<u>\$ 78,407,152</u>	<u>\$ 99,827,903</u>	<u>\$ 178,235,055</u>	<u>\$ 64,136,525</u>

CITY OF MEDFORD
Schedule of Property Tax Transactions
Year Ended June 30, 2011

City:	Tax Year	Uncollected as of July 1, 2010	Levy as Extended by Assessor	Discounts Allowed	Adjustments	Collections	Uncollected as of June 30, 2011
Current year	2011	\$ -	\$ 30,780,531	\$ (730,164)	\$ -	\$ (28,792,071)	\$ 1,258,296
Prior years	2010	1,252,911	-	580	(37,637)	(628,461)	587,393
	2009	560,473	-	109	(3,635)	(224,440)	332,507
	2008	251,177	-	92	(6,754)	(134,979)	109,536
	2007	71,819	-	32	(3,676)	(36,758)	31,417
	prior	87,791	-	57	(3,474)	(3,722)	80,652
Total primary government		\$ 2,224,171	\$ 30,780,531	\$ (729,294)	\$ (55,176)	\$ (29,820,431)	\$ 2,399,801
Medford Urban Renewal Agency:							
Current year	2011	\$ -	\$ 4,851,383	\$ (115,083)	\$ -	\$ (4,537,978)	\$ 198,322
Prior years	2010	199,886	-	-	(5,908)	(100,265)	93,713
	2009	97,004	-	-	(1,736)	(38,391)	56,877
	2008	42,077	-	-	(1,119)	(22,610)	18,348
	2007	12,058	-	-	(613)	(6,171)	5,274
	prior	16,305	-	-	319	(743)	15,881
Total component unit		\$ 367,330	\$ 4,851,383	\$ (115,083)	\$ (9,057)	\$ (4,706,158)	\$ 388,415
Total all funds		\$ 2,591,501	\$ 35,631,914	\$ (844,377)	\$ (64,233)	\$ (34,526,589)	\$ 2,788,216

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

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its own source revenue such as property taxes.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments

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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 Four Fiscal Years - Unaudited

(Amounts in dollars)

(Accrual basis of accounting)

	2008	2009	2010	2011
Governmental activities				
Investment in capital assets, net of related debt	195,552,099	208,801,287	214,648,301	225,070,486
Restricted				
Future System Development				1,710,116
Public Safety				-
Employee section 125 plan	39,850	58,002	41,139	-
Highways and streets	10,227,655	12,059,374	17,995,987	18,354,090
Culture & recreation	11,888,260	1,934,604	1,741,936	1,849,208
Community development	3,032,664	1,112,862	3,703,587	3,766,736
Debt service	3,681,053	4,082,382	4,146,973	3,778,977
PERS contribution				1,457,607
Unrestricted	23,765,001	25,496,752	19,541,765	14,466,647
Total governmental activities	248,186,582	253,545,263	261,819,688	270,453,867
Business type activities				
Invested in capital assets	75,594,516	73,165,671	73,620,645	76,190,298
Restricted				
Future system development	13,011,448	13,343,828	13,040,845	11,544,184
Unrestricted	6,441,849	7,822,336	8,912,358	8,994,238
Total business-type activities net assets	95,047,813	94,331,835	95,573,848	96,728,720
Primary Government				
Invested in capital assets, net of related debt	271,146,615	281,966,958	288,268,946	301,260,784
Restricted				
Future system development	13,011,448	13,343,828	13,040,845	11,544,184
Public Safety				1,710,116
Employee section 125 plan	39,850	58,002	41,139	-
Highways and streets	10,227,655	12,059,374	17,995,987	18,354,090
Culture & recreation	11,888,260	1,934,604	1,741,936	1,849,208
Community development	3,032,664	1,112,862	3,703,587	3,766,736
Debt service	3,681,053	4,082,382	4,146,973	3,778,977
PERS contribution				1,457,607
Unrestricted	30,206,850	33,319,088	28,454,123	23,460,885
Total primary government net assets	343,234,395	347,877,098	357,393,536	367,182,587

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

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

	2008	2009	2010	2011
Expenses				
Governmental Activities				
General government	\$ 9,650,054	\$ 11,067,765	\$ 9,099,299	\$ 7,943,745
Public safety	28,741,920	30,638,676	29,113,251	33,360,267
Highways and streets	25,716,151	14,435,178	13,994,665	14,115,089
Culture and recreation	8,155,051	8,349,507	7,095,384	7,573,132
Community development			5,712,703	6,044,328
Interest on long-term debt	4,202,157	3,883,346	3,864,286	3,294,488
Total governmental activities expenses	76,465,333	68,374,472	68,879,588	72,331,049
Business type activities				
Sewer services	9,592,039	10,150,933	10,179,351	10,297,075
Dispatch services	-	-	-	-
Parking services	416,670	386,800	411,681	336,183
Total business-type activities expenses	10,008,709	10,537,733	10,591,032	10,633,258
Total primary Government expenses	\$ 86,474,042	\$ 78,912,205	\$ 79,470,620	\$ 82,964,307
Program Revenues				
Governmental Activities				
Charges for Services				
General government	\$ 8,253,978	\$ 7,840,536	\$ 5,758,207	\$ 4,921,821
Public safety	2,535,764	2,485,855	2,585,990	2,799,003
Highways and streets	7,718,496	7,323,231	6,505,957	7,241,299
Culture and recreations	2,298,502	2,292,263	2,645,391	3,123,140
Community development			963,721	1,716,297
Operating Grants and Contributions				
General government	1,693,151	1,110,204	1,436,003	54,660
Public safety	-	7,072	7,075	1,028,922
Highways and streets	3,319,986	3,828,824	5,225,536	3,751,548
Culture and recreations	96,023	886,523	88,340	18,000
Community development			576,694	1,890,849
Capital Grants and Contributions				
General government	-	-	-	-
Highways and streets	5,827,494	4,704,449	3,142,514	7,914,014
Culture and recreation	1,347,500	-	-	1,835,134
Total governmental activities program revenue	33,090,894	30,478,957	28,935,428	36,294,687
Business type activities				
Sewer services				
Charges for services	9,409,181	9,939,154	10,237,379	10,740,971
Operating grants and contributions	61,727	350,809	2,797	228,961
Capital grants and contributions	4,769,355	1,706,725	1,561,257	1,110,753
Parking services				
Charges for services	349,748	293,815	487,696	272,916
Total business type activities program revenues	\$ 14,590,011	\$ 12,290,503	\$ 12,289,129	\$ 12,353,601
Total primary government program revenues	\$ 47,680,905	\$ 42,769,460	\$ 41,224,557	\$ 48,648,288
Net (expense)/revenue				
Governmental activities	\$ (43,374,439)	\$ (37,895,515)	\$ (39,944,160)	\$ (36,036,362)
Business Type activities	4,581,302	1,752,770	1,698,097	1,720,343
Total primary government net expenses	\$ (38,793,137)	\$ (36,142,745)	\$ (38,246,063)	\$ (34,316,019)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property Taxes	32,063,487	33,227,657	33,669,718	34,837,109
Other taxes	10,034,787	9,501,990	13,188,961	8,840,324
Unrestricted investment earnings	3,519,750	1,224,645	625,355	343,150
Gain (Loss) on disposal of capital assets	17,161	59,150	41,350	(46,097)
Loss on abandonment of capital expenditures		-		
Contributed capital to other governments		(1,468,189)		
Transfers	662,729	708,943	693,198	696,058
Total Governmental Activities	46,297,914	43,254,196	48,218,582	44,670,544
Business type activities				
Investment earnings	820,268	418,642	237,114	130,587
Gain (Loss) on disposal of capital assets	-	6,272		
Loss on abandonment of capital expenditures		(2,184,718)		
Transfers	(662,729)	(708,943)	(693,198)	(696,058)
Total Business type activities	157,539	(2,468,747)	(456,084)	(565,471)
Total primary government	\$ 46,455,453	\$ 40,785,449	\$ 47,762,498	\$ 44,105,073
Change in Net Assets				
Governmental activities	\$ 2,923,475	\$ 5,358,681	\$ 8,274,422	\$ 8,634,182
Business type activities	4,738,841	(715,977)	1,242,013	1,154,872
Total Primary Government	\$ 7,662,316	\$ 4,642,704	\$ 9,516,435	\$ 9,789,054

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	2002 ⁵	2003 ¹	2004 ^{2,4,6}	2005 ^{2,3}	2006	2007	2008	2009	2010 ⁷	2011
General Fund										
Reserved										
Inventory	62,709	49,924	71,385	-	-	-	-	-	-	56,353
Unreserved	16,066,701	14,899,650	16,397,586	16,210,552	16,380,858	17,865,765	19,627,721	16,700,620	19,022,954	-
Committed for										
PERS Contributions										1,457,607
Unassigned										17,820,875
Total General Fund	\$ 16,129,410	\$ 14,949,574	\$ 16,468,971	\$ 16,210,552	\$ 16,380,858	\$ 17,865,765	\$ 19,627,721	\$ 16,700,620	\$ 19,022,954	\$ 19,334,835
All Other Governmental Funds										
Reserved										
Highways and streets	-	1,678,125	17,702,349	29,229,796	27,149,474	27,600,775	10,227,655	12,059,374	17,995,987	
Culture and recreation	-	-	3,018,217	5,319,193	3,650,348	21,951,083	11,888,260	1,934,604	1,741,936	
Community Development	-	-	4,670,631						3,703,587	
Debt service	1,561,717	1,678,747	4,507,260	4,710,314	5,810,204	3,481,140	3,681,053	4,082,382	4,146,970	
Capital outlay	-	-	241,064	244,981	-	-	-	-	-	
Unreserved, reported in:										
Special revenue funds	13,296,206	10,917,417	1,726,129	4,376,576	4,196,681	3,926,002	3,810,465	3,825,743	3,606,787	
Capital projects funds	6,605,340	6,542,656	-	-	-	4,382,889	7,497,964	4,992,011	-	
Restricted for:										
Public safety										108,594
Highways and streets										9,867,064
Culture and recreation										1,504,922
Community development										3,766,736
Debt Service										3,778,977
Committed for:										
Public safety										1,601,522
Highways and streets										8,487,026
Culture and recreation										344,286
Unassigned										-
Total of all other governmental funds	\$ 21,463,263	\$ 20,816,945	\$ 31,865,650	\$ 43,880,860	\$ 40,806,707	\$ 61,341,889	\$ 37,105,397	\$ 26,894,114	\$ 31,195,267	\$ 29,459,127

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

¹ Medford Urban Renewal (MURA) is reflected as a Discretely Presented Component Unit. MURA's fund balance is not included in year 2003 and prior.

² Medford Urban Renewal is now treated as a Blended Component Unit (as of 2004).

³ The Gas Tax fund received \$8.3 million in OTIA Funds increasing the fund balance in 2005. Also the Street SDC fund was listed under Culture & Recreation in the 2005 CAFR. It has been moved to Highways and Streets for Comparison purposes in this schedule.

⁴ Medford Urban Renewal Fund Balance (Debt Service) was listed in our 2004 CAFR under Community Development. This has been moved to Debt service in the 2005 CAFR (\$3,178,916)

⁵ Prior to 2005 the Gas Tax and Street system Development Funds were reported as non major funds. As of 2004, the Street SDC fund has become a major fund and in 2005 the Gas Tax fund (13) received \$8.3 million in OTIA funds for bridges making it a major fund.

⁶ 2004 and later -- capital project fund balances are listed under the appropriate reserved governmental fund balance according to the fund restrictions.

⁷ 2010 and later - Community Development was reported separately

City of Medford, Oregon

Schedule 4

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

	2002 ¹	2003 ¹	2004	2005	2006	2007	2008	2009	2010 ⁷	2011
Revenues										
Taxes										
Property	17,378,068	19,808,173	24,626,853	26,347,587	27,846,413	29,015,206	30,938,364	32,716,967	33,550,863	34,558,484
Franchise	4,494,243	4,568,077	4,918,416	4,903,064	5,217,635	6,259,689	7,805,599	7,498,935	7,417,721	7,667,517
Lodging ²	1,655,086	1,759,043	1,767,464	1,868,020	2,147,748	2,409,719	2,553,494	2,282,538	2,273,219	2,373,254
State gas tax	2,641,428	2,661,858	3,032,251	3,327,689	3,394,786	3,389,522	3,256,822	2,938,714	3,201,504	3,751,548
State Shared Revenues	1,328,319	1,369,401	1,463,758	1,560,775	1,710,047	1,303,663	-	-	-	-
Car Rental Tax ³	-	-	-	-	203,736	311,446	314,066	291,150	296,517	313,011
Special Assessments	152,756	146,143	440,165	168,175	106,174	49,630	27,084	13,988	2,122	11,533
System development charges	2,732,874	7,121,388	5,397,780	3,556,187	3,431,361	4,139,557	2,684,561	3,300,889	1,516,968	1,322,155
Charges for services	7,204,397	2,672,023	5,265,903	6,718,045	6,843,020	6,229,665	7,234,145	6,336,212	8,168,600	2,102,585
Fines and penalties	996,092	1,041,294	2,688,763	1,069,343	1,118,277	1,285,286	1,376,390	1,303,508	1,332,950	1,395,800
Intergovernmental	2,163,056	5,311,029	2,483,901	9,276,732	1,416,398	2,547,231	4,493,337	4,733,885	5,038,659	4,105,206
Licenses and permits	3,751,840	2,515,591	1,184,776	3,683,950	4,298,327	4,789,573	3,887,457	3,298,628	3,107,511	11,074,896
Investment earnings	1,255,491	743,210	534,527	1,458,759	2,492,554	3,719,747	3,468,143	1,192,367	604,692	330,493
Grants and contributions	-	-	1,384,741	3,710,005	3,240,393	1,989,517	1,832,981	2,871,864	7,342,141	9,092,639
Miscellaneous	2,036,767	1,561,661	508,504	547,011	426,264	908,459	323,972	256,309	227,260	246,902
Rental income							80,733	72,220		24,842
	<u>47,790,417</u>	<u>51,278,891</u>	<u>55,697,802</u>	<u>68,195,342</u>	<u>63,893,133</u>	<u>68,347,910</u>	<u>70,277,148</u>	<u>69,108,173</u>	<u>74,080,728</u>	<u>78,370,865</u>
Expenditures										
General government	7,516,029	7,605,482	9,268,581	10,087,654	9,760,308	8,587,907	7,314,274	8,410,989	7,287,388	7,943,745
Public Safety	19,030,227	20,275,786	21,100,767	22,860,619	24,755,871	25,263,463	27,728,314	29,647,717	28,599,595	30,497,243
Highway and streets	4,498,496	5,072,160	5,567,372	3,770,867	5,007,887	5,954,938	18,876,974	6,816,248	6,876,039	6,756,904
Culture and recreation	3,945,223	4,289,333	4,125,955	5,957,859	6,009,908	5,548,007	6,339,937	6,514,950	4,874,990	5,116,189
Community development							1,200,344	1,149,696	4,350,674	4,386,927
Capital Outlay	12,870,209	21,010,233	8,238,323	18,809,063	22,546,636	13,925,625	22,425,555	20,814,762	9,384,274	6,202,289
Bond issuance costs	-	-	-	-	-	127,215	-	-	-	-
Debt service										
Principal	3,048,159	2,073,000	3,866,247	4,093,000	4,358,967	5,751,978	5,329,516	5,816,101	6,085,693	3,562,294
Interest	1,761,942	1,082,285	1,564,315	3,412,392	3,446,957	3,508,923	4,298,916	3,930,884	3,811,248	16,897,242
Total Expenditures	<u>52,670,285</u>	<u>61,408,279</u>	<u>53,731,560</u>	<u>68,991,454</u>	<u>75,886,534</u>	<u>68,668,056</u>	<u>93,513,830</u>	<u>83,101,347</u>	<u>71,269,901</u>	<u>81,362,833</u>
Excess of revenues over (under) expenditures	<u>(4,879,868)</u>	<u>(10,129,388)</u>	<u>1,966,242</u>	<u>(796,112)</u>	<u>(11,993,401)</u>	<u>(320,146)</u>	<u>(23,236,682)</u>	<u>(13,993,174)</u>	<u>2,810,827</u>	<u>(2,991,968)</u>

Continued on next page

City of Medford, Oregon

Schedule 4

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

	2002 ¹	2003 ¹	2004	2005	2006	2007	2008	2009	2010 ⁷	2011
Other Financing sources (uses)										
Transfers in	1,722,256	2,658,310	3,804,505	6,246,428	7,137,833	4,927,244	7,742,212	8,567,765	8,311,152	9,587,321
Transfers out	(2,030,442)	(2,998,140)	(3,311,410)	(5,244,268)	(6,755,126)	(4,175,245)	(6,997,227)	(7,770,336)	(7,536,654)	(8,813,263)
PERS Unfunded liability payment	-	-	(29,205,000)	-	-	-	-	-	-	-
Issuance of Debt (Bonds)	10,514,195	-	29,376,688	9,500,000	8,088,000	21,535,000	-	-	3,000,000	-
Issuance of Debt (State Loan)	-	-	-	600,000	-	-	-	-	-	-
Payments to refunded bond escrc	-	-	(427,260)	-	-	-	-	-	-	-
Land purchase contract	-	-	-	-	-	-	-	-	-	375,175
Contributions	-	8,321,648	-	-	-	-	-	-	-	-
Capital Leases	-	281,108	-	178,545	8,793	-	-	-	-	-
Sale of capital assets	-	-	278,057	917,076	610,053	53,236	17,161	57,360	38,163	418,476
Total other financing sources	10,676,614	8,262,926	515,580	12,197,781	9,089,553	22,340,235	762,146	854,789	3,812,661	1,567,709
Net change in fund balances	\$ 5,796,746	\$ (1,866,462)	\$ 2,481,822	\$ 11,401,669	\$ (2,903,848)	\$ 22,020,089	\$ (22,474,536)	\$ (13,138,385)	\$ 6,623,488	\$ (1,424,259)
Debt service as % of noncapital expenditures	12.09%	7.81%	11.94%	14.96%	14.63%	16.92%	13.54%	15.65%	15.99%	27.22%

Note: The City has elected to prospectively report the information in schedule four, therefore, ten years of data not reported. The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

1 Tax revenues have been classified to the various types of taxes: property, franchise and state gas tax. System Development Fees have been listed separately from Fees, Licenses & permits. Totals remain the same as in the corresponding CAFRs.

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

3 The Car Rental tax was implemented in August 2005 and is 5%.

Prior to 2003, some System Development charges were reported under "Charges for Services". From 2004 on they are under System Development Charges.

4 PERS Unfunded Liability Payments (& escrow payments) have been reclassified from an expenditure (in the CAFR) to Other financing uses in this schedule.

5 The CAFR in 2003 included State Revenue Sharing under Intergovernmental. This schedule includes it under "State Revenue Sharing" along with Alcohol & Tobacco Taxes.

6 The amount of capital outlay used to calculate the ratio of debt service expenditures to noncapital expenditures should be the same as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues.

Therefore, the amount presented in this schedule differs from the amount reported as capital outlay on page 13 of CAFR 2009.

7 Medford Urban Renewal issued \$3,000,000 in debt

Schedule 5

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

6/30/2011

Fiscal Year Ended June 30,	Real Property		Personal Property		Other		Less	Total Taxable Assessed Value	Total Direct Tax Rate	(M5)	Tax District totals RMV	Taxable Assessed Value as a Percentage of Estimated Actual Value
	Real Property	Real Manufactured Structures	Personal Manufactured Structures	Personal Properties	Utilities	Non Profit	UR Excess			Estimated Actual Value (RMV)		
2002	3,357,856,440	4,477,430	26,395,379	192,745,050	146,587,660	6,620,270	(149,882,896)	3,584,799,333	5.40	4,585,575,570	4,735,458,466	78.18%
2003	3,523,925,933	4,851,820	26,836,950	196,843,260	156,942,300	-	(160,674,796)	3,748,725,467	5.17	4,957,735,307	5,118,410,103	75.61%
2004	3,739,236,170	-	32,738,654	202,885,280	143,592,242	-	(159,229,415)	3,959,222,931	5.18	5,258,929,123	5,418,158,538	75.29%
2005	4,029,317,277	1,169,870	26,234,270	206,591,110	155,672,423	8,129,360	(179,285,351)	4,247,828,959	5.08	6,454,088,199	6,633,373,550	65.82%
2006	4,279,803,751	1,063,090	28,055,070	211,295,100	134,566,730	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	8,624,380	(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%

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
6/30/2011

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	Transpor- tation District	Community College	Vector Control	JC Soil Wtr	Urban Renewal District	
2002	5.30	-	0.10	5.40	2.39	0.35	5.14	0.18	0.51	0.04	-	0.74	14.75
2003	5.08	-	0.09	5.17	2.20	0.33	4.87	0.16	0.48	0.04	-	1.46	14.71
2004	5.09	-	0.09	5.18	2.33	0.33	4.77	0.16	0.48	0.04	-	1.38	14.67
2005	5.08	-	-	5.08	2.30	0.33	4.78	0.16	0.48	0.04	-	1.42	14.59
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

Data Source: Jackson county

The 2010-11 Taxable Assessed Value to compute the tax rate code area of 4901 is \$5,039,335,889 which is 85.3% 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)

6/30/2011

		2010 Top 10 All Roll Taxpayers for City of Medford			1999/2000			
Taxpayer	Type of Business	2010	2010-11	Rank	Percentage of Total Taxable Assessed Value	1999/2000 Taxable	Rank	Percentage of Total Taxable Assessed Value
		Current Taxes Imposed	Taxable Assessed Value			Assessed Value		
Rogue Valley Manor	Retirement Housing	1,120,391	79,232,620	1	1.38%	44,674,140	1	1.40%
Rogue Valley Mall LLC	Shopping Mall	836,443	52,869,810	2	0.92%			0.00%
Pacificorp (PP&L)	Electric Utility	550,361	35,130,000	3	0.61%	28,793,900	4	0.90%
KRC Medford Center	Shopping Center	514,506	32,520,850	4	0.57%			0.00%
Kogap Enterprises		508,858	33,896,680	5	0.59%			0.00%
Charter Communications	Television	498,363	31,500,500	6	0.55%			
Lithia real Estate Inc.		469,221	29,658,480	7	0.52%			0.00%
Qwest Corporation	Telephone Utility	413,613	26,358,500	8	0.46%	33,721,210	3	
Avista Corp DBA Washington	Gas Utility	393,211	25,050,000	9	0.44%	16,371,170	7	0.51%
Asante	Health Organization	339,911	21,818,880	10	0.38%			0.00%
Fund A Rogue Valley	Shopping Mall					37,923,090	2	1.19%
Haagen Alexander	Shopping Mall					20,752,510	5	0.65%
United Airlines	Aviation					17,849,000	6	0.56%
Sabroso	Fruit Processing					12,825,620	8	0.40%
Medford Mail Tribune	Newspaper					12,633,430	9	0.40%
Pan Pacific Retail Property, Inc.	Property Management					11,901,130	10	
Total		5,644,878	368,036,320		6.42%	237,445,200		6.00%

Note: The 2010-11 Taxable Assessed Valuation for the City of Medford is: 5,729,004,715
 The Taxable Assessed Valuation in 1999/2000 was: 3,197,879,140

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)

6/30/2011

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Tax Collections	Total Collections as percent of current Levy	Outstanding Taxes	Outstanding Taxes as Percent of Current Levy
		Amount	Percentage of the Levy					
2002	23,299,845	21,638,784	92.9%	1,134,024	22,772,808	97.7%	1,815,328	7.8%
2003	24,363,248	22,577,611	92.7%	982,928	23,560,539	96.7%	1,963,475	8.1%
2004	25,797,358	24,148,239	93.6%	1,131,497	25,279,736	98.0%	1,724,336	6.7%
2005	27,309,341	25,546,960	93.5%	907,463	26,454,423	96.9%	1,732,845	6.3%
2006	28,814,021	27,538,210	95.6%	1,105,448	28,643,658	99.4%	1,339,390	4.6%
2007	30,521,942	28,710,513	94.1%	757,855	29,468,368	96.5%	1,624,748	5.3%
2008	32,206,133	30,272,542	94.0%	929,482	31,202,024	96.9%	1,928,079	6.0%
2009	34,234,682	32,021,550	93.5%	999,767	33,021,317	96.5%	2,420,801	7.1%
2010	34,874,113	32,691,353	93.7%	1,303,906	33,995,259	97.5%	2,224,171	6.4%
2011	35,347,185	33,063,713	93.5%	1,210,632	34,274,345	97.0%	2,840,074	8.0%

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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)

6/30/2010

Fiscal Year Ended June 30,	Governmental Activities					Business Type Activities			Total Primary Government	Per Capita ¹	Percentage Per Capita ¹	Percentage of Personal Income
	General Obligation Bonds	Special Assessment Bonds ²	Capital Leases	Medford Urban Renewal (Mura) Bonds	Contract/ Loan (Mura)	Sewer Bonds	General Obligation Bonds	Capital Leases				
2002	22,850,000	1,857,150	-	14,670,000	554,467	-	-	401,884	40,333,501	610	0.16%	0.82%
2003	21,025,000	1,609,150	227,448	13,370,000	500,317	-	-	-	36,731,915	540	0.19%	0.70%
2004	48,305,000	1,434,150	292,538	12,185,000	583,720	-	-	-	62,800,408	907	0.11%	1.21%
2005	46,665,000	1,246,150	309,272	19,420,000	600,000	-	-	-	68,240,422	963	0.10%	1.16%
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%

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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.

City of Medford, Oregon

Schedule 10

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years - Unaudited

(Amounts in dollars)

6/30/2011

Fiscal Year Ended June 30,	General Obligation Bonds ⁴	Medford Urban Ren. Bonds	Total General Obligation Bonds	Less Amounts Available in Debt Service Fund ³	Net General Bonded Debt Total	Percentage of Estimated Actual Taxable Value of Property ²	Per Capita ¹
2002	22,850,000	14,670,000	37,520,000	2,048,622	35,471,378	0.99%	536.71
2003	22,634,150	13,370,000	36,004,150	2,681,635	33,322,515	0.89%	489.46
2004	49,739,150	12,185,000	61,924,150	4,507,260	57,416,890	1.45%	829.48
2005	47,911,150	19,420,000	67,331,150	4,710,314	62,620,836	1.47%	883.73
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

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 \$23,100,000 as of 6/30/11.

City of Medford, Oregon

Schedule 11

Direct and Overlapping Governmental Activities Debt

As of June 30, 2011

(Amounts in dollars)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct & Overlapping Debt
Debt repaid with property taxes			
Jackson County	21,715,000	36.7400%	7,978,699
Jackson County Housing Authority	3,834,780	36.7400%	1,409,006
JC School District #4 (Phoenix-Talent)	26,475,000	31.5500%	8,353,683
JC School District #549C (Medford)	224,430,000	76.8400%	172,459,643
JC School District #6 (Central Point)	21,075,000	1.9400%	408,117
Rogue Community College	19,800,000	26.7900%	5,303,984
Rogue Community College (Jackson Cty Bond)	21,000,000	36.7400%	7,715,988
Subtotal Overlapping Debt	338,329,780		203,629,120
City Direct Debt			
City Gross Property Tax Backed Direct Debt	52,615,000		52,615,000
	390,944,780		256,244,120

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)

6/30/2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	141,865,146	153,552,303	162,544,756	199,001,207	236,298,537	285,914,705	320,052,118	319,582,996	292,147,299	257,373,568
Total net debt applicable to limit	4,233,255	3,500,991	32,735,823	31,700,892	28,852,646	31,673,860	30,886,602	29,728,410	28,698,030	34,902,020
Legal debt margin	137,631,891	150,051,312	129,808,933	167,300,315	207,445,891	254,240,845	289,165,516	289,854,586	263,449,269	222,471,548
Total net debt applicable to the limit as a percentage of debt limit	3.08%	2.33%	25.22%	18.95%	13.91%	12.46%	10.68%	10.26%	10.89%	15.69%

Legal Debt Margin Calculation for Fiscal Year 2011

Real Market Value	8,579,118,921
Add Back: exempt real property	-
Total Real Market Value (M5)	8,579,118,921
Debt Limit (3% of total Assessed Value)	257,373,568
Amount of debt applicable to debt limit	
Total Bonded Debt:	66,893,536
Deductions:	
Assets in debt service funds available for payment of principal	652,014
Special assessment bonds (Urban Renewal)	3,390,000
Revenue bonds	23,100,000
Urban redevelopment bonds	11,214,000
Total deductions	38,356,014
Total net debt applicable to limit	28,537,522
Legal Debt Margin	228,836,045
Total net debt applicable to the limit as a percentage of the debt limit	12.47%

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 06/30/11
 Last Ten Fiscal Years - Unaudited
 (Amounts in dollars)

Gas Tax Revenue Bonds

Fiscal Year Ended June 30,	Gross Revenues ¹	Gas Tax State Revenue Only	Less: Operating Expenses ²	Net Revenue Available For Debt Service	Total Gas Tax bonds Paid during year		Coverage Actual Debt Service	Additional Bonds Test ⁽⁶⁾
					Principal	Interest		
2002	2,757,265	2,641,428	1,365,874	1,391,391	500,000	344,755	1.65	1.77
2003	2,886,254	2,661,858	1,347,958	1,538,296	955,000	497,093	1.06	1.03
2004	3,153,484	3,032,251	635,103	2,518,381	985,000	463,093	1.74	1.05
2005 ⁴	12,111,970	3,327,689	684,626	11,427,344	1,020,000	427,918	7.89	1.19
2006	3,875,080	3,394,786	1,709,549	2,165,531	1,050,000	391,215	1.50	1.31
2007	3,866,849	3,389,522	1,109,814	2,757,035	1,090,000	352,368	1.91	1.34
2008	3,610,299	3,256,822	1,254,847	2,355,452	1,130,000	310,798	1.63	1.34
2009	3,102,040	2,938,714	1,292,573	1,809,467	1,180,000	266,333	1.25	1.28
2010	3,283,173	3,201,504	1,794,032	1,489,141	1,225,000	218,333	1.03	1.16
2011	3,789,545	3,751,548	1,684,897	2,104,648	1,275,000	167,283	1.46	1.23
					\$ 10,895,000	\$ 3,803,344		

Parks Revenue Bonds

Fiscal Year Ended June 30,	Gross Revenues ^{3,5}	Operating Expenses ²	Net Revenue Available For Debt Service	Total Parks Bonds Paid during year		Coverage Actual Debt Service
				Principal	Interest	
2002 ³	-	-	-	-	-	-
2003	1,316,862	-	1,316,862	175,000	270,344	2.96
2004	1,399,986	-	1,399,986	200,000	244,299	3.15
2005	3,716,665	101,365	3,615,300	205,000	238,299	8.16
2006	2,669,132	266,302	2,402,830	210,000	232,149	5.43
2007 ⁷	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	3,531,259	340,506	3,190,752	895,000	947,280	1.73
2010 ⁸	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
\$ 26,347,957		\$ 1,576,901	\$ 24,771,055	\$ 4,500,000	\$ 5,066,701	

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 Total revenues include interest

² Operating expenses do not include capital outlay

³ Gross Revenues do not include Bond proceeds of \$5,626,006

⁴ Gross Revenues includes ODOT Grant for McAndrews Bridge of \$8,346,000

⁵ Parks revenue comes from a portion of the Transient Lodging Tax (25%) and Car Rental Tax and a Parks Utility Fee.

⁶ An Additional bonds test is required per Ordinance 1999-04. This requires the coverage calculation to be calculated using Maximum Annual Debt Service for each issue.

⁷ Gross Revenues do not include Bond proceeds of \$18,965,000

⁸ Gross Revenues were higher in FY09 due to receipt of grants for the Santo Center & the Sports Park.

City of Medford, Oregon
Schedule 14
Demographic and Economic Statistics
 Last Ten Fiscal Years - Unaudited

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 Teachers (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)
2002	66,090	13,074	658	18	7.8	32,906	4,939	26,459	322	49,116	404	46,932
2003	68,080	12,854	672	18	8.6	34,126	5,214	27,491	399	68,866	623	89,351
2004	69,220	12,759	573	18	7.4	34,150	5,202	28,658	402	117,302	747	88,134
2005	70,860	12,705	562	19	6.1	35,668	5,860	30,133	407	68,255	655	88,136
2006	73,960	12,853	531	19	5.7	36,256	6,322	31,785	414	74,011	465	108,564
2007	75,675	12,490	512	20	5.3	36,735	6,670	33,516	458	91,063	385	103,895
2008	75,705	12,408	568	20	7.2	36,982	6,849	34,051	413	103,975	141	24,963
2009	76,867	12,252	555	21	13.2	37,715	6,849	34,051	382	146,729	107	18,930
2010	74,907	12,201	530	21	11.9	37,105	6,911	34,506	263	23,444	115	21,702
2011	74,980	12,583	n/a	23	11.7	37,851	7,073	34,314	348	56,595	98	17,257

(1) Portland State University - Revised Population Estimate 7/1/10 - Prepared 4/2011 - Based on 2010 Census (2010 figures are updated based on 2010 census)

(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 was 2008-2010 & per capita personal income was 2009 available 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
2010 and 8 years ago
6/30/2011

<u>Employer</u>	<u>2010 ¹</u>			<u>Feb 2002 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) Health Care	3,676	1	9.94%	3,700	1	11.24%
Harry & David Operations Gourmet Fruit & Gifts	2,000	2	5.41%	2,700	2	8.21%
Providence Medical Center Health Care	1,288	3	3.48%			0.00%
Pacific Retirement Services Retirement/Health Care	650	4	1.76%			
Lithia Motors Auto Dealership	609	5	1.65%			
Boise Building Solutions Secondary Wood	600	6	1.62%			0.00%
Timber Products Secondary Wood	425	7	1.15%			0.00%
City of Medford Government	421	8	1.14%	864	5	2.63%
Regency Bluecross Blueshield Health Care	325	9	0.88%	425	6	1.29%
Carestream Health Medical Imaging	300	10	0.81%	500		1.52%
Century Link Call center	300	11	0.81%			
Costco Retail	274	12	0.74%	1000	3	3.04%
Boise Cascade Corp Plywood, Lumber, LVL			0.00%	900	4	2.74%

Note: Information regarding the top ten employers nine years ago was unavailable. Information regarding the top ten employers in 2002 is from a variety of sources.

Source

(1) Per SOREDI annual account calls and survey data (2010) estimates only

(2) Per City of Medford Economic Development Department, Oregon Economic & Community Development Program,

City of Medford, Oregon

Schedule 16

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

Last Ten Fiscal Years - Unaudited

	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	3, 4
	<u>01-02</u>	<u>02-03</u>	<u>03-04</u>	<u>04-05</u>	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>
City Manager	9.0	9.0	9.0	10.0	11.0	11.0	9.3	8.0	8.0	9.0
Information Services	11.0	11.0	11.0	11.0	11.0	10.8	12.0	13.5	13.0	12.0
Recorder	2.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.0	-
Human Resources	3.0	3.0	3.0	3.0	3.8	3.5	4.4	4.2	4.0	4.0
Print Shop	1.0	-	-	-	-	-	-	-	-	-
Finance	11.0	10.0	11.0	11.0	10.4	11.4	11.4	11.3	11.2	10.2
Planning	14.0	12.0	18.0	18.0	19.4	18.5	17.0	16.0	16.5	17.0
Building Inspection	14.0	12.0	14.0	14.0	16.4	16.0	14.6	11.2	11.2	9.0
Public Works										
Engineering	28.0	24.0	27.0	28.0	32.7	32.7	34.7	34.0	32.5	32.6
Maintenance	42.0	43.0	46.0	47.0	56.0	56.5	57.1	57.6	58.0	52.8
WRD	24.0	22.0	23.0	22.0	23.4	23.8	25.7	25.5	24.9	23.0
City Attorney	4.0	4.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Municipal Court	8.0	8.0	8.0	8.0	8.0	7.5	7.5	7.5	7.5	7.5
Police	-	-	-	-	-	-	-	-	-	-
Sworn Officers	90.0	92.0	91.0	92.0	96.0	99.0	99.0	99.0	101.0	101.3
Civilians	49.0	50.0	50.0	52.0	61.1	63.8	69.3	68.1	68.7	41.6
Fire	-	-	-	-	-	-	-	-	-	-
Firefighters/officers	69.0	72.0	70.0	68.0	69.7	67.0	67.0	72.0	73.0	66.0
Civilians	1.0	1.0	2.0	2.0	2.0	7.9	7.9	7.2	6.3	8.9
Parks & Recreation	24.0	24.0	26.0	32.0	46.3	48.5	53.7	55.7	56.7	60.5
Urban Renewal	5.0	4.0	4.0	4.0	4.0	4.3	4.0	4.0	1.0	-
TOTAL	409.0	402.0	417.0	426.0	475.3	486.2	499.6	499.8	498.6	459.5

Source: City Finance Department

(1) FY00/01 reflects total authorized positions (not filled positions). Filled position information is unavailable.

(2) FY01/02 through current year are for actual full time employees as of 6/30/XX

(3) FY05/06 and forward includes both full time employees and calculated full time equivalent employees as of 6/30/07.

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

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

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

Fiscal Year Ending 6/30/XX	1999	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function											
Police											
Part I - Major Crimes		N/a	5,766	6,050	5,511	5,450	4,898	4379	4,285	4706	5510
Part II - Other Crimes		N/a	7,633	8,641	7,769	7,707	8,633	10525	11,087	11903	14093
Total Part I & II		N/a	13,399	14,691	13,280	13,157	13,531	14,904	15,372	16,609	19,603
Clearance Rate Part I & II		N/a	45.97%	46.76%	45.44%	47.40%	57.25%	73.53%	77.49%	79.28%	73.15%
Cases Cleared Part I & II		N/a	6,162	6,870	6,027	6,224	7,826	6434	6,675	12749	14085
# of Juvenile Charges Part I & II		N/a	2,667	2,154	1,787	1,718	1,818	2098	1,219	1819	1500
# of Adult Arrest Charges Part I & II		N/a	7,606	8,633	7,795	8,030	9,001	9065	5,250	9390	11909
Traffic Accidents - Fatal		N/a	1	3	5	2	3	3	2	1	2
Traffic Accidents - Injury		N/a	236	269	239	255	199	180	324	370	377
Traffic Accidents - Prop Damage		N/a	1,556	1,439	1,484	1,477	1,232	1241	1,161	1184	1141
Total Accidents		N/a	1,793	1,711	1,728	1,734	1,434	1,424	1,487	1,555	1,520
Fire											
Number of Fires	-	423	399	394	341	625	369	362	348	288	270
Overpressure, heat, explosion	-	9	7	21	10	15	20	13	14	14	16
EMS, Rescue, MVA	-	4,007	4,920	5,088	6,230	7,438	5,471	5,665	5,496	5,189	5,501
Hazardous Conditions	-	159	145	176	183	259	179	160	132	134	124
Service Call	-	236	353	257	336	369	296	261	272	218	210
Good Intent Calls	-	748	832	907	850	1,256	3,008	3,170	1,226	953	933
False Alarm	-	586	605	655	1,606	1,018	617	529	444	457	437
Severe Weather	-	1	6	2	6	8	-	3	2	7	4
Special Incident	-	20	21	14	13	25	7	13	17	9	9
Uncategorized	-	-	-	-	-	-	8	9	-	-	-
Total Incident Responses	5,296	6,189	7,288	7,514	9,575	11,013	9,975	10,185	7,951	7,269	8,078
Total City only	-	5,332	6,553	6,776	8,747	9,762	-	553	6,897	6,899	7,108
Total Rural Only	0	857	741	739	828	1,251	-	9,461	725	616	703
Mutual Aid Received									62	52	44
Mutual Aid Given									115	118	107
Highways and streets											
Miles of Streets Added	4.01	4.31	5.07	6.35	3.63	8.27	5.80	5.59	2.74	2.58	0.98
Streetslights added	99	147	252	293	409	340	247	233	54	87	56
Culture and recreation (2)											
Aquatics	-	-	-	-	-	-	30,043	35,665	30,260	27,434	28,639
Youth & Adult Sports	-	-	-	-	-	-	5,928	6,811	8,740	9,614	19,043
Youth Programs/Day Camps	-	-	-	-	-	-	736	1,641	1,856	2,146	3,046
Community Recreation	-	-	-	-	-	-	15,050	18,200	9,717	10,623	25,950
Special Interest Classes	-	-	-	-	-	-	2,396	3,040	1,429	1,571	1,791
Wastewater											
Miles of Sanitary Sewers Added	2	3	3	4	3	7	3	3.65	0.77	0.42	0.18
Miles of Storm Sewers Added	4	6	6	7	6	8	6	5.7	2.17	1.69	1.08
Average Daily Million Gallons Treated	20,400	14,800	18,900	17,900	17,300	21,000	19,000	18,850	16,800	16,700	19,480
Building/Planning/Engineering											
Total Permits	7,476	6,601	8,238	9,314	9,189	8,711	7,904	5,491	3,998	3,631	3,861
Commercial Building Permits Issued	593	351	398	401	407	414	458	413	382	263	348
Value Commercial Construction	56,456,000	67,995,000	68,866,000	117,302,000	68,245,000	74,011,081	91,033,057	103,975,011	146,729,009	23,444,266	56,595,164
Single Family Residence Issued	498	353	623	747	655	465	385	141	107	115	98
Value Residential	61,071,000	26,532,000	89,351,000	88,134,000	88,136,787	82,849,082	73,424,688	24,963,894	18,930,470	21,702,285	17,257,053
Square miles Added to City	1.50	0.90	0.88	0.50	0.10	1.36	0.62	0.32	0.10	0.10	-

Sources: Various City departments

Notes: Detailed fire statistics from 1999 are unavailable.

(2) Culture & recreation -- Prior to the implementation of new software in FY06/07, the gathering and reporting of the parks program information has changed significantly and is not comparable with prior year information.

City of Medford, Oregon
Schedule 18
Capital Asset Statistics by Function
 Last Ten Fiscal Years - Unaudited

<u>Fiscal Year Ending 6/30/XX</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public Safety										
Fire Protection: (2)										
Number of Stations	5	5	5	5	5	5	5	5	5	5
Police Protection: (3)										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Sewers: (1)										
Miles of Sanitary Sewers	234	237	241	244	251	253	257	258	258	258
Miles of Storm Sewers	123	129	136	142	150	156	162	164	166	167
Public Works										
Area -- Square Miles (1)	23.06	23.94	24.44	24.54	24.92	25.30	25.62	25.72	31.70	31.70
Miles of Streets (1)	217.90	222.97	229.32	232.95	241.22	247.02	252.61	255.35	257.93	258.91
Number of Street Lights (1)	4,566	4,818	5,111	5,520	5,860	6,107	6,340	6,394	6,481	6,537
Culture and recreation:										
Number of Parks (4) (6, 7)	45	42	42	40	40	39	48	48	45	46
Total Park Acreage	2,386	2,410	2,410	2,403	2,403	2,364	2,393	2,393	2,393	2,399
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) City Human Resource Department
- (5) City Human Resource Department
- (6) Previous Number of Parks included school areas maintained by the City.
- (7) The total number of parks includes 18 Developed Parks and 6 Undeveloped Parks.

It also includes Greens and Bike Trails.

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 6/30/11

Outstanding Obligations

Continuing Disclosure for the following:
 Series 2006 Sidewalk Bonds Table 12
 Series 2002 Parks Table 5
 Series 2001 Gas Tax Table 5

	Issue Date	Maturity Date	Amount Issued	Amount Outstanding as of 6/30/11
General Obligation Bonds				
General Obligation Bonds, Series 2006	6/29/2006	6/1/2026	4,600,000	3,390,000
Total G.O. bonds			4,600,000	3,390,000
Full Faith & Credit Obligations or Limited Tax Bonds Paid from Tax Sources (NOT subject to annual appropriation)				
Limited Tax Revenue Bonds, Series 2002 (Parks)	5/1/2002	6/1/2022	5,700,000	3,735,000
Pension Obligations, Series (2004) (Taxable) ⁽¹⁾	5/27/2004	6/1/2028	29,205,000	29,060,000
Limited Tax Revenue Bonds, Series 2007 (Parks)	3/20/2007	6/1/2027	18,965,000	16,430,000
Total FF&C Obligations & Limited Tax Bonds			53,870,000	49,225,000
Total Net Direct Debt (Including Pension Obligations) ⁽²⁾			58,470,000	52,615,000
Total Net Direct Debt (Excluding Pension Obligations) ⁽²⁾			29,265,000	23,555,000
Revenue Obligations (Self-Supporting, not included in Net direct Debt)				
Gas Tax Revenue Bonds, Series 1999	2/1/1999	2/1/2014	9,300,000	2,350,000
Gas Tax Revenue Bonds, Series 2001	12/1/2001	12/1/2011	5,000,000	585,000
Total Self-Supporting Revenue Obligations			14,300,000	2,935,000
Other Self-Supporting Obligations (paid from non-tax sources)				
The Limited Tax Bond Series A & B were paid off in full as of 9/1/2006.			-	-
Total Other Self Supporting Obligations			-	-
Total Gross direct Debt (including Pension Obligations) ⁽³⁾			72,770,000	55,550,000
Total Gross direct Debt (excluding Pension Obligations) ⁽³⁾			43,565,000	26,490,000

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, 2011 the total outstanding debt of the Medford Urban Renewal Agency (MURA) was \$11,214,000

Source: City of Medford

CITY OF MEDFORD - UNAUDITED
Table 2 as of 6/30/11

DEBT INFORMATION

Debt Ratios ⁽¹⁾

Continuing Disclosure for the following:
Series 2006 Sidewalk Bonds Table 11
Series 2002 Parks Table 4
Series 2000 City Hall Bonds Table 2

	Including Pension Obligations			Excluding Pension Obligations		
	Values	Per Capita	Percent RMV	Values	Per Capita	Percent RMV
2011 Population	74,980			74,980		
2011 Real Market Value	8,579,118,921	\$ 114,419		8,579,118,921	\$ 114,419	
Gross Direct Debt ⁽²⁾	55,550,000	\$ 741	0.65%	26,490,000	\$ 353	0.31%
Net Direct Debt ⁽³⁾	52,615,000	\$ 702	0.61%	23,555,000	\$ 314	0.27%
Net Overlapping Debt	203,629,120	\$ 2,716	2.37%	203,629,120	\$ 2,716	2.37%
Net Direct & Net Overlapping Debt	256,244,120	\$ 3,417	2.99%	227,184,120	\$ 3,030	2.65%

(1) Outstanding Debt information is as of 6/30/11

(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

2011 Real Market Value	8,579,118,921
Debt limitation (3% of RMV)	257,373,568
Total Applicable bonded debt	34,902,020
Debt Margin	222,471,548
Percent of limit issued	15.69%

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, 2011 the total outstanding debt of the Medford Urban Renewal Agency (MURA) was \$11,214,000. This amount is included in the above calculations.

FUTURE DEBT PLANS

The City refunded its 1999 Gas Tax and 2002 Series Parks bond on 8/2/2011 for a lower interest rate.

The net PV savings is estimated at \$200,000.

The Medford Urban Renewal Agency anticipates issuing up to \$20,000,000 in debt in Fiscal Year 2012.

CITY OF MEDFORD - UNAUDITED

Table 3
6/30/2011

Overlapping Debt

Continuing Disclosure for:
Series 2006 Sidewalk Bonds - Table 14

The following table outlines the outstanding debt of overlapping entities.

Overlapping district	Real Market Value	Percent Overlapping	Gross Direct Debt	Net Direct Debt
Jackson County	23,184,044,471	36.7400%	21,715,000	7,978,699
Jackson County Housing Authority	23,184,044,471	36.7400%	3,834,780	1,409,006
JC School District #4 (Phoenix-Talent)	2,459,062,154	31.5500%	26,475,000	8,353,683
JC School District #549C (Medford)	10,005,856,592	76.8400%	224,430,000	172,459,643
JC School District #6 (Central Point)	2,773,505,644	1.9400%	21,075,000	408,117
Rogue Community College	31,799,803,147	26.7900%	19,800,000	5,303,984
Rogue Community College (Jackson Cty Bond)	23,184,044,471	36.7400%	21,000,000	7,715,988
Totals			338,329,780	203,629,120

Notes:

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

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

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

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

Sources: State of Oregon, Debt Management Information System

Future Debt Service

Continuing Disclosure for the following:
Series 2007 Parks Bonds Table 11
Series 2006 Sidewalk Bonds Table 13
Series 2002 Parks bonds Table 6

Year of Maturity	Parks Revenue, Series 2002 ⁽²⁾		Pers 2004		Sidewalk, Series 2006		Parks Revenue, Series 2007		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
11-12	265,000	175,499	235,000	1,747,148	280,000	146,464	740,000	658,931	1,520,000	2,728,042
12-13	275,000	164,236	360,000	1,734,811	290,000	134,564	770,000	629,331	1,695,000	2,662,942
13-14	290,000	152,549	490,000	1,715,551	305,000	122,239	805,000	598,531	1,890,000	2,588,870
14-15	305,000	139,789	640,000	1,688,253	315,000	109,276	835,000	566,331	2,095,000	2,503,649
15-16	320,000	126,064	800,000	1,651,958	330,000	95,889	870,000	532,931	2,320,000	2,406,842
16-17	335,000	111,344	975,000	1,605,790	345,000	81,039	905,000	498,131	2,560,000	2,296,304
17-18	350,000	95,431	1,170,000	1,548,548	355,000	65,514	945,000	461,931	2,820,000	2,171,424
18-19	370,000	78,806	1,380,000	1,479,039	375,000	50,426	985,000	424,131	3,110,000	2,032,402
19-20	385,000	60,769	1,610,000	1,396,032	390,000	34,489	1,030,000	384,731	3,415,000	1,876,021
20-21	410,000	42,000	1,860,000	1,299,190	405,000	17,719	1,070,000	343,531	3,745,000	1,702,440
21-22	430,000	21,500	2,135,000	1,187,311	-	-	1,115,000	300,731	3,680,000	1,509,542
22-23	-	-	2,430,000	1,058,891	-	-	1,165,000	256,131	3,595,000	1,315,022
23-24	-	-	2,745,000	912,726	-	-	1,215,000	209,531	3,960,000	1,122,257
24-25	-	-	3,095,000	745,419	-	-	1,270,000	160,931	4,365,000	906,350
25-26	-	-	3,475,000	556,778	-	-	1,325,000	110,131	4,800,000	666,909
26-27	-	-	3,880,000	344,978	-	-	1,385,000	57,131	5,265,000	402,109
27-28	-	-	1,780,000	108,491	-	-	-	-	1,780,000	108,491
	3,735,000	1,167,987	29,060,000	20,780,914	3,390,000	857,619	16,430,000	6,193,096	52,615,000	28,999,616

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 2002 Series Parks Bond was refunded 8/2/2011

CITY OF MEDFORD - UNAUDITED

Table 5
6/30/2011

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
2002	4,985,844,701	13.7773%	3,728,061,959	5.6900%	74.77%
2003	5,142,421,378	3.1404%	3,902,581,340	4.6812%	75.89%
2004	5,441,648,865	5.8188%	4,118,452,346	5.5315%	75.68%
2005	6,670,433,915	22.5811%	4,418,984,950	7.2972%	66.25%
2006	7,915,603,826	18.6670%	4,654,783,741	5.3360%	58.81%
2007	9,530,490,159	20.4013%	4,961,125,232	6.5812%	52.06%
2008	10,668,403,922	11.9397%	5,297,196,325	6.7741%	49.65%
2009	10,652,766,542	-0.1466%	5,601,233,324	5.7396%	52.58%
2010	9,738,243,291	-8.5848%	5,774,972,038	3.1018%	59.30%
2011	8,579,118,921	-11.9028%	5,917,789,432	2.4730%	68.98%

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
Series 2002 Parks Table 8

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 6/30/2011
2002	3,584,799,333	5.69%	18,982,588	365,291	19,347,879	5.2953	0.95	0.9994
2003	3,748,725,467	4.57%	19,842,934	103,288	19,946,222	5.2953	0.98	0.9992
2004	3,959,222,931	5.62%	20,965,596	53,395	21,018,991	5.2953	0.96	0.9991
2005	4,247,828,959	7.29%	22,493,931	47,679	22,541,610	5.2953	0.96	0.9982
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

1. Collection percentages are for Jackson County as a whole
 2. Operating Levy per Jackson County Assessor (Table 4A) does not include levy for bonds (Does not include MURA)
 3. Collection percentages as of 6/30/11 are for City of Medford
- Source: Jackson County Assessor and financial statements of the City

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

<u>FY Ended 6/30/XX</u>	<u>Levy Used to Compute Rate</u>	<u>Loss Due to Tax Limitation</u>	<u>Percent Loss</u>
2002	\$ 18,982,546	\$ 40.84	0.00022%
2003	19,842,934	7,827.76	0.03945%
2004	20,965,596	60.70	0.00029%
2005	22,493,931	66.33	0.00029%
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%

CITY OF MEDFORD - UNAUDITED

Table 6

Period Ending 6/30/11

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	4.2562	2.0402	6.2964
Education Service district	0.3412		0.3412
Rogue CC	0.4965	0.1191	0.6156
Total Education	\$ 5.0939	\$ 2.1593	\$ 7.2532
Local Government			
Jackson County	1.9458	0.3076	2.2534
Jackson County URA	-	-	-
City of Medford	5.1264	0.0861	5.2125
Medford URA	0.4572	0.3828	0.8400
Vector	0.0416		0.0416
JC Soil Water	0.0485		0.0485
Rogue Valley TD	0.1716		0.1716
Total Local Government	\$ 7.7911	\$ 0.7765	\$ 8.5676
	\$ 12.8850	\$ 2.9358	\$ 15.8208

1. The 2010-11 Taxable Assessed Value to compute the tax rate code of 49-01 is \$5,039,335,889 which is 85.16 percent of the Total Taxable Assessed Value of the City.

Source: Jackson County, Department of Assessment

CITY OF MEDFORD - UNAUDITED

Table 7

6/30/2011

General Fund Financial Information

Continuing Disclosure for:

Series 2002 Parks Bond disclosure Table 2

	5 Year General Fund Statement of Revenues & Expenditures				
	2006-07	2007-08	2008-09	2009-10	2010-11
Revenues					
Taxes					
Property	24,449,388	26,090,032	27,501,003	28,520,914	29,356,906
Franchise	6,259,690	7,805,598	7,498,935	7,417,722	7,667,517
Lodging ¹ /Other	2,508,523	1,276,748	1,141,270	1,136,610	1,186,628
Charges for services	971,541	1,036,743	1,092,980	1,153,464	1,185,923
Fines and penalties	1,285,286	1,376,390	1,303,508	1,332,950	1,395,800
Intergovernmental	2,544,456	4,474,260	4,599,208	4,626,343	3,931,730
Fees, licenses and permits	652,912	736,784	655,417	682,970	621,612
Investment earnings	1,116,110	962,796	479,370	253,171	134,920
Grants and contributions	348,253	494,148	283,745	1,435,936	3,347,096
Miscellaneous	581,591	99,665	97,997	132,021	103,275
Total Revenues	40,717,750	44,353,164	44,653,433	46,692,101	48,931,407
Expenditures					
General government	5,867,152	6,120,334	6,458,350	8,705,312	7,943,745
Public Safety	25,082,758	27,123,581	28,704,473	27,911,275	29,649,785
Highway and streets	740,778	713,605	649,424	557,459	443,240
Culture and recreation	5,362,491	6,024,618	6,174,364	4,694,680	4,918,106
Community Development					1,824,250
Capital Outlay	2,166,528	1,730,127	4,028,226	2,505,672	
Debt service	-	-	-	-	4,750,358.00
Total Expenditures	39,219,707	41,712,265	46,014,837	44,374,398	49,529,484
Excess of revenues over (under) expenditures	1,498,043	2,640,899	(1,361,404)	2,317,703	(598,077)

Continued on next page

CITY OF MEDFORD - UNAUDITED
Table 7 (page 2)

	2006-07	2007-08	2008-09	2009-10	2010-11
Other Financing sources (uses)					
Transfers in	1,398,750	1,697,081	1,810,343	2,357,385	4,317,173
Transfers out	(1,434,951)	(2,585,455)	(3,412,828)	(2,402,110)	(3,440,381)
Interfund Loans	-	-	-	16,300.00	
Bond proceeds	-	-	-	-	
Sale of capital assets	23,065	9,431	36,788	33,056	33,166
Total other financing sources	(13,136)	(878,943)	(1,565,697)	4,631	909,958
Excess of revenues and other sources over (under) expenditures & other uses	1,484,907	1,761,956	(2,927,101)	2,322,334	311,881
Fund Balance Beginning July 1	16,380,858	17,865,765	19,627,721	16,700,620	19,022,954
Residual Equity Transfer/Prior Period Adj	-	-	-	-	-
Fund Balance Ending June 30	17,865,765	19,627,721	16,700,620	19,022,954	19,334,835

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

1 Transient Lodging tax was 6% from 1997 through Jan 2001, 8% through December 2005, and 9% as of January 06.

CITY OF MEDFORD - UNAUDITED
Table 8

General Fund Financial Information
Continuing Disclosure For:
Parks Series 2002 Table 3

Five Year General Fund Consecutive Balance Sheets

	2006-07	2007-08	2008-09	2009-10	2010-11
ASSETS					
Cash and cash equivalents	10,712,213	21,222,362	17,786,553	18,575,187	19,715,634
Receivables					
Accounts	2,646,845	2,456,444	2,612,901	3,127,541	3,806,097
Property taxes	1,361,354	1,565,929	1,954,019	2,179,688	2,294,288
Other	-	-	-	-	-
Inventory	51,116	52,718	61,978	51,284	56,353
Due from other funds	105,460	96,099	354,348	284,184	140,252
Due from Medford Water Commission			19,845		54,449
Other current assets	55,851	24,895	15,600	528,131	1,200
Restricted Cash	7,794,776	179,290	229,318	279,957	
Total assets	\$ 22,727,615	\$ 25,597,737	\$ 23,034,562	\$ 25,025,972	\$ 26,068,273
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	1,706,419	1,624,292	1,470,099	1,011,052	1,347,838
Accrued payroll and related expenses	1,537,186	1,626,520	1,691,941	1,663,530	1,751,403
Due to Medford Water Commission	-	49,337	27,589		52,532
Deferred revenue	1,618,245	2,669,867	3,144,313	3,328,436	3,581,665
Total liabilities	4,861,850	5,970,016	6,333,942	6,003,018	6,733,438
Fund Balances:					
Unreserved	17,865,765	19,627,721	16,700,620	19,022,954	-
Nonspendable - Inventory					56,353
Committed for PERS contributions					1,457,607
Unassigned					17,820,875
Total liabilities and fund balances	\$ 22,727,615	\$ 25,597,737	\$ 23,034,562	\$ 25,025,972	\$ 26,068,273

Source: City of Medford financial statements

CITY OF MEDFORD - UNAUDITED
Table 9

Continuing Disclosure as of 6/30/11:
Parks Series 2002 Table 7

DEPOSITS AND INVESTMENTS

ORS Chapter 294 authorizes the City to invest in obligations of the US Treasury, US Government agencies and instrumentalities, bankers' acceptances guaranteed by an Oregon Financial institution, commercial paper, repurchase agreements, State of Oregon Local Government Investment Pool and various interest-bearing bonds of Oregon municipalities. The City's investment policy prohibits the City from leveraging or borrowing funds to make investments.

The City's investment Policy specifies the City's investment objectives, required diversification, certain limitations and reporting requirements. The City and the Medford Urban Renewal Agency held the following cash deposits and investments as of 6/30/11.

Investments	FMV as reported		
	June 30, 2011	Cost	Par Value
Local Government Investment Pool	28,575,757	28,575,757	28,575,757
Federal Agency Bonds & Discount Notes	23,048,836	23,030,895	22,958,000
Cash deposits & certificates of deposit	22,797,549	22,797,549	22,797,549
Restricted Cash	601,332	601,332	601,332
Petty Cash	4,460	4,460	4,460
Total Cash and investments	75,027,933	75,009,992	74,937,098

CITY OF MEDFORD - UNAUDITED

Table 10

Historical State Tax Street Fund Revenues & Expenditures (Non-GAAP Basis)

6/30/2011

Continuing Disclosure for:

2001 Gas Tax Bonds Table 7

1999 Gas Tax Bonds Table 5

Gas Tax Fund

	2006-07	2007-08	2008-09	2009-10²	2010-11²
Revenues					
Taxes					
State Gas	3,389,522	3,256,822	2,938,714	3,201,504	3,751,548
Charges for services	248,961	192,145	92,676	53,090	15,761
Investment earnings	228,243	141,592	70,650	25,196	15,160
Miscellaneous	123	19,740	-	3,382	76
Total Revenues	3,866,849	3,610,299	3,102,040	3,283,173	3,782,545
Expenditures					
Technical Services	2,738	32,475	20,605	20,118	22,126
Engineering & Development	4,486,009	997,462	1,029,137	950,278	785,277
Capital Improvements - Engineering	-	161,564	662,909	1,226,833	33,957
Public Works Administration	-	224,911	242,830	837,126	877,493
Capital Improvements - Public Works	250,307	4,006	2,559	-	-
Total Expenditures	4,739,054	1,420,417	1,958,041	3,034,355	1,718,854
Excess revenues over (under) Expenditures	(872,205)	2,189,882	1,143,999	248,818	2,063,691
Other Financing sources (uses)					
Transfer Out	(1,586,516)	(1,438,117)	(1,591,172)	(980,805)	(1,582,302)
Sale of Capital Assets	-	-	-	-	7,000
Total other financing sources (uses)	(1,586,516)	(1,438,117)	(1,591,172)	(980,805)	(1,575,302)
Net Change in fund balances	(2,458,721)	751,764	(447,173)	(731,987)	488,389
Fund balance, beginning of year	5,464,604	3,005,883	3,757,648	3,310,475	2,578,488
Fund Balance, end of year	\$ 3,005,883	\$ 3,757,647	\$ 3,310,475	\$ 2,578,488	\$ 3,066,877

1. The City of Medford received \$8,346,000 in OTIA funds for bridges in FY04/05.

The bulk of the bridge work was done in FY 05/06 & 06/07

2. Table Rock Merriman Intersection Modification was a major project in 10/11

CITY OF MEDFORD - UNAUDITED

Table 11

Historical Street System Development Fund Revenues & Expenditures (Non-GAAP Basis)

6/30/2011

Continuing Disclosure for:

2001 Gas Tax Bonds Table 7

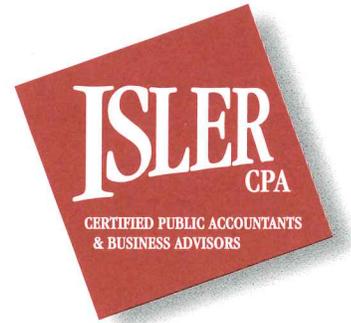
1999 Gas Tax Bonds Table 7

	Street System Development Charges Fund				
	2006-07	2007-08	2008-09	2009-10 ¹	2010-11
Revenues					
System development fees	4,139,557	2,146,447	1,502,448	1,021,237	1,492,185
Investment earnings	770,407	545,202	136,216	73,451	36,856
Miscellaneous	60,000	60,000	64,000	6,631	1,539
Total Revenues	4,969,964	2,751,649	1,702,664	1,101,320	1,530,580
Expenditures					
Engineering & Development	33,169	1,736,192	5,000	97,232	151,071
Capital Improvements - Engineering	1,394,642	12,477,674	909,580	2,269,672	1,372,504
Total Expenditures	1,427,811	14,213,866	914,580	2,366,904	1,523,575
Excess revenues over (under) Expenditures	3,542,153	(11,462,217)	788,084	(1,265,585)	7,006
Other Financing sources (uses)					
Transfer In			1,126,944	200,000	
Transfer Out	(1,069)	(506)	(530)	(698,361)	(6,800)
Sale of Capital Assets	-	2,730	-	1,265	
Total other financing sources (uses)	(1,069)	2,224	1,126,414	(497,096)	(6,800)
Net Change in fund balances	3,541,084	(11,459,993)	1,914,498	(1,762,681)	206
Fund balance, beginning of year	13,126,944	16,668,028	5,208,035	7,122,533	5,359,853
Fund Balance, end of year	\$ 16,668,028	\$ 5,208,035	\$ 7,122,533	\$ 5,359,853	\$ 5,360,059

1. 2001 Gas Tax Bond payments were paid from the SDC fund in FY09/10.

Source: City of Medford financial statements

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

We have audited the basic financial statements of City of Medford, Oregon (City) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the 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. The publications for the City's first budget committee meeting were only 4 days apart, not the required 5 days.
2. Expenditures exceeded budgeted amounts by \$12,353 for materials and services for the MURA nonmajor capital projects fund.

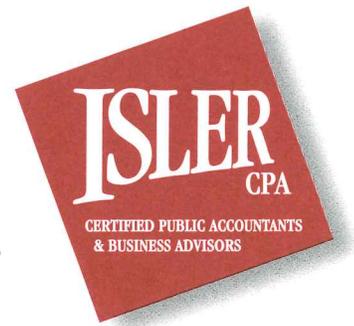
OAR 162-10-0230 Internal Control

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.

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 federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

ISLER CPA

By Paul Nielson, CPA, a member of the firm
December 29, 2011



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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Medford, Oregon (City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 29, 2011. 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.

Internal Control Over Financial Reporting

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 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 over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

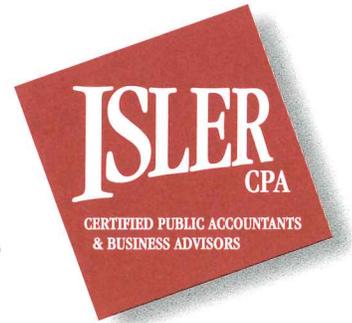
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

ISLER CPA

Paul R. Nielson

Paul Nielson, CPA, a member of the firm
Eugene, Oregon
December 29, 2011



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the City of Medford, Oregon'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 its major federal programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

As described in finding 2011-1 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding Section 1512 of the Recovery Act for the Edward Byrne Memorial Justice Assistance (JAG) program, CFDA 16.804. Compliance with that requirement is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified one deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-1 to be a significant deficiency.

The City's responses to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the response.

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

ISLER CPA

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

By Paul Nielson, CPA, a member of the firm
December 29, 2011

CITY OF MEDFORD
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditors' report issue:	Unqualified
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?	Yes
Type of auditors' report issued on compliance for major programs?	Qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

Identification of Major Federal Award Programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Community Development Block Grant - Entitlement Grants Cluster	
Community Development Block Grants/Entitlement Grants/NSP1	14.218
ARRA Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253
Neighborhood Stabilization Program (NSP2)	14.256
Edward Byrne Memorial Justice Assistance Grant (JAG) Cluster:	
JAG pass-through from State of Oregon	16.738
JAG -Grants to Units of Local Government	16.804
Energy Efficiency and Conservation Block Grant Program	81.128
State Energy Program	81.041
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

Finding 2011-1

Program: Department of Justice, Edward Byrne Justice Assistance Grant, CFDA #16.804

Criteria: Section 1512 of the Recovery Act requires reporting on the use of Recovery Act funding by recipients on a quarterly basis. Aimed at providing transparency into the use of these funds, the recipient reports are required to include detailed information, including: the total amount of funds received; the amount spent on projects and activities; and details on sub-awards and other payments.

Condition: Through the quarter ended June 30, 2011, there were cumulative expenditures of \$231,960 and receipts of \$114,176. However, the City reported that there were no receipts or expenditures through that period.

Effect: Total receipts and expenditures were understated.

Cause: The employee designated to prepare the reports was not adequately trained. Also, there was no review of the report by any other employee.

Recommendation: We recommend that a knowledgeable employee review all reports before they are submitted.

Management's response: Management immediately implemented improved procedures for grant reporting. To prevent further reports being submitted with incorrect data, the procedures include two levels of review, documented by signatures.

Section IV – Summary Schedule of Prior Audit Findings

None

CITY OF MEDFORD
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Direct programs:		
Community Development Block Grant:		
B10-MC-410005	14.218	\$ 691,413
B09-MC-410005	14.218	-
Program income	14.218	37,417
ARRA - CDBG-R B09-MY-410005	14.253	76,167
Passed through State of Oregon Housing and Community Services Department (OHCS):		
Neighborhood Stabilization Program (NSP1) #1091	14.218	164,399
Neighborhood Stabilization Program (NSP2) #1125	14.256	<u>806,250</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u>1,775,646</u>
U.S. DEPARTMENT OF JUSTICE		
Direct programs:		
National Forfeiture - Equitable Sharing	16.000	65,072
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	178,035
Community Oriented Policing Services	16.710	680,753
Passed through OR Dept State Police:		
MADGE JAG/Byrne Grant (Gang Enforcement) LE11-07JAG & LE11-10JAG	16.738	77,381
HIDTA - Weed and Seed Program	16.595	<u>112,308</u>
TOTAL U.S. DEPARTMENT OF JUSTICE		<u>1,113,549</u>
U.S. DEPARTMENT OF ENERGY		
Direct program:		
ARRA - Energy Efficiency Grant Agreement DE-SC00001901	81.128	630,564
Passed through Oregon Department of Energy:		
ARRA - Energy Efficiency Grant Agreement #10-1126	81.041	336,870
ARRA - Energy Efficiency Grant Agreement #11-1285	81.041	<u>257,300</u>
TOTAL U.S. DEPARTMENT OF ENERGY		<u>1,224,734</u>
DEPARTMENT OF TRANSPORTATION		
Passed through Oregon Department of Transportation:		
Highway Planning and Construction grants:		
Mace Road Howard Elementary Sidewalk IGA 24111	20.205	104,662
Garfield Ave. - Columbus Avenue to Lillian Street IGA 27326	20.205	42,833
Street Sweeper IGA 26154	20.205	<u>223,919</u>
TOTAL DEPARTMENT OF TRANSPORTATION		<u>371,414</u>
U.S.D.A. Forest Service		
Passed through State of Oregon		
State Grant Historic Preservation	15.904	<u>2,895</u>
TOTAL U.S.D.A. Forest Service		<u>2,895</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 4,488,238</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. The Schedule of Expenditures of Federal Awards 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	\$653,984
14.253	ARRA -Community Development Block Grant - R	\$75,206