

**\$6,110,000**  
**City of Medford**  
**Jackson County, Oregon**  
**Limited Tax Revenue Bonds, Series 2024**

**DATED:** September 24, 2024 (“Date of Delivery”)

**DUE:** June 1, as shown on the inside cover

**PURPOSE**— The \$6,110,000 Limited Tax Revenue Bonds, Series 2024 (the “Bonds”) are being issued by the City of Medford (the “City”), located in Jackson County, Oregon. The Bonds are being issued to finance the construction and equipping of a new fire station for the City, and to pay the costs of issuance of the Bonds. See “Purpose and Use of Proceeds” herein.

**S&P GLOBAL RATING**— “AA-”. See “Rating” herein.

**NOT BANK QUALIFIED**— The City has NOT designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the “Code”).

**BOOK-ENTRY ONLY SYSTEM**— The Bonds will be issued, executed and delivered in fully registered form under a book-entry only system and registered in the name of Cede & Co., as owner and nominee for The Depository Trust Company (“DTC”). DTC will act as initial securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased.

**PRINCIPAL AND INTEREST PAYMENTS**— Interest on the Bonds will be paid on December 1, 2024 and semiannually thereafter on June 1 and December 1 of each year to the maturity or earlier redemption of the Bonds. Principal of and interest on the Bonds will be payable by the City’s Paying Agent, initially U.S. Bank Trust Company, National Association, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds at the address appearing upon the registration books on the 15<sup>th</sup> day (the “Record Date”) of the month preceding a payment date.

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**MATURITY SCHEDULE**— See inside front cover.

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**REDEMPTION**— The Bonds are subject to optional redemption prior to their stated maturities as further described herein.

**SECURITY**— The City pledges its full faith and credit and taxing powers as contemplated by ORS 287A.315 to the payment of the Bonds. The Bonds shall be secured by and payable from the City’s general non-restricted revenues and other funds that are lawfully available for that purpose, including, the proceeds of the Bonds, subject to the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes, if any, levied by the City in accordance with and subject to limitations and restrictions imposed under applicable law or contract, that are not dedicated, restricted or obligated by law or contract to an inconsistent expenditure or use. The owners of the Bonds will not have a lien or security interest on any projects financed or refinanced with the proceeds of the Bonds. The Bonds do not constitute a debt or indebtedness of Jackson County, the State of Oregon, or any political subdivision thereof other than a limited tax revenue obligation of the City.

**TAX MATTERS**— *In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of Oregon personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “Tax Matters.”*

**DELIVERY**— The Bonds are offered for sale to the original purchaser subject to the final approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery to the Paying Agent for Fast Automated Securities Transfer on behalf of DTC, on or about the Date of Delivery.

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*This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

**StoneX®**

# City of Medford

## Jackson County, Oregon

### Limited Tax Revenue Bonds, Series 2024

DATED: Date of Delivery

DUE: June 1, as shown below

#### MATURITY SCHEDULE –

Due June 1	Amount	Interest Rate	Yield	CUSIP® 584288	Due June 1	Amount	Interest Rate	Yield	CUSIP® 584288
2025	\$ 270,000	5.000%	2.470%	FM1	2035	\$ 300,000	5.000%	2.780% <sup>(1)</sup>	FX7
2026	195,000	5.000	2.410	FN9	2036	315,000	5.000	2.830 <sup>(1)</sup>	FY5
2027	205,000	5.000	2.400	FP4	2037	335,000	4.000	3.100 <sup>(1)</sup>	FZ2
2028	215,000	5.000	2.400	FQ2	2038	345,000	4.000	3.250 <sup>(1)</sup>	GA6
2029	225,000	5.000	2.400	FR0	2039	360,000	4.000	3.350 <sup>(1)</sup>	GB4
2030	235,000	5.000	2.450	FS8	2040	375,000	4.000	3.450 <sup>(1)</sup>	GC2
2031	250,000	5.000	2.530	FT6	2041	390,000	4.000	3.550 <sup>(1)</sup>	GD0
2032	260,000	5.000	2.610	FU3	2042	405,000	4.000	3.650 <sup>(1)</sup>	GE8
2033	275,000	5.000	2.660	FV1	2043	420,000	4.000	3.750 <sup>(1)</sup>	GF5
2034	295,000	5.000	2.710	FW9	2044	440,000	4.000	3.800 <sup>(1)</sup>	GG3

(1) Yield based on pricing to the first optional redemption date of June 1, 2034.

The CUSIP® numbers herein are provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. CUSIP numbers are subject to change. Neither the City nor the Purchaser take any responsibility for the accuracy of such CUSIP numbers.

No website mentioned in this Official Statement is part of this Official Statement, and readers should not rely upon any information presented on any such website in determining whether to purchase the Bonds. Any references to any website mentioned in this Official Statement are not hyperlinks and do not incorporate such websites by reference.

No dealer, broker, salesman or other person has been authorized by the City or Piper Sandler & Co. (the "Municipal Advisor") to give information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Bond Declaration has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Bonds in accordance with applicable provisions of securities laws of the States in which the Bonds have been registered or qualified and the exemption from the registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these States nor any of their agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

**City of Medford**  
411 W 8th Street  
Medford, Oregon 97501  
(541) 774-2030

**Mayor and City Council**

Randy Sparacino  
Jessica Ayres  
Nick Card  
Tim D'Alessandro  
Chad Miller  
Zac Smith  
Sarah Spansail  
Eric Stark  
Kevin Stine

Mayor  
Councilor  
Councilor  
Councilor  
Councilor  
Councilor  
Councilor  
Councilor  
Councilor

**Key Administrative Staff**

Brian Sjothun  
Robert Field  
Ryan Martin

Outgoing City Manager<sup>(1)</sup>  
Incoming City Manager<sup>(1)</sup>  
Deputy City Manager/Chief Financial Officer

**Bond Counsel**

Orrick, Herrington & Sutcliffe LLP  
Portland, Oregon  
(503) 943-4800

**Paying Agent**

U.S. Bank Trust Company, National Association  
Portland, Oregon  
(503) 464-3758

**Municipal Advisor**

Piper Sandler & Co.  
Portland, Oregon  
(503) 275-8300

(1) Mr. Sjothun has announced his retirement effective December 31, 2024. The City Council ratified a contract with Robert Field on August 1, 2024, to become the next City Manager. Mr. Field will begin employment with the City on September 16, 2024.

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**OFFICIAL STATEMENT**  
**City of Medford**  
**Jackson County, Oregon**

**\$6,110,000**  
**Limited Tax Revenue Bonds, Series 2024**

The City of Medford (the “City”), located in Jackson County, Oregon, a political subdivision duly organized and existing under and by virtue of the laws of the State of Oregon (the “State”) furnishes this Official Statement in connection with the offering of \$6,110,000 aggregate principal amount of Limited Tax Revenue Bonds, Series 2024 (the “Bonds”), dated the Date of Delivery. This Official Statement, which includes the cover page, inside cover page, Notice of Sale, bid form and appendices, and provides information concerning the City and the Bonds.

Certain statements contained in this Official Statement do not reflect historical facts but are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as “estimated,” “projected,” “anticipate,” “expect,” “intend,” “plan,” “believe” and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. All projections, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement.

Capitalized terms used and not defined herein shall have the meanings assigned to such terms in “Appendix E—Form of Bond Declaration,” which is attached hereto and incorporated by reference herein.

**Description of the Bonds**

**Authorization for Issuance**

The City is authorized pursuant to Oregon Revised Statutes (“ORS”) Chapter 287A (the “Act”), the laws of the State of Oregon and the City Charter to issue limited tax revenue bonds to finance capital construction and improvements for a public purpose that the Council determines is needed and to provide for the issuance of limited tax revenue bonds of the City.

The Bonds are being issued pursuant to Resolution No. 2024-57 (the “Resolution”) adopted by the City’s City Council (the “City Council”) on June 20, 2024, and a Bond Declaration to be executed and delivered by the City on the Date of Delivery (the “Bond Declaration”). Such execution and delivery of the Bonds does not require a vote of the people.

**Principal Amount, Date, Interest Rates and Maturities**

The Bonds will be issued in the aggregate principal amount posted on the cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The Bonds will mature on the dates and in the principal amounts set forth on the inside cover of this Official Statement. Interest on the Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2024, until the maturity or earlier redemption of the Bonds and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

**Paying Agent and Registration Features**

*Paying Agent.* The principal of and interest on the Bonds will be payable by U.S. Bank Trust Company, National Association (the “Paying Agent”) to The Depository Trust Company (“DTC”), which, in turn, is obligated to remit such principal and interest to its participants (“DTC Participants”) for subsequent disbursement to the

persons in whose names such Bonds are registered (the “Beneficial Owners”) of the Bonds, as further described in Appendix C attached hereto.

*Book-Entry System.* The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as owner and as nominee for DTC. DTC will act as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only in minimum denominations of \$5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds. See “Appendix C – Book Entry Only System” for additional information.

*Procedure in the Event of Revisions of Book-Entry Transfer System.* If the City discontinues maintaining the Bonds in book-entry only form, the City shall cause the Paying Agent to authenticate and deliver replacement Bonds in fully registered form in authorized denominations in the names of the beneficial owners or their nominees; thereafter the provisions set forth in the Bonds, regarding registration, transfer and exchange of Bonds shall apply.

### **Redemption Provisions**

*Optional Redemption.* The Bonds maturing in years 2025 through 2034, inclusive, are not subject to optional redemption prior to maturity. The City reserves the right to redeem all or any portion of the Bonds maturing on or after June 1, 2035 at the option of the City on June 1, 2034 and on any date thereafter in whole or in part, in any order of maturity with maturities selected by the City, at a price of par, plus accrued interest to the date of redemption.

For as long as the Bonds are in book-entry only form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Bonds are no longer held in book-entry only form, then the Paying Agent would select Bonds for redemption by lot.

*Notice of Redemption (Book-Entry).* So long as the Bonds are in book-entry only form and unless DTC consents to a shorter period, the Paying Agent shall notify DTC of any redemption not less than 20 days and not more than 60 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by a letter of representation submitted to DTC. Unless waived by the Paying Agent, the City shall give written notice of the intended redemption of the Bonds to the Paying Agent not later than five business days before the date notice of redemption of the Bonds is required to be made. The City reserves the right to rescind any redemption notice.

*Notice of Redemption (No Book-Entry).* During any period in which the Bonds are not in book-entry only form, unless waived by any Owner of the Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice in a form generally accepted in the municipal markets by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to the Owners of the Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Owner to the Paying Agent. Unless waived by the Paying Agent, the City shall give written notice of the intended redemption of the Bond to the Paying Agent not later than five business days before the date notice of redemption of the Bonds is required to be made. The City reserves the right to rescind any redemption notice.

*Conditional Notice.* Any notice of optional redemption to the Paying Agent or to the Owners may state that the optional redemption is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price of such Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Paying Agent to affected Owners of Bonds as promptly as practicable.



## **Defeasance**

The City may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States or obligations the principal of and interest on which are fully and unconditionally guaranteed by United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity date or any earlier redemption date. Bonds which have been defeased pursuant to the Bond Declaration shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under the Resolution or the Bond Declaration except the right to receive payment from such special escrow account.

## **Default and Remedies**

The occurrence of one or more of the following shall constitute an Event of Default under the Bond Declaration and the Bonds:

- a. Failure by the City to pay Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Bond has been properly called for redemption);
- b. Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Bonds, for a period of sixty (60) days after written notice to the City by the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such sixty (60) day period, it shall not constitute an Event of Default so long as corrective action is instituted by the City within the sixty (60) day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph; or,
- c. The City is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the payments.

The Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in (a) of this Section.

Upon the occurrence and continuance of any Event of Default the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Resolution, the Bond Declaration or the Bonds or in aid of the exercise of any power granted in the Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by the Resolution, the Bond Declaration or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

No remedy in the Bond Declaration conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Declaration or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by the Bond Declaration or by law.

## **Purpose and Use of Proceeds**

### **Purpose**

The proceeds from the sale of the Bonds will be used to finance the construction and equipping of a new fire station and to pay the costs of issuance of the Bonds.

The proposed Fire Station 15 building will be approximately 10,200 square feet and will include two apparatus bays that can accommodate regular-size and ladder truck fire engines and a separate bay that will house one of the City's medical response units. Fire Station 15 will be rebuilt with an emphasis on improving emergency response time, maximizing storage space, maximizing ingress and egress for merging into traffic, and improving the seismic and natural disaster resiliency.

The City also intends to contribute \$4 million of General Fund balance to the Project.

### Sources and Uses of Funds

The proceeds of the Bonds are estimated to be applied as follows:

#### Estimated Sources and Uses of Funds

Sources of Funds	
Par Amount of Bonds	\$ 6,110,000.00
Original Issue Premium	528,625.15
Total Sources of Funds	<u>\$ 6,638,625.15</u>
Uses of Funds	
Available for the Project	\$ 6,500,000.00
Underwriting and Issuance Costs	138,625.15
Total Uses of Funds	<u>\$ 6,638,625.15</u>

### Security for the Bonds

#### General

The Bonds are not general obligations of the City. The City pledges its full faith and credit and taxing powers as contemplated by ORS 287A.315 to the payment of the Bonds. The Bonds shall be secured by and payable from the City's general non-restricted revenues and other funds that are lawfully available for that purpose, including the proceeds of the Bonds, subject to the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes, if any, levied by the City in accordance with and subject to limitations and restrictions imposed under applicable law or contract, that are not dedicated, restricted or obligated by law or contract to an inconsistent expenditure or use. The owners of the Bonds will not have a lien or security interest on any projects financed or refinanced with the proceeds of the Bonds.

The Bonds do not constitute a debt or indebtedness of Jackson County (the "County"), the State, or any political subdivision thereof other than a limited tax revenue obligation of the City.

#### Additional Sources of Payment

The City expects to make debt service payments from marijuana tax revenue and public safety utility fee revenue which are accounted for outside of the City's General Fund, in the Council Community Initiative Fund and Fire Public Safety Utility Fund, respectively. **There is no lien on or security interest granted in such revenues or any other property of the City securing the Bonds.**

### Bonded Indebtedness

#### Debt Limitation

*Limited Tax Bonded Indebtedness.* Local governments may pledge their full faith and credit for "limited tax bonded indebtedness" or "full faith and credit obligations." The Oregon Constitution and statutes do not limit the amount of limited tax bonded indebtedness that a city may issue. Full faith and credit obligations can take the form of bonds, certificates of participation, notes or capital leases. Collection of property taxes to pay principal

and interest on such limited-tax debt is subject to the limitations of Article XI, Sections 11 and 11b. **The Bonds are a limited-tax revenue obligation.**

*General Obligation Bonds.* ORS 287A.050 establishes a limit on bonded indebtedness for cities. Cities may issue an aggregate principal amount up to three percent of the Real Market Value of all taxable properties within the city if the City's voters approve the general obligation bonds. A lower limit may be applied by an individual city's charter. The statutory limitation does not apply to general obligation bonds issued for water, sanitary or storm sewers, sewage disposal plants, hospitals, infirmaries, gas power, or lighting purposes, or the acquisition, establishment, or reconstruction of any off-street motor vehicle parking facility nor to bonds issued pursuant to application to pay assessments for improvements in installments under statutory or charter authority which are completely self-supporting. General obligation bonds are secured by the power to levy an additional tax outside the limitations of Article XI, Sections 11 and 11b. **The Bonds are not general obligation bonds and are not subject to this debt limitation.**

*Pension Bonds.* ORS 238.694 authorizes local governments to issue full faith and credit obligations to pay pension liabilities without limitation as to principal amount. Pension bonds are not general obligations as defined under State law and the City is not authorized to levy additional taxes to make pension bond payments. **The Bonds are not pension bonds.**

*Special Fund Obligations.* Several Oregon statutes authorize the City to issue special fund obligations that are secured only by specified sources of revenue, such as water revenue bonds secured only by the net revenues. **The Bonds are not special fund obligations secured by the net revenues of a specified source.**

#### Outstanding Long-Term Debt

Governmental Activities	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding <sup>(1)</sup>
<i>Limited Tax Bonded Indebtedness:</i>				
Series 2015 ODOT Loan <sup>(2)</sup>	06/01/15	12/30/31	\$ 3,532,955	\$ 329,601
Series 2020 (LED Streetlights)	06/23/20	10/01/35	3,842,698	2,902,982
Series 2020A	10/14/20	06/01/50	63,110,000	60,240,000
Series 2020B	10/14/20	07/15/43	36,140,000	34,760,000
Series 2024 <sup>(3)</sup>	09/24/24	06/01/44	6,110,000	6,110,000
Total Limited Tax Bonded Indebtedness				104,342,584
<i>Pension Obligations<sup>(4)</sup>:</i>				
Series 2004	05/27/04	06/01/28	29,205,000	12,230,000
<b>Total Governmental Activities Debt</b>				<b>\$ 116,572,584</b>

(1) As of Date of Delivery.

(2) The City signed a loan agreement with the State of Oregon, Department of Transportation for \$10,000,000 to finance a transportation project. Currently, \$6.5M remains on the loan that the City anticipates to draw prior to project completion. The project must be completed by December 31, 2025. The note will mature in 2031. Beginning November 1, 2021, installment payments of \$545,335 are due semiannually. Subject to acceleration upon an event of default.

(3) This issue.

(4) Also secured by the full faith and credit of the City. The City receives a credit against its nominal pension contribution rate; see "Pension System" herein.

Source: City of Medford Audited Financial Reports for the Fiscal Year Ended June 30, 2023.

**Limited Tax Revenue Obligations  
Projected Debt Service Requirements**

<b>Fiscal Year</b>	<b>Outstanding Bonds<sup>(1)</sup></b>		<b>The Bonds<sup>(2)</sup></b>		<b>Total Debt Service<sup>(2)</sup></b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2025	\$ 3,388,659	\$ 2,312,388	\$ 270,000	\$ 188,543	\$ 6,159,590
2026	3,506,349	2,198,297	195,000	261,300	6,160,946
2027	3,629,237	2,079,618	205,000	251,550	6,165,405
2028	3,752,328	1,956,146	215,000	241,300	6,164,773
2029	3,885,624	1,827,627	225,000	230,550	6,168,801
2030	3,954,132	1,764,020	235,000	219,300	6,172,451
2031	4,092,856	1,628,197	250,000	207,550	6,178,602
2032	4,236,802	1,486,765	260,000	195,050	6,178,618
2033	4,330,974	1,402,122	275,000	182,050	6,190,146
2034	4,425,376	1,315,562	295,000	168,300	6,204,239
2035	4,030,015	1,232,083	300,000	153,550	5,715,648
2036	3,960,630	1,150,956	315,000	138,550	5,565,136
2037	3,895,000	1,070,643	335,000	122,800	5,423,443
2038	3,975,000	988,783	345,000	109,400	5,418,183
2039	4,060,000	904,425	360,000	95,600	5,420,025
2040	4,145,000	817,376	375,000	81,200	5,418,576
2041	4,235,000	727,640	390,000	66,200	5,418,840
2042	4,330,000	635,015	405,000	50,600	5,420,615
2043	4,425,000	539,398	420,000	34,400	5,418,798
2044	4,525,000	440,743	440,000	17,600	5,423,343
2045	2,705,000	363,800	-	-	3,068,800
2046	2,765,000	306,319	-	-	3,071,319
2047	2,820,000	247,563	-	-	3,067,563
2048	2,880,000	187,638	-	-	3,067,638
2049	2,945,000	126,438	-	-	3,071,438
2050	3,005,000	63,856	-	-	3,068,856
	<u>\$ 97,902,982</u>	<u>\$ 27,773,413</u>	<u>\$ 6,110,000</u>	<u>\$ 3,015,393</u>	<u>\$ 134,801,789</u>

(1) Includes Full Faith and Credit Bonds, Series 2020 (Streetlights), Limited Tax Revenue and Refunding Bonds, Series 2020A and Limited Tax Revenue Refunding Bonds, Series 2020B. A portion of the Limited Tax Revenue Refunding Bonds, Series 2020B debt service is paid from public safety utility fee revenues.

(2) The City intends to make debt service payments from marijuana tax revenue and public safety utility fee revenue; however, these resources are not pledged to the repayment of the Bonds.

**Summary of Overlapping Debt**  
(As of July 1, 2024)

Overlapping Issuer Name	Percent Overlapping	Gross Direct Debt <sup>(1)</sup>	Net Direct Debt <sup>(2)</sup>
Jackson Cty SD 549C (Medford)	75.32%	\$ 83,363,288	\$ 83,363,288
Rogue Valley Transit District	47.49%	43,271	43,271
Jackson Cty SD 4 (Phoenix-Talent)	35.88%	22,760,231	22,760,231
Jackson County	35.66%	7,342,703	7,342,703
Jackson County Housing Authority	35.66%	2,648,060	2,257,686
Rogue Community College (Jackson Cty Bond)	35.37%	794,110	794,110
Rogue Community College	26.32%	13,047,738	11,119,469
Jackson Cty SD 6 (Central Point)	1.48%	1,166,638	1,166,638
		<u>\$ 131,166,039</u>	<u>\$ 128,847,396</u>

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

Source: Debt Management Division, The Office of the State Treasurer.

### Debt Ratios

The following table presents information regarding the City's direct debt, including the Bonds, and the estimated portion of the debt of overlapping taxing districts allocated to the City's property owners.

**Debt Ratios**

Total Real Market Value <sup>(1)</sup> (Fiscal Year 2024)	\$ 16,013,106,666	
Estimated Population	90,887	
Per Capita Real Market Value	\$ 176,187	
Debt Information	Gross Direct Debt <sup>(2)</sup>	Net Direct Debt <sup>(3)</sup>
City Direct Debt <sup>(4)</sup>	\$ 116,572,584	\$ 15,132,982
Overlapping Direct Debt	<u>131,166,039</u>	<u>128,847,396</u>
Total Direct Debt <sup>(4)</sup>	<u>\$ 247,738,623</u>	<u>\$ 143,980,378</u>
<b>Bonded Debt Ratios<sup>(4)</sup></b>		
City Direct Debt to Real Market Value	0.73%	0.09%
Total Direct Debt to Real Market Value	1.55%	0.90%
Per Capita City Direct Debt	\$ 1,283	\$ 167
Per Capita Total Direct Debt	\$ 2,726	\$ 1,584

(1) Value represents the total Real Market Value of taxable properties, without the reduction available to specially assessed properties such as farm and forestland.

(2) Gross Direct Debt includes all debt with an unlimited (general obligation bonds) and limited (full faith and credit obligations) tax pledge. Limited tax pension obligations are included.

(3) Net Debt is Gross Direct Debt less any self-supporting obligations which are paid from other revenues sources.

(4) Includes the Bonds.

Sources: Jackson County Department of Assessment and Taxation, Portland State University Center for Population Research and Census, Debt Management Division, The Office of the State Treasurer as of July 1, 2024 and City of Medford Audited Financial Reports for the Fiscal Year Ended June 30, 2023.

### Debt Payment Record

The City has promptly met principal and interest payments on outstanding bonds and other indebtedness in the past ten years when due.

## Future Financings

*Long-Term Borrowings.* The City has adopted a resolution authorizing issuance of sewer revenue bonds in an aggregate principal amount up to \$300 million in order to finance water reclamation system improvements, including a new wastewater treatment plant. The first issue of the authorization is approximately \$20 million in Sewer Revenue Bonds, Series 2024, expected to be issued in October 2024. The second issue of the authorization is a \$137 million loan through the United States Environmental Protection Agency’s Water Infrastructure Finance and Innovation Act (“WIFIA”) Program. The City was invited to apply and currently anticipates submitting the application in the fall of 2024 and the loan is expected close in the spring of 2025. Additional authority remains for future sewer revenue bonds, currently expected to be sold in Fiscal Year 2027.

*Short-term Borrowings.* The City does not anticipate issuing short-term debt within the next twelve months.

## The City

### General Description

The City was incorporated in 1885. It is located in Jackson County, Oregon, approximately five hours south of Portland, Oregon and less than an hour north of the California border. As of July 2023, the City had an estimated population of 90,887, according to the Portland State University Center for Population Research and Census.

The City provides a full range of municipal services including fire and police protection, street construction, maintenance and lighting, planning, zoning and general administrative services. The City operates sewer, storm and sanitary systems. The City also operates its own parks department which maintains the City’s parks, provides year-round recreation programs, trims trees on arterial and collector streets, and maintains a variety of facilities throughout the City.

### Staff

As of August 12, 2024, the City had 503 full-time employees. Additionally, the City had part-time non-represented employees that equated to 101 full-time equivalence (FTE).

### Bargaining Units

Bargaining Unit	No. of Employees	Contract Expires
International Association of Firefighters	84	June 30, 2026
AFSCME	89	June 30, 2026
Teamster Medford Municipal Mechanics	6	June 30, 2026
Teamster Medford Park Employees	23	June 30, 2026
Teamster Construction & Maintenance	44	June 30, 2026
Medford Police Officers Association	116	June 30, 2027
Teamster Water Reclamation Division	19	June 30, 2026

Source: City of Medford.

### Government

The City is operated under a council-manager form of government. The eight-member City Council (the “Council”) is composed of the Mayor, who is elected for a four-year term, and eight Council members, who are elected from four wards for four-year terms. The Mayor is elected at large. Each council member has a vote with the Mayor voting in a tie. All positions are unpaid.

Policy as set by the Council is implemented by the City Manager, who manages the administrative affairs of the City. He is assisted by appointed heads of Departments of Parks and Recreation, Finance, Planning, Public Works, Law Enforcement, Building Codes, Legal and Fire Protection. The Council also serves as the governing body for the Medford Urban Renewal Agency.

The current Mayor and members of the City Council are:

### City Council

Name	Position	Occupation	Service Began	Term Expires
Randy Sparacino	Mayor	Retired Police Chief	January 2021	Dec. 31, 2024
Jessica Ayres	Councilor	VP, Loan Officer	January 2023	Dec. 31, 2026
Nick Card	Councilor	VP of Operations, Transportation	January 2023	Dec. 31, 2026
Tim D’Alessandro	Councilor	Pool Construction	January 2016	Dec. 31, 2024
Chad Miller	Councilor	Sheriff’s Deputy	January 2021	Dec. 31, 2024
Zac Smith	Councilor	Finance Manager	January 2023	Dec. 31, 2026
Sarah Spansail	Councilor	Accounting Clerk	January 2021	Dec. 31, 2024
Eric Stark	Councilor	Attorney	February 2019	Dec. 31, 2024
Kevin Stine	Councilor	Navy Funerals Honors, Substitute Teacher	January 2015	Dec. 31, 2026

Source: City of Medford.

### Key Administrative Officials

The day-to-day affairs of the City are managed by a professional administrative staff which includes the following principal officials:

*Brian Sjothun, Outgoing City Manager.* Brian Sjothun was appointed City Manager on September 1, 2016. He has been with the City since March of 2004, previously serving as the Parks and Recreation Director. Prior to coming to the City, he spent 16 years with the Woodburn, Oregon Recreation & Parks Department. Mr. Sjothun received a Bachelor of Arts in Business Administration from Warner Pacific University and Master of Public Administration from Golden Gate University. He has announced his retirement effective December 31, 2024.

*Robert Field, Incoming City Manager.* Robert Field will begin employment with the City on September 16, 2024. He most recently served as the City Manager for the City of San Bernardino, California from September 2020 to January 2023. Previously, he worked at Riverside County, California for over 21 years and Krieger & Stewart, Incorporated for over seven years. Mr. Field received a Bachelor Arts in History from the University of California, Riverside and a Master of Arts in Leadership and Organization Studies from California Baptist University.

*Ryan Martin, Deputy City Manager/Chief Financial Officer.* Ryan Martin has worked at the City since June of 2018. Prior to joining the City, he worked at the City of Talent, Oregon as the Finance Director and the City of Ashland, Oregon as an Accounting Analyst. Mr. Martin received a Bachelor of Science in Business Administration and Master in Business Administration from Southern Oregon University.

### Revenue Sources

The following section summarizes certain major revenue sources of the City.

#### Local Revenue Sources - Property Taxes

Most local governments, school districts, education service districts and community college districts (“local governments”) have permanent authority to levy property taxes for operations (“Permanent Rates”) up to a maximum rate (the “Operating Tax Rate Limit”). Local governments that have never levied property taxes may request that the voters approve a new Operating Tax Rate Limit. Most local governments also have the authority to levy property taxes for debt service associated with general obligation bonds outside of the Operating Tax Rate Limit upon receiving voter approval.

Local governments may not increase their Operating Tax Rate Limits; rather they may only request that voters approve limited term levies for operations or capital expenditures (“Local Option Levies”).

Local Option Levies that fund operating expenses are limited to five years, and Local Option Levies dedicated to capital expenditures are limited to ten years.

The City does not currently have a Local Option Levy and has no plans at this time to seek voter approval of a Local Option Levy.

Local governments impose property taxes by certifying their levies to the county assessor(s) of the county(ies) in which the local government is located. Property taxes ordinarily can only be levied once each Fiscal Year. The local government ordinarily must notify the county assessor(s) of its levies by July 15.

*Valuation of Property – Real Market Value.* “Real Market Value” is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an “arms-length” transaction during the period for which the property is taxed.

Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation.

Property used for charitable, religious, fraternal and governmental purposes is exempt from taxation. Special assessments that provide a reduction in the taxable value may be granted (upon application) for veterans’ homesteads, farm and forest land, open space and historic buildings. The Real Market Value of specially assessed properties is often called the “Taxable Real Market Value” or “Measure 5 Real Market Value.” This differential affects the City’s value (See “Taxable Property Values” table herein.) The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

*Valuation of Property – Assessed Value.* Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its Taxable Real Market Value, and ordinarily is less than its Taxable Real Market Value. The assessed value of property was initially established in 1997 as a result of a constitutional amendment. That amendment (now Article XI, Section 11, often called “Measure 50”) assigned each property an assessed value and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property within the county. Counties are generally responsible for managing the assessment and taxation process, with some exceptions (see “Property Tax Collections” herein.)

The Oregon Department of Revenue (“ODR”) appraises and establishes values for utility property, forestland and most large industrial property for county tax rolls. It collects taxes on harvested timber for distribution to schools, county taxing districts, and State programs related to timber. Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity’s operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities’ operations in Oregon, and then to each county the entity operates in and finally to site locations.

Generally speaking, industrial properties are valued using an income approach, but ODR may apply additions or retirements to the property value through a cost of materials approach. Under the income and cost of materials approaches, property values fluctuate from year-to-year.

*Tax Rate Limitation – Measure 5.* A tax rate limitation was established in 1990 as the result of a constitutional amendment. That amendment (now Article XI, Section 11b, often called “Measure 5”) separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts, collectively, “Education Taxes”) and one to fund government operations other than the public school system (“General Government Taxes”). Education Taxes are limited to \$5 per \$1,000 and General Government taxes are limited to \$10 per \$1,000 of the Taxable Real Market Value of property (the “Measure 5 Limits”). Taxes levied by general purpose governments (such as cities



and counties) may be subject to the \$5 per \$1,000 limit if those taxes are used for educational services provided by public schools. If the taxes on a property exceed the Measure 5 Limit for Education or General Government, then tax rates are compressed to the Measure 5 Limit. Local Option Levy rates compress to zero before there is any compression of Permanent Rates. In Fiscal Year 2024, there was \$22 of compression of the City's Permanent Rate due to the tax rate limitation.

Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to Measure 5 Limits: (1) bonded indebtedness authorized by a specific provision of the Oregon Constitution; and (2) general obligation bonded indebtedness incurred for capital costs approved by the electors of the issuer and bonds issued to refinance such bonds. **Property taxes imposed to pay the principal of and interest on the Bonds are subject to the limitations of Article XI, Sections 11 and 11b.**

*Property Tax Collections.* Each county assessor is required to deliver the tax roll to the county tax collector in sufficient time to mail tax statements on or before October 25 each year. All tax levy revenues collected by a county for all taxing districts within the county are required to be placed in an unsegregated pool, and each taxing district shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all taxing districts within the county. As a result, the tax collection record of each taxing district is a *pro-rata* share of the total tax collection record of all taxing districts within the county combined.

Taxpayers may choose to make payments in one lump sum by 15<sup>th</sup> of November of the same Fiscal Year, or in installments. Under the partial payment schedule, taxes are payable in three equal installments on the 15th of November, February and May of the same Fiscal Year. The method of giving notice of taxes due, the county treasurer's account for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all specified by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, a county may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency.

The following tables represent historical tax information for the City.

#### Taxable Property Values

Fiscal Year	Total Real Market Value	M5 Real Market Value <sup>(1)</sup>	Total Assessed Valuation	Urban Renewal Excess <sup>(2)</sup>	AV Used to Calculate Rates <sup>(3)</sup>
2024	\$ 16,013,106,666	\$ 15,920,985,610	\$ 9,428,158,787	\$ 326,947,429	\$ 9,101,211,358
2023	15,507,028,518	15,429,403,170	9,041,120,313	311,927,062	8,729,193,251
2022	13,149,466,411	13,110,227,212	8,647,034,343	292,638,914	8,354,395,429
2021	11,561,697,460	11,526,492,251	8,304,895,722	18,635,299	8,286,260,423
2020	11,191,160,910	11,155,455,779	8,031,798,136	283,334,426	7,748,463,710
2019	10,591,489,262	10,556,704,367	7,707,167,466	279,844,456	7,427,323,010

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

(2) Includes Medford Urban Renewal Area (MURA). MURA has reached their maximum indebtedness and will cease collection on the urban renewal excess beginning in Fiscal Year 2025. The value will be available for overlapping jurisdictions to levy their permanent rates upon.

(3) Assessed value of property in the City on which the Permanent Rate is applied to derive *ad valorem* property taxes, excluding urban renewal, exempt property within enterprise zones and any other offsets.

Note: General obligation bonds may be levied on the Total Assessed Value, the Assessed Value Used to Calculate Rates, or a combination of the two, depending on the type of urban renewal plan and the original approval date of the bond issue.

Source: Jackson County Department of Assessment and Taxation.

*Property Tax Exemption Programs.* Oregon statutes authorize a wide variety of full and partial property tax exemptions, including exemptions for property owned or used by cities, counties, schools and other local governments, property of the federal government, property used by religious and charitable entities, property used for low-income housing, historical properties or transit-oriented property.

The Multiple Unit Property Tax Exemption (“MUPTE”) program provides a ten-year partial property tax exemption on new or rehabilitated housing with multiple dwelling units that meet certain criteria for design and/or affordability. Each project must be approved by the City Council. The MUPTE program is currently authorized until September 30, 2028, at which time the City Council may determine whether or not to reauthorize. A pilot project is being built with 372 units which will receive a 10-year exemption; the City estimates approximately \$250,000 of property tax collections will be abated annually.

The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions for three to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by State statutes and the local sponsor.

The Low-Income Housing program allows land acquired and held by a nonprofit corporation for the purpose of building residences to be sold to certain individuals is exempt from property tax. This exemption only applies to the land on which the residences are to be built.

The Strategic Investments Program (“SIP”) provides tax incentives for capital investments by “traded-sector” businesses, including manufacturing. SIP recipients receive a 15-year property tax exemption on new construction over \$25 million outside of urban areas, and over \$100 million in urban areas. The exemption value (\$25 million or \$100 million) then increases three percent per year. SIP recipients pay an annual Community Service Fee which is equal to 25 percent of the value of the tax break, which is allocated to local governments through local negotiations. The Community Service Fee is not considered a property tax and thus is outside of the Measure 5 Limit. There are no SIP Agreements within the City’s boundaries.

A Senior Citizen Property Tax Deferral Program allows certain homeowners to defer taxes until death or sale of the home. A similar program is offered for Disability Tax Deferral, which does not have an age limitation.

ORS 307.250 allows a portion of the assessed value of a disabled veteran’s or a veteran’s surviving spouse’s/partner’s residential property to be exempt from property tax. The amount of the initial exemption is \$15,000 or \$18,000 of the assessed value of the property, dependent on meeting certain qualifications. Once the initial exemption is granted, the exemption amount increases by three percent each year.

GASB Statement No. 77 requires local governments to disclose information related to tax abatement programs and amounts abated. Tax abatements result from agreements entered into by the reporting government, as well as those that are initiated by other governments, which reduce the reporting government’s tax revenues. In Fiscal Year 2023, Jackson County reported the City lost \$578,327 in tax revenues due to tax abatement programs.

*Tax Rates and Collections.* The following table presents the Fiscal Year 2024 tax rates for the City and other taxing jurisdictions within Jackson County which overlap the City. The City’s Operating Tax Rate Limit is \$5.2953 per \$1,000 of assessed property value. The Operating Tax Rate Limit was calculated in conjunction with the implementation of Measure 50 in 1997. The Permanent Rates shown in the following table are the rates that are actually applied to the assessed value of the taxing district. The Permanent Rates may be different from the Operating Tax Rate Limit of the taxing district due to the decision by the taxing district to levy less than its Operating Tax Rate Limit.

**Fiscal Year 2024 Representative Levy Rate**  
(Rates per \$1,000 of Assessed Value)

<b>General Government</b>	<b>Permanent Rate</b>	<b>Bond Levy Rate</b>	<b>Local Option Rate<sup>(1)</sup></b>	<b>Consolidated Rate</b>	<b>Urban Renewal Portion of the Consolidated Rate<sup>(2)</sup></b>
Jackson County	\$ 2.0099	\$ 0.0682	\$ 0.0000	\$ 2.0781	\$ 0.0696
4-H Extension Service District	0.0426	0.0000	0.0000	0.0426	0.0014
Vector Control	0.0429	0.0000	0.0000	0.0429	0.0014
Rogue Valley Transit District	0.1772	0.0000	0.1300	0.3072	0.0061
Jackson County Soil & Water	0.0500	0.0000	0.0000	0.0500	0.0017
Jackson County Library	0.5200	0.0000	0.0000	0.5200	0.0180
City of Medford	5.2953	0.0000	0.0000	5.2953	0.1836
<b>Total General Government</b>	<b>8.1379</b>	<b>0.0682</b>	<b>0.1300</b>	<b>8.3361</b>	<b>0.2818</b>
<b>Education</b>					
Education Service District	0.3524	0.0000	0.0000	0.3524	0.0122
Rogue Community College	0.5128	0.1304	0.0000	0.6432	0.0177
Medford School District	4.4123	1.1700	0.0000	5.5823	0.1711
<b>Total Education</b>	<b>5.2775</b>	<b>1.3004</b>	<b>0.0000</b>	<b>6.5779</b>	<b>0.2010</b>
<b>Total Tax Rate</b>	<b>\$ 13.4154</b>	<b>\$ 1.3686</b>	<b>\$ 0.1300</b>	<b>\$ 14.9140</b>	<b>\$ 0.4828</b>

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Local Revenue Sources - Property Taxes - Tax Rate Limitation - Measure 5" herein).

- (1) Local Option Levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local Option Levy rates compress to zero before there is any compression of overlapping jurisdictions' Permanent Rates.
- (2) A portion of a taxing district's consolidated rate is contributed to the Medford Urban Renewal Agency (MURA) through division of tax.

Source: Jackson County Department of Assessment and Taxation. Note that there are 4 tax codes in the County that overlap the City and Tax Code 4901 has the highest property value of these tax codes. Total tax levies in the City range from \$14.9961 to \$14.9298 per \$1,000 of assessed property value.

**Jackson County <sup>(1)</sup>**  
**Tax Collection Record**

<b>Fiscal Year</b>	<b>Percent Collected as of Levy Year<sup>(2)</sup></b>	<b>6/30/2024<sup>(3)</sup></b>
2024	97.93%	97.93%
2023	98.06%	99.11%
2022	98.23%	99.58%
2021	98.30%	99.83%
2020	97.93%	99.94%
2019	97.82%	99.95%

- (1) Percentage of total tax levy collection in Jackson County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.
- (2) The percentage of taxes collected in the "year of the levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
- (3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2024.

Source: Jackson County Department of Assessment and Taxation.

**Major Taxpayers**  
(As of Fiscal Year 2024)  
City of Medford

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Assessed Value <sup>(1)</sup></b>	<b>Percent of Value</b>	<b>Tax <sup>(2)</sup></b>
Rogue Valley Manor	Retirement Center	\$ 131,943,560	1.40%	\$ 1,951,087
Charter Communications	Telecommunications	90,368,310	0.96%	1,340,840
PacifiCorp	Electrical Utility	84,638,063	0.90%	1,255,773
Pacific Rental Properties LLC	Apartments	75,042,819	0.80%	1,119,500
Avista Crop DBA Avista Utilities	Electrical Utility	71,948,000	0.76%	1,067,440
Lithia Real Estate Inc.	Auto Dealerships	47,834,490	0.51%	713,316
Charles Point 2015 LLC	Apartments	37,312,910	0.40%	557,074
Walmart	Shopping Center	33,925,220	0.36%	503,374
Deluca Ronald L Trustee ET AL	Housing	32,549,280	0.35%	485,461
Brixton Rogue LLC	Real Estate	31,500,000	0.33%	467,381
Subtotal - ten of City's largest taxpayers		637,062,652	6.76%	
All other City's taxpayers		8,791,096,135	93.24%	
Total City		<u>\$ 9,428,158,787</u>	<u>100.00%</u>	

**Jackson County**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Assessed Value <sup>(1)</sup></b>	<b>Percent of Value</b>	<b>Tax <sup>(2)</sup></b>
PacifiCorp	Electrical Utility	\$ 485,470,060	1.88%	\$ 5,513,296
Avista Crop DBA Avista Utilities	Electrical Utility	198,824,000	0.77%	2,753,091
Rogue Valley Manor	Retirement Center	133,896,800	0.52%	1,974,776
Charter Communications	Telecommunications	127,749,811	0.50%	1,869,980
Pacific Rental Properties	Rentals	110,199,799	0.43%	1,680,025
Boise Cascade Wood Products	Manufacturing	85,076,869	0.33%	1,146,902
Deluca Ronald L Trustee Et AL	Property Trust	60,747,820	0.24%	934,287
Harry & David Operations	Marketing, E-commerce	77,613,625	0.30%	933,676
Amy's Kitchen	Food Products	61,441,100	0.24%	880,789
Roseburg Forest Products Co	Forest Products	60,654,310	0.24%	740,521
Subtotal - ten of County's largest taxpayers		1,401,674,194	5.44%	
All other County's taxpayers		24,373,445,680	94.56%	
Total County		<u>\$ 25,775,119,874</u>	<u>100.00%</u>	

(1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the City and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

Source: Jackson County Department of Assessment and Taxation.

**Construction Excise Tax**

The City collects a tax on the value of building permits for residential, commercial, and industrial improvements to provide funding for affordable housing in the City. The Affordable Housing Construction Excise Tax (CET) was approved by the City Council on February 15, 2018. The residential tax pays for Medford down payment assistance programs, and programs and incentives to encourage construction of homes affordable to households with incomes at or below 80 percent of Medford's Area Median Income (AMI). The commercial and Industrial tax pays for development and construction of housing affordable to households with incomes up to 120 percent AMI. The tax is calculated at one-third of one percent of the improvement value. For example, an improvement value of \$100,000 would result in a tax of \$333.33 (\$100,000 x .00333 = \$333.33). The maximum tax on commercial or industrial building permits may not exceed \$50,000.

Total revenue from the CET, collections and interest earned, in recent years follows:

#### **Affordable Housing Construction Excise Tax**

<b>Fiscal Year</b>	<b>Total Revenues</b>
2024 <sup>(1)</sup>	\$ 542,142
2023	289,164
2022	493,167
2021	316,156
2020	355,319
2019	199,338

(1) Unaudited.

Source: City Audited Financial Statements.

#### **Other Taxes**

Oregon cities and counties generally have broad authority to impose taxes on activities within their boundaries. Certain Oregon cities and counties currently impose business license taxes, food and beverage taxes, motor vehicle fuel taxes, transient room taxes and other taxes. Generally, these taxes must be either approved by the voters or may be subject to referral by the voters.

The Legislative Assembly generally has the authority to limit or prohibit local governments from imposing taxes, and has limited a number of local government taxes, including transient room taxes and real estate transfer taxes. Each local government has its own mix of taxes, as well as fees and other revenue sources.

#### **Local Government Fees**

Oregon cities and counties generally have broad authority to impose and collect fees for services. Many cities and counties collect sewer, water, electric and other enterprise fees, building permit fees, and surface water management fees.

Other local governments, such as special purpose districts, generally require legislative authorization to impose fees for services. Local governments that are authorized to operate utility systems generally are authorized to impose fees for services that are sufficient to pay for their costs of operating and financing their utility systems.

The Legislative Assembly generally has the authority to limit or prohibit local governments from imposing fees for services. Cities are currently authorized to collect franchise fees from utilities, while other local governments are prohibited from doing so. In Fiscal Year 2023, the City collected \$13,039,203 in franchise fees.

#### **State of Oregon Funding**

Oregon cities and counties receive a share of the revenues the State receives from taxing motor vehicle fuels. The Oregon Constitution requires that these revenues be used only to pay for costs of public roads. Oregon cities and counties also receive a share of the revenues the State of Oregon receives from tobacco taxes and liquor taxes.

The State of Oregon is generally not obligated to continue to provide these revenues to local governments.

### **Financial Factors**

#### **Financial Reporting and Accounting Policies**

The City's basic financial statements were prepared using modified accrual accounting in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

Additional information on the City's accounting methods is available in the City's audited financial statements. A copy of the City's audited financial report for Fiscal Year 2023 is attached hereto as Appendix B.

### **Auditing**

Each Oregon political subdivision must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555. Political subdivisions having annual expenditures of less than \$150,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing political subdivisions. Municipal Audit Law, ORS 297.405 to 297.555 and ORS 297.990, requires Oregon local governments to submit annual financial reports to the Secretary of State within six months of the end of the fiscal year. The City has never missed this deadline without an approved extension.

The City audits for the Fiscal Years 2019 through 2023 ("City Audited Financial Statements") were performed by Moss Adams, CPAs, Medford, Oregon (the "Auditor"). The audit report for Fiscal Year 2023 indicates the financial statements, in all material respects, fairly present the City's financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information and the respective changes in financial position and the cash flows, where applicable, in conformance with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of their report on the 2023 Fiscal Year.

Future financial statements may be obtained from the Electronic Municipal Market Access ("EMMA") system, a centralized repository operated by the Municipal Securities Rulemaking Board ("MSRB"), currently located at: [www.emma.msrb.org](http://www.emma.msrb.org).

Summaries of the City's Net Position and Changes in Net Position follow:

**Statement of Net Position - Governmental Activities**  
(Fiscal Years)

<b>Assets</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Cash and investments	\$ 97,330,819	\$ 108,361,136	\$ 198,754,098	\$ 212,434,055	\$ 193,094,592
Accounts receivables					
Accounts	5,739,394	14,319,349	6,852,436	6,935,155	7,883,855
Taxes	2,742,143	2,670,446	1,624,130	1,692,060	1,891,405
Leases	-	-	-	735,025	580,027
Inventory	784,746	912,325	1,177,118	1,276,558	1,297,422
Prepaid expenses	535,260	500,910	596,747	-	1,129,307
Restricted cash and investments	236,216	296,760	260,291	274,307	261,176
Capital assets not being depreciated	131,333,951	130,232,434	157,240,086	183,528,857	234,633,172
Depreciable capital assets, net	169,131,030	169,060,962	170,069,135	170,162,439	166,913,466
Right-to-use asset, net	-	-	-	80,472	47,265
Right-to-use subscription asset, net	-	-	-	-	339,356
Net OPEB asset	338,222	600,364	413,177	968,347	1,024,822
<b>Total Assets</b>	<b>408,171,781</b>	<b>426,954,686</b>	<b>536,987,218</b>	<b>578,087,275</b>	<b>609,095,865</b>
<b>Deferred Outflows of Resources</b>					
Bond refunding	-	-	2,921,260	2,788,475	2,655,690
OPEB related	156,291	626,515	644,757	551,263	421,183
Pension related	16,553,763	17,757,978	21,983,766	19,590,626	19,027,731
<b>Total Deferred Outflows of Resources</b>	<b>16,710,054</b>	<b>18,384,493</b>	<b>25,549,783</b>	<b>22,930,364</b>	<b>22,104,604</b>
<b>Liabilities</b>					
Accounts payable	3,404,376	2,549,135	3,182,558	6,599,238	11,004,711
Payroll and related accruals	2,808,542	2,997,073	2,812,967	2,893,567	3,047,849
Unearned revenue	838,384	1,299,852	10,088,387	21,074,099	18,867,937
Retainage payable	143,122	92,284	294,758	688,820	2,699,475
Deposits	5,052,317	5,763,558	4,426,979	3,780,373	4,041,650
Accrued interest payable	940,478	885,766	166,193	129,553	586,623
Claims payable	584,670	268,524	1,744,889	2,032,385	1,609,161
Long-term liability					
Due within one year	6,552,757	5,459,055	5,324,136	7,425,389	8,186,702
Due in more than one year	120,769,296	131,268,538	205,591,440	166,147,311	171,749,330
<b>Total Liabilities</b>	<b>141,093,942</b>	<b>150,583,785</b>	<b>233,632,307</b>	<b>210,770,735</b>	<b>221,793,438</b>
<b>Deferred Inflows of Resources</b>					
OPEB related	95,939	120,605	341,526	1,174,249	1,236,618
Pension related	3,853,783	3,612,689	2,888,332	31,590,174	17,185,931
Leases	-	-	-	735,025	571,201
<b>Total Deferred Inflows of Resources</b>	<b>3,949,722</b>	<b>3,733,294</b>	<b>3,229,858</b>	<b>33,499,448</b>	<b>18,993,750</b>
<b>Net Position</b>					
Net investment in capital assets	250,699,201	249,539,148	281,930,796	296,045,941	306,000,990
Restricted	59,661,872	76,860,907	77,662,723	73,979,240	108,398,165
Unrestricted	(30,522,902)	(35,377,955)	(33,918,683)	(13,277,725)	(23,985,874)
<b>Total Net Position</b>	<b>\$ 279,838,171</b>	<b>\$ 291,022,100</b>	<b>\$ 325,674,836</b>	<b>\$ 356,747,456</b>	<b>\$ 390,413,281</b>

Source: City Audited Financial Statements.

**Statement of Activities - Governmental Activities**  
(Fiscal Years)

<b>Revenues:</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Program Revenues:					
Fines, Fees, and charges for services	\$ 21,326,615	\$ 22,191,548	\$ 23,967,749	\$ 26,737,527	\$ 26,028,235
Operating grants and contributions	15,399,801	24,077,473	19,256,841	23,082,496	32,325,763
Capital grants and contributions	8,097,759	4,034,874	34,373,174	5,120,485	8,230,673
General Revenues:					
Property taxes	42,030,584	43,574,555	43,601,755	47,426,199	48,886,418
Use taxes	15,498,001	14,499,364	16,040,767	19,974,618	20,937,292
Unrestricted investment earnings	1,720,663	2,679,977	817,608	(1,536,542)	3,433,244
Gain (loss) on sale of capital asset	-	-	258,268	-	-
Transfers	1,097,375	2,712,671	2,418,192	2,450,383	2,522,772
<b>Total Revenues</b>	<b>105,170,798</b>	<b>113,770,462</b>	<b>140,734,354</b>	<b>123,255,166</b>	<b>142,364,397</b>
<b>Expenses:</b>					
Primary Government					
General government	9,490,305	14,013,746	15,841,518	10,554,185	12,010,614
Public safety	45,008,775	48,459,147	51,411,826	43,867,072	48,420,926
Highways and streets	17,713,304	16,894,003	15,574,968	12,145,848	16,837,259
Culture and recreation	11,965,388	13,737,843	11,099,679	11,055,941	13,512,123
Community development	7,933,411	6,270,370	9,581,961	10,740,631	13,798,648
Interest on long-term debt	3,487,880	3,211,424	2,571,666	3,818,869	4,119,002
<b>Total Expenses</b>	<b>95,599,063</b>	<b>102,586,533</b>	<b>106,081,618</b>	<b>92,182,546</b>	<b>108,698,572</b>
Increase (decrease) in net position	9,571,735	11,183,929	34,652,736	31,072,620	33,665,825
Net position- July 1	270,266,436	279,838,171	291,022,100	325,674,836	356,747,456
<b>Total Net Position</b>	<b>\$ 279,838,171</b>	<b>\$ 291,022,100</b>	<b>\$ 325,674,836</b>	<b>\$ 356,747,456</b>	<b>\$ 390,413,281</b>

Source: City Audited Financial Statements.



A five-year summary of the City's General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance follows.

### General Fund Balance Sheet (Fiscal Years)

<b>Assets</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Cash and investments	\$ 25,249,663	\$ 26,864,322	\$ 46,179,021	\$ 40,561,000	\$ 47,338,744
Receivables					
Accounts	2,244,563	4,428,468	2,512,295	3,178,975	3,286,460
Taxes	2,365,206	2,297,941	1,443,774	1,461,657	1,665,603
Leases	-	-	-	532,056	387,823
Prepaid items	-	-	-	-	269,133
Inventory	43,480	50,034	48,303	44,493	46,334
Restricted cash and cash equivalents	76,579	126,233	97,838	109,905	106,907
Advances to other funds	1,735,331	-	-	-	450,000
<b>Total Asset</b>	<b>31,714,822</b>	<b>33,766,998</b>	<b>50,281,231</b>	<b>45,888,086</b>	<b>53,551,004</b>
<b>Liabilities, Deferred Inflow of Resources, and Fund Balances</b>					
Liabilities:					
Accounts payable	1,109,897	806,516	715,835	992,975	1,268,359
Payroll and related accruals	1,683,027	1,390,636	2,220,928	2,260,282	2,381,183
Retainage payable	-	-	3,991	37,899	-
Customer deposits	840,740	910,050	261,195	174,767	354,559
Unearned revenue	-	553,383	9,593,770	386,475	2,133,748
Advances from other funds	-	-	-	-	45,000
<b>Total Liabilities:</b>	<b>3,633,664</b>	<b>3,660,585</b>	<b>12,795,719</b>	<b>3,852,398</b>	<b>6,182,849</b>
Deferred Inflow of Resources:					
Unavailable revenue - property taxes	1,826,622	1,807,512	874,658	1,061,463	379,508
Leases	-	-	-	532,056	1,192,042
<b>Total Deferred Inflow of Resources:</b>	<b>1,826,622</b>	<b>1,807,512</b>	<b>874,658</b>	<b>1,593,519</b>	<b>1,571,550</b>
Fund Balances:					
Nonspendable	1,778,811	50,034	48,303	44,493	765,467
Committed	4,328,596	4,328,596	4,443,125	4,146,198	3,940,228
Assigned	17,630,300	17,630,300	19,365,100	19,365,100	36,018,400
Unassigned	2,516,829	6,289,971	12,754,326	16,886,378	5,072,510
<b>Total Fund Balances</b>	<b>26,254,536</b>	<b>28,298,901</b>	<b>36,610,854</b>	<b>40,442,169</b>	<b>45,796,605</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balance</b>	<b>\$ 31,714,822</b>	<b>\$ 33,766,998</b>	<b>\$ 50,281,231</b>	<b>\$ 45,888,086</b>	<b>\$ 53,551,004</b>

Source: City Audited Financial Statements.

**General Fund Statement of Revenues, Expenditures and  
Changes in Fund Balance  
(Fiscal Years)**

<b>Revenues</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Taxes					
Property	38,149,840	39,647,983	43,785,225	43,399,612	44,738,762
Franchise and lodging	11,654,963	10,968,630	11,509,222	12,317,455	13,039,203
Other	405,731	-	-	-	-
Charges for services	1,983,792	1,529,228	1,973,794	2,149,158	2,486,934
Fines and penalties	2,091,059	1,880,587	1,854,023	2,348,701	2,092,145
Intergovernmental	5,644,024	4,805,460	5,505,220	5,122,488	6,033,618
Licenses, permits, and fees	622,720	714,874	725,647	687,469	703,325
Investment earnings	502,772	779,457	167,459	(594,950)	872,535
Grants and contributions	685,214	2,955,948	1,670,662	3,950,137	3,345,609
Other revenue	286,180	312,986	124,277	622,940	340,142
<b>Total Revenues</b>	<u>62,026,295</u>	<u>63,595,153</u>	<u>67,315,529</u>	<u>70,003,010</u>	<u>73,652,273</u>
<b>Expenditures</b>					
General government	8,996,264	10,443,415	10,443,237	10,629,943	11,935,901
Public safety	37,194,682	38,886,407	40,100,690	41,757,732	43,473,687
Culture and recreation	7,784,508	8,135,244	7,086,509	8,122,139	8,506,374
Community development	1,984,047	2,257,337	2,359,583	4,262,487	4,697,173
Capital outlay	1,978,359	2,009,432	625,752	2,254,837	1,808,986
<b>Total Expenditures</b>	<u>57,937,860</u>	<u>61,731,835</u>	<u>60,615,771</u>	<u>67,027,138</u>	<u>70,422,121</u>
Excess (deficiency) of revenues over expenditures	<u>4,088,435</u>	<u>1,863,318</u>	<u>6,699,758</u>	<u>2,975,872</u>	<u>3,230,152</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	3,059,417	11,310,130	8,779,268	9,265,792	10,059,821
Transfers out	(6,085,966)	(11,129,083)	(7,167,073)	(8,410,349)	(7,935,537)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,026,549)</u>	<u>181,047</u>	<u>1,612,195</u>	<u>855,443</u>	<u>2,124,284</u>
<b>Change in fund balance</b>	1,061,886	2,044,365	8,311,953	3,831,315	5,354,436
Fund balance at beginning of year	<u>25,192,650</u>	<u>26,254,536</u>	<u>28,298,901</u>	<u>36,610,854</u>	<u>40,442,169</u>
Ending fund balance	<u>\$ 26,254,536</u>	<u>\$ 28,298,901</u>	<u>\$ 36,610,854</u>	<u>\$ 40,442,169</u>	<u>\$ 45,796,605</u>

Source: City Audited Financial Statements.

*Fiscal Year 2024 Estimate.* The City currently projects Fiscal Year 2024 General Fund revenues of approximately \$79.66 million, expenditures of \$76.96 million, and an ending balance of \$53.7 million. As noted above in “Purpose and Use of Proceeds”, the City intends to contribute \$4 million of General Fund dollars to the Project in Fiscal Year 2025.

### Budgetary Process

The City prepares an annual budget in accordance with Oregon Local Budget Law (ORS Chapter 294) which establishes standard procedures for all budget functions for Oregon local governments. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced.

The City’s administrative staff evaluates the budget requests of the various departments of the City to determine the funding levels of the operating programs. The budget is presented to the public through public hearings held by a budget committee consisting of Board members and lay members. After giving due consideration to

the input received from the citizens, the City Council adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted no later than June 30 of each Fiscal Year.

The budget may be amended during the applicable Fiscal Year through the adoption of a supplemental budget. Supplemental budgets may be adopted by the Board pursuant to ORS 294.471.

### General Fund Adopted Budget (Fiscal Years)

	2021-23 Biennium	2023-25
Resources	Adjusted Budget	Biennium Adopted Budget
Property Taxes	\$ 86,673,600	\$ 95,596,500
Franchise Fees	18,419,800	20,573,800
User Taxes	3,690,000	5,945,000
Licenses	1,002,000	1,100,000
Permits	237,500	257,000
State Shared Revenue	4,939,000	5,600,000
Grants	11,116,430	2,289,900
Charges For Services	3,067,190	3,981,000
General Government	248,985	120,000
Intergovernmental	4,849,200	5,093,000
Fines & Forfeitures	3,787,000	5,049,000
Contribution & Donations	67,000	-
Interest Income	668,000	1,158,400
Concessions	28,000	26,000
Sales	2,400	-
Sale of Property	60,260	-
Service Pay & Transfers	20,235,300	22,662,600
Beginning Fund Balance	40,389,000	43,491,100
<b>Total Resources</b>	<b>\$ 199,480,665</b>	<b>\$ 212,943,300</b>
<b>Requirements</b>		
Personnel Services	\$ 103,295,750	\$ 117,152,100
Materials and Services	35,698,105	35,249,100
Capital Outlay	3,765,660	1,714,000
Capital Improvement	3,935,400	1,555,300
Transfers and Special Payments	26,687,200	13,323,300
Contingency	2,807,600	4,000,000
Unappropriated	23,290,950	39,949,500
<b>Total Requirements</b>	<b>\$ 199,480,665</b>	<b>\$ 212,943,300</b>

NOTE: Includes General Fund and Pers Reserve Fund. Funds are budgeted separately, but rolled together for audit presentation.

Source: City Adopted Biennial Budget 2023-2025.

### Investments

ORS 294.035 authorizes Oregon political subdivisions to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed by the Oregon Short Term Fund Board. ORS 294.052 authorizes Oregon political subdivisions to invest proceeds of bonds or certificates of participation and amounts held in a fund or account for such bonds or certificates of participation under investment agreements if the

agreements: (i) produce a guaranteed rate of return; (ii) are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and (iii) require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent. The City has its own investment policy which is available upon request.

Political subdivisions are also authorized to invest approximately \$59.85 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" (ORS 293.726) and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. A listing of investments held by the Oregon Short-Term Fund is available on the Oregon State Treasury website under "Other OSTF Reports - OSTF Detailed Monthly Reports" at [http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx).

## **Pension System**

*General.* The City participates in a retirement pension benefit program under the State of Oregon Public Employees Retirement System ("PERS" or the "System"). After six full months of employment, all City employees are required to participate in PERS. Employer contribution rates are calculated as a percentage of covered payroll. Employees are required to contribute six percent of their annual salary as well; however, employers are allowed to pay the employees' contribution in addition to the required employers' contribution. See "Employer Contribution Rates" herein.

*T1/T2 Pension Programs.* Employees hired before August 29, 2003 participate in the "Tier 1" or "Tier 2" pension programs (the "T1/T2 Pension Programs"). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Between January 1, 2004 and June 30, 2020, six percent of each employee's salary was contributed to fund individual retirement accounts under a separate defined contribution program known as the Individual Account Program (the "IAP"). Effective July 1, 2020, the six percent contribution for employees who earn in excess of \$2,500 per month (indexed annually for inflation) was split in two, with two-and-one-half percent of the employee's salary deposited in the "Employee Pension Stability Account" ("EPSA") and 3.50 percent of salary sent to the IAP. The threshold amount was raised in June 2021 to \$3,333 per month (indexed annually for inflation). Effective January 1, 2024, the monthly threshold for this contribution is \$3,688 per month.

*OPSRP.* Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan ("OPSRP") unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a defined benefit pension plan, but also provides access to the IAP. As stated above, effective July 1, 2020, the six percent contribution for employees that earn in excess of \$2,500 per month (indexed annually for inflation) was split in two, with 0.75 percent of the employee's salary deposited in the EPSA and 5.25 percent of salary sent to the IAP. Effective January 1, 2024, the monthly threshold for this contribution split is \$3,688 per month.

*RHIA/RHIPA.* The Oregon PERS Health Insurance Program offers optional medical, dental, and long-term care insurance plans to eligible T1/T2 retirees, their spouses, and dependents. See "Other Postemployment Benefits, Retirement Health Insurance Account" herein.

*Actuarial Valuation.* Actuarial valuations are performed annually as of December 31 of each year and are designed to measure the liabilities, assets and funded status of the System for each employer, as well as determine employer contribution rates. The valuations are based on complex models which utilize assumptions on rates of return, payroll growth rates and demographic trends. The valuations as of December 31 of odd-number years are used by the Oregon Public Employees Retirement System Board (the "PERB") to set employer contribution rates; valuations as of even-numbered years are used for advisory purposes only. Should the assumptions used in the actuarial model prove inaccurate, liabilities of the System may be higher or lower than estimated. Any increases or decreases in liabilities will be absorbed into future contribution rates assessed against employer payrolls. An employer's unfunded actuarial liability ("UAL") is equal to the excess of the actuarially determined present value

of the employer's benefit obligations to employees over the existing assets available to pay those benefits. PERS' current actuary is Milliman, Inc. ("Milliman," or the "Actuary").

Actuarial valuations are performed for the entire System (the "System Valuation"), and for most participating employers, including the City (the "City Valuation"). Valuations are released nine to eleven months after the valuation date. Current payroll rates are based on the System's actuarial valuation report as of December 31, 2021 (the "2021 Valuation"), and those rates will extend through June 30, 2025, including the rates for the City. The Summary of the December 31, 2023 System-wide Valuation Results (the "Summary 2023 Valuation"), was released at the July 26, 2024 PERS Board meeting. The Summary 2023 Valuation provides System, School Pool and SLGRP rates for the 2025-27 biennium. The Summary 2023 Valuation shows that rates on both a System-wide basis and for the pool in which the City participates are projected to rise. See "Actuarial Assumptions" and "Employer Contribution Rates" herein. However, final payroll rates for the City itself for the 2025-27 biennium will depend on the results of the individual 2023 Valuation, which should be available in October 2024.

Valuation Date	Release Date	Rates Effective
December 31, 2019	October 2020	July 1, 2021 - June 30, 2023
December 31, 2020	December 2021	Advisory only for July 1, 2023 – June 30, 2025
December 31, 2021	October 2022	Current Rates: July 1, 2023 – June 30, 2025
December 31, 2022	December 2023	Advisory only for July 1, 2025 – June 30, 2027
December 31, 2023	October 2024	July 1, 2025 – June 30, 2027

*System Actuarial Organization.* An employer participates in PERS either on an independent basis, or through an actuarial pool, as follows:

#### T1/T2 Pension Programs

- *Independents:* An Independent Employer is one for whom its T1/T2 Pension Programs assets and liabilities are based on an actuarial analysis performed on its employee base. The City is not an independent employer.
- *School District Pool:* All kindergarten through grade 12 public school district and education service district public employers are pooled for actuarial purposes for the T1/T2 pension programs (the "School District Pool"). Each School District Pool member's allocated share of the pool's assets and liabilities is based on the member's proportionate share of the School District Pool's pooled payroll, which share may shift in the future due to relative growth in payroll. Further, a school district's Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. The City is not a member of the School District Pool.
- *State and Local Government Rate Pool:* For the T1/T2 Pension Programs, all State agencies, certain Oregon local governments and all community college public employers are pooled (the "State and Local Government Rate Pool" or "SLGRP"). Each SLGRP member's allocated share of the pool's assets and liabilities is based on the member's proportionate share of the SLGRP's pooled payroll which share may shift in the future due to relative growth in payroll. Further, the City's Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. **The City is a member of the SLGRP.**

#### OPSRP

- *OPSRP's* assets and liabilities are pooled on a System-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The City's allocated share of OPSRP's assets and liabilities is based on the City's proportionate share of OPSRP's pooled payroll.

*Actuarial Assumptions.* Actuarial assumptions are set each biennium and are applied to the System's valuations. Significant actuarial assumptions and methods used since the 2020 System Valuation included (a) the Entry Age Normal method, (b) asset valuation method based on market value, (c) the assumed earnings rate (the "Assumed

Rate”) on the investment of present and future assets of 6.90 percent, (d) payroll growth rate of 3.40 percent, (e) consumer price inflation of 2.40 percent per year, (f) UAL amortization method of a level percentage of payroll, with the 2019 UAL attributable to the Tier 1 and Tier 2 pension programs amortized over a 22-year period, and all subsequent UALs attributable to Tier 1 and Tier 2 amortized over a 20-year period. Any UAL attributable to OPSRP is amortized over 16 years (fixed) from the date of the first rate-setting valuation at which the UAL is recognized, (g) a rate collar to limit increases or decreases in employer contribution rates from biennium to biennium (the “Rate Collar”) (see “Rate Collar” herein), and (h) a portion of the IAP is redirected to the EPSA resulting in a direct offset and reduction of Employer contribution. Beginning with the 2022 Valuation, payrolls shall be assumed to grow at an additional 2 percent above the 3.40 percent base assumption for the next two years.

*Employer Contribution Rates.* Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the Oregon Public Employees Retirement Fund (“OPERF”), including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations, litigation, decisions by the PERB and changes in benefits resulting from legislative modifications. Pursuant to ORS 238.225, all participating employers are required to make their contribution to PERS based on the employer contribution rates set by the PERB. Employees are required to contribute six percent of their annual salary to the IAP and, if applicable, the EPSA. Employers are allowed to pay the employees’ contribution in addition to the required employers’ contribution. The City has elected to make the employee contributions on behalf of its employees for the OPSRP IAP.

*Rate Collar.* The PERB uses a rate collar (the “Rate Collar”) to limit increases (or decreases) in employer contribution rates from biennium to biennium in order to smooth the impact of significant increases or decreases from one valuation to the next.

Beginning with the 2023-25 biennium, for employers participating in either the School District pool or the SLGRP, the collar will be applied as a fixed percentage of payroll, with a limit of three percent of pay for the Tier 1/Tier 2 UAL rate and one percent of pay for OPSRP rate. Further, reductions in the UAL rate would not be allowed unless a funded level thresholds of at least 88 percent is reached, at which point a portion of the reduction would be allowed, gradually increasing until the funded status reaches 90 percent, when the full reduction would be permitted. A wider rate collar was adopted for independent employers who do not participate in either the School District pool or the SLGRP.

*System Funded Status & UAL.* According to the 2023 System Valuation, the UAL for the System as of December 31, 2023 was \$29.4 billion, and the funded status, excluding Side Accounts for the System, was approximately 72 percent. This is an increase in UAL and decrease in funded status from the 2022 Valuation, which estimated that the UAL for the System was \$28.6 billion and the funded status was approximately 73 percent, excluding side accounts, due to investment underperformance in 2023 and changes in salary growth assumptions.

The funded status of PERS and related contribution rates of the City will change over time depending on a variety of factors, including the market performance of the investments in which the OPERF is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members, methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS, legislative or judicial actions, and other actions taken by the PERB. The annual rate of return on the OPERF in 2023 was 5.98 percent, which was lower than the assumed earnings rate of 6.90 percent and will lead to rate increases (see City Contribution Rates herein). Year to date return in 2024 through June was 3.34 percent, which is also lower than the current assumed earnings rate. Total returns in 2023 and thereafter, along with the factors mentioned above, may affect the System-wide and City UALs and related contribution rates in future valuations. Under current PERS policies, modification to contribution rates based upon investment performance in 2022 and 2023 will occur during the 2025-27 biennium.

The table below includes the UAL and funded status for the System and the pool in which the City participates from the five most recent actuarial valuations.

**Unfunded Actuarial Liability and Funded Status<sup>(1)</sup>**  
**(\$ in millions)**

Valuation Date	System <sup>(2)</sup>		SLGRP	
	UAL	Funded Status	UAL	Funded Status
12/31/22	\$ 28,032.9	72.8%	\$ 14,126.9	75.9%
12/31/21	20,038.2	79.6%	10,839.3	77.0%
12/31/20	28,043.8	70.6%	14,497.3	68.7%
12/31/19	24,600.0	72.0%	12,700.0	71.0%
12/31/18	27,000.0	69.0%	13,800.0	68.0%

(1) Does not take into account offsets for deposits made by individual employers from pension bond proceeds or cash on hand in side accounts (see "Side Accounts and Pension Bonds" herein).

(2) System UAL includes total of SLGRP, School District Pool, Independent Employers, and OPSRP.

Source: System Valuations and PERS.

*Side Accounts and Pension Bonds.* Some jurisdictions, including the City, have issued pension bonds (the "Pension Bonds") and/or used other cash resources to make lump sum payments to PERS. For most jurisdictions, these lump sum payments have been deposited into a "side account" (the "Side Accounts") that is amortized over a fixed period and used to reduce the contribution rates of the jurisdiction that makes the deposit. Jurisdictions that issued pension bonds in order to make a lump sum deposit also have debt service payments due on their bonds. See "Outstanding Long-Term Debt" herein.

The City has made a lump sum deposit to PERS as follows:

**City of Medford**  
**Side Account Deposits**

Date	Original Deposit	Value of Side Account as of 2022 Valuation	Source of Funds	Projected End Date of Rate Credits
5/27/04	\$30,577,630	\$15,781,400	Bonds	12/31/27

Source: The City and PERS.

Debt service is also due on the Pension Bonds as follows:

**City of Medford**  
**Projected Pension Bond Debt Service**

Fiscal Year	Outstanding Pension Bonds		Total
	Principal	Interest	Debt Service
2025	\$ 3,095,000	\$ 745,419	\$ 3,840,419
2026	3,475,000	556,778	4,031,778
2027	3,880,000	344,977	4,224,977
2028	1,780,000	108,491	1,888,491
	<u>\$ 12,230,000</u>	<u>\$ 1,755,665</u>	<u>\$ 13,985,665</u>

Source: The City.

*Net Unfunded Actuarial Liability.* The City's net unfunded pension UAL is the total of the City Allocated T1/T2 UAL and City Allocated OPSRP UAL, less the balance in the City's Side Account, if any. The City's net unfunded

pension UAL as reported in the City's actuarial valuation reports as of December 31, 2019 (the "2019 City Valuation"), December 31, 2020 (the "2020 City Valuation"), December 31, 2021 (the "2021 City Valuation") and as of December 31, 2022 (the "2022 City Valuation") is shown in the following table. Information from the December 31, 2023 Valuation is expected to be available in October 2024.

**City of Medford  
Net Unfunded Pension Liability**

	2019 Valuation	2020 Valuation	2021 Valuation	2022 Valuation
Allocated pooled T1/T2 UAL	\$ 79,596,200	\$ 89,634,328	\$ 66,883,227	\$ 84,509,146
Allocated pre-SLGRP pooled liability/(surplus)	-	-	-	-
Transition liability/(surplus)	-	-	-	-
Allocated pooled OPSRP UAL	6,953,361	9,029,140	5,640,762	12,130,105
City's Side Account	(21,018,856)	(19,065,607)	(19,594,337)	(15,781,400)
Net unfunded pension actuarial accrued liability/(surplus)	<u>\$ 65,530,705</u>	<u>\$ 79,597,861</u>	<u>\$ 52,929,652</u>	<u>\$ 80,857,851</u>

Note: The pre-SLGRP pooled liability/(surplus) is the liability or surplus that existed when the State/Community College pool and the LGRP were discontinued and the SLGRP was formed. These are pooled liabilities/surpluses. The transition liability/(surplus) is the liability or surplus that was created when the individual employer joined the SLGRP and is solely the individual employer's.

Source: City Valuations.

**City Contribution Rates.** The City's prior contribution rates for the 2021-23 biennium under the 2019 City Valuation, current contribution rates for the 2023-25 biennium under the 2021 City Valuation and advisory rates for the 2025-27 biennium under the 2022 City Valuation are provided in the following table. Actual payroll rates for the 2025-27 biennium may be higher than shown in the 2022 City Valuation based upon weaker investment performance and stronger payroll growth in calendar year 2023 than are assumed in the PERS actuarial model. The weighted average increase in collared base payroll rates from the 2021 Valuation for SLGRP members without Side Accounts is projected to be 1.10 percent of payroll. For those with Side Accounts, including the City, the weighted average increase from the 2021 Valuation is expected to be 3.45 percent of payroll. Specific information will be provided in the 2023 City Valuation, which is expected to be available in October 2024.

**City of Medford  
Pension Contribution Rates (Percent of Covered Payroll)**

	2019 Valuation			2021 Valuation			2022 Valuation		
	<u>2021-23 Biennium</u>			<u>2023-25 Biennium</u>			<u>Advisory Rates 2025-27 Biennium</u>		
	T1/T2	OPSRP General	OPSRP P&F	T1/T2	OPSRP General	OPSRP P&F	T1/T2	OPSRP General	OPSRP P&F
Normal cost rate	17.68	8.64	13.00	18.79	9.89	14.68	19.16	10.55	15.14
T1/T2 UAL rate <sup>(1)</sup>	12.60	12.60	12.60	12.46	12.46	12.46	12.54	12.54	12.54
Multnomah Fire District #10 UAL rate	-	0.00	0.00	0.15	0.15	0.15	0.08	0.08	0.08
OPSRP UAL rate	1.69	1.69	1.69	1.69	1.69	1.69	2.62	2.62	2.62
Transition liability/(surplus) rate	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-SLGRP pooled liability rate	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Side account rate relief	(7.23)	(7.23)	(7.23)	(7.96)	(7.96)	(7.96)	(6.87)	(6.87)	(6.87)
Member redirect offset <sup>(2)</sup>	(2.45)	(0.70)	(0.70)	(2.40)	(0.65)	(0.65)	(2.40)	(0.65)	(0.65)
Retiree Healthcare rate (RHIA) <sup>(3)</sup>	0.05	0.00	0.00	0.04	0.00	0.00	0.04	0.00	0.00
<b>Total net contribution rate (%)</b>	<u>22.34</u>	<u>15.00</u>	<u>19.36</u>	<u>22.77</u>	<u>15.58</u>	<u>20.37</u>	<u>25.17</u>	<u>18.27</u>	<u>22.86</u>

- (1) For the 2019 Valuation, includes Multnomah Fire District #10 UAL rate.
- (2) Redirected member contributions (2.50 percent of payroll for Tier 1/Tier 2 and 0.75 percent of payroll for OPSRP) will be used to offset employer contribution rates. The redirect of the IAP does not apply to members with monthly pay below a certain threshold. The values shown in the table incorporate an estimate of the effect of this limitation. (See "Pension System herein)."
- (3) Contribution rates to fund RHIA benefits are included in the total City employer contribution rate, but are not a cost related to pensions. See "Other Postemployment Benefits - Retirement Health Insurance Account" below.

Source: 2019 City Valuation, 2021 City Valuation, 2022 City Valuation.



*City Contributions.* The City's historical and projected annual contributions to PERS and pension bond debt service are provided in the following table.

**City of Medford  
Pension Contributions**

<b>Fiscal Year</b>	<b>City Contribution<sup>(1)</sup></b>	<b>Pension Bond Debt Service</b>	<b>Total</b>
2024 <sup>(2)</sup>	\$ 8,834,983	\$ 3,657,726	\$ 12,492,709
2023	7,913,696	3,488,891	11,402,587
2022	7,573,721	3,322,311	10,896,032
2021	7,042,604	3,159,190	10,201,794
2020	6,792,151	3,006,032	9,798,183
2019	5,289,060	2,859,039	8,148,099

(1) City's contribution to PERS which includes the OPSRP employee contribution paid by the City and is net of the side account rate credit draw.

(2) Unaudited..

Source: *City of Medford and City Audited Financial Statements.*

*GASB 67 and GASB 68.* GASB Statements No. 67 and No. 68 modify the accounting and financial reporting of pensions by state and local governments and pension plans. Statement No. 67 ("GASB 67"), Financial Reporting for Pension Plans, addresses financial reporting for state and local government pension plans. Statement No. 68 ("GASB 68"), Accounting and Financial Reporting for Pensions, establishes accounting and financial reporting requirements for governments that provide their employees with pensions. The PERS System is subject to GASB 67; each participating employer, including the City is subject to GASB 68. PERS contracted with Milliman to provide information for local governments to use in their financial statements.

The City's proportionate share of the System's net pension liability and pension expense under GASB 68 follows.

**City of Medford  
Pension Amounts under GASB 68**

<b>Measurement Date</b>	<b>City's Share of Net Pension Liability</b>	<b>City's Proportionate Share</b>	<b>Pension Expense</b>
6/30/2023	\$ 80,440,290	0.429%	\$ 12,859,932
6/30/2022	61,964,416	0.405%	7,495,545
6/30/2021	46,034,974	0.385%	5,523,143
6/30/2020	87,088,775	0.399%	19,098,443
6/30/2019	69,197,137	0.400%	17,253,842

Source: *Oregon Public Employees Retirement System- GASB 68 Exhibits prepared by Milliman.*

**Other Postemployment Benefits**

*Retirement Health Insurance Account.* PERS retirees who receive benefits through the Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA plan. The RHIA program's assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. According to the 2022 Valuation, this program had a surplus of approximately \$374.9 million as of December 31, 2022. The City's allocated share of the RHIA program's assets and liabilities is based on the City's proportionate share of the program's pooled payroll. According to the 2022 City Valuation, the City's allocated share of the RHIA program's surplus was \$1,302,471.

*Medical Benefits - Implicit Subsidy.* Under ORS 243.303 the City is required to offer the same healthcare benefits for current City employees to all retirees and their dependents until such time as the retirees are eligible for Medicare. This is referred to as an “implicit subsidy” and requires that the corresponding liability be determined and reported.

The City’s projections of total OPEB Liability follows:

**City of Medford**  
**Projection of Total OPEB Liability – Implicit Rate Subsidy**

	2019	2020	2021	2022	2023	2024
Total liability beginning of Fiscal Year	\$ 4,201,076	\$ 4,668,677	\$ 5,615,089	\$ 5,540,003	\$ 5,208,782	\$ 5,213,846
Changes for the year:						
Service cost	244,641	310,314	404,031	364,329	375,261	335,840
Interest	153,370	171,777	133,337	130,596	192,791	204,700
Differences between expected and actual experience	17,080	-	(404,448)	-	(306,946)	-
Changes in assumptions	179,951	606,476	(21,908)	(625,972)	(104,596)	-
Benefit payments	(127,441)	(142,155)	(186,098)	(200,175)	(151,446)	(182,029)
Net change in total OPEB liability	467,601	946,412	(75,086)	(331,222)	5,064	358,511
Balance end of Fiscal Year	\$ 4,668,677	\$ 5,615,089	\$ 5,540,003	\$ 5,208,781	\$ 5,213,846	\$ 5,572,357
Covered payroll	\$ 39,119,579	\$ 40,734,809	\$ 43,673,110	\$ 43,656,600	\$ 38,323,665	\$ 39,664,993
Total OPEB liability as percentage of covered payroll	11.93%	13.78%	12.69%	11.93%	13.60%	14.05%

Source: City of Medford Subsidized Retiree Health Benefits Actuarial Valuation Report as of July 1, 2022.

See Note 3 of the City’s audited financial statements for Fiscal Year 2023 for more information.

### **Paid Leave**

In 2019, the Legislature adopted House Bill 2005 (“HB 2005”) to create a family and medical leave insurance program to provide to employees and certain other individuals compensated time off from work for up to 12 weeks to: (1) care for a child following birth or adoption; (2) care for a family member with a serious health condition; or (3) recover from an individual’s own serious health condition. Unless employers have an equivalent program in place, they are required to withhold and contribute 0.6 percent of each worker’s wages as the employee contribution to the fund. For larger organizations – with 25 or more employees – the employer is also responsible for contributing on behalf of each of their workers. In those cases, the employer contribution is 0.4 percent of wages. The program has a ceiling for annual wages at \$132,900 for each employee. The Oregon Employment Department began collecting these contributions January 1, 2023. Employees will be able to apply for leave benefits beginning September 3, 2023. The required contributions are not expected to have a material impact on the City’s finances, however, there are additional, unknown costs in situations where the City will need to hire and/or backfill certain positions with overtime. The City cannot predict how many employees will take leave or when they will take leave, nor can it predict the potential implications on the finances or operations of the City.

### **Risk Management**

The City is exposed to various risks of loss. A description of the risks is provided in the City’s audited financial statements. The audited financial statement for Fiscal Year 2023 is attached hereto as Appendix B. See also “Certain Investment Considerations” herein.

## Demographic Information

### General

Medford is the largest city in southern Oregon and comprises a land area totaling 22.6 square miles. The City is the center of commerce, industry, transportation, finance and services for an immediate metropolitan area including Jackson and Josephine counties. Medford is the county seat of Jackson County (the “County”).

Historical data have been collected from generally accepted standard sources, usually from public bodies. This section bases information on the County and the City.



### Population

The following table shows the historical population for the State, the County and the City:

Population

July 1 <sup>(1)</sup>	State of Oregon	Jackson County	City of Medford
2023	4,291,525	222,949	90,887
2022	4,269,529	222,762	88,277
2021	4,263,827	224,208	87,353
2020	4,268,055	223,240	83,115
2019	4,236,400	221,290	81,465
April 1 <sup>(2)</sup>			
2020	4,237,256	223,259	85,824
2010	3,831,074	203,206	74,907
2000	3,421,399	181,269	63,687

(1) Source: Center for Population Research and Census, Portland State University.

(2) Source: U.S. Census Count on April 1.

### Economic Overview

The County's principal industries are healthcare, retail/manufacturing, government, agriculture, lumber, and tourism. Major employers in and around the City include Asante Health System (Rouge Valley Medical), Providence Medical Center, Medford School District, Jackson County, and Lithia Motors. Major agricultural commodities produced in the region include hay, pears, grapes, and vegetables.

As of May 2024, private education and health services accounts for 21.9 percent of the total non-farm employment in the County, while transportation and utilities accounts for 21.1 percent, government jobs 13.9 percent, professional and business services 9.1 percent, and manufacturing 7.7 percent.

*Income.* Historical personal income and per capita income levels for the County and the State are shown below:

**Jackson County and State of Oregon  
Total Personal and Per Capita Income**

Year	Jackson County				State of Oregon			
	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent
2023 <sup>(1)</sup>	N/A	N/A	N/A	N/A	\$ 280,569,400	\$ 53,896,000	\$ 66,281	\$ 12,732
2022	\$ 12,755,983	\$ 2,615,053	\$ 57,552	\$ 11,798	264,173,844	50,824,175	62,303	11,986
2021	12,770,524	2,515,069	56,928	11,212	262,382,376	48,851,668	61,646	11,477
2020	11,594,427	2,230,071	51,850	9,973	239,862,474	44,335,883	56,507	10,445
2019	10,484,815	2,199,063	47,187	9,897	219,982,662	43,014,685	52,178	10,203
2018	10,016,020	2,163,725	45,355	9,798	210,044,887	42,021,923	50,209	10,045

Note: Dollar estimates are in current dollars (not adjusted for inflation).

(1) As of fourth quarter, preliminary and subject to change.

Source: U.S. Department of Commerce, Bureau of Economic Analysis. County data as of November 16, 2023; State data as of March 29, 2024.

*Employment.* Non-farm employment within the County is described in the following tables:

**Jackson County  
Labor Force Summary <sup>(1)</sup>  
(by place of residence)**

							<u>2024 Change from</u>				
	2019	2020	2021	2022	2023	2024 <sup>(2)</sup>	2019	2020	2021	2022	2023
Civilian Labor Force	103,404	105,244	107,177	106,841	105,402	107,727	4,323	2,483	550	886	2,325
Unemployment	4,424	8,223	5,865	4,997	4,574	5,061	637	-3,162	-804	64	487
Percent of Labor Force	4.3%	7.8%	5.5%	4.7%	4.3%	4.7%	---	---	---	---	---
Total Employment	98,980	97,021	101,312	101,844	100,828	102,666	3,686	5,645	1,354	822	1,838

**Non-Agricultural Wage & Salary Employment <sup>(3)</sup>**

							<u>2024 Change from</u>				
	2019	2020	2021	2022	2023	2024 <sup>(2)</sup>	2019	2020	2021	2022	2023
Total Nonfarm Payroll Employment	89,950	85,700	87,590	88,682	89,453	89,900	-50	4,200	2,310	1,218	447
Total Private	78,500	74,540	76,490	77,580	77,805	77,530	-970	2,990	1,040	-50	-275
Mining, logging and construction	5,240	5,190	5,500	5,759	5,846	5,960	720	770	460	201	114
Manufacturing	8,050	7,670	7,690	7,393	7,165	6,840	-1,210	-830	-850	-553	-325
Trade, transportation, and utilities	20,000	19,410	20,030	20,098	19,698	18,910	-1,090	-500	-1,120	-1,188	-788
Information	1,210	1,060	1,000	1,028	939	930	-280	-130	-70	-98	-9
Financial activities	4,130	4,140	4,280	4,434	3,748	3,710	-420	-430	-570	-724	-38
Professional and business services	7,770	7,620	8,130	8,129	8,213	8,090	320	470	-40	-39	-123
Private education and health services	17,850	17,780	17,900	17,668	18,782	19,640	1,790	1,860	1,740	1,972	858
Leisure and hospitality	11,510	9,180	9,410	10,458	10,752	10,860	-650	1,680	1,450	402	108
Other services	2,750	2,490	2,560	2,611	2,662	2,590	-160	100	30	-21	-72
Government	11,440	11,160	11,110	11,102	11,648	12,370	930	1,210	1,260	1,268	722

(1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.

(2) Data for month of June; preliminary and subject to change.

(3) Nonfarm payroll data are based on the 1987 Standard Industrial Classification manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers, and domestics.

Source: State of Oregon Employment Department.

### Major Employers in the City

Company	Service	No. Employees
Asante Rogue Regional Medical Center	Health care/hospital	2,570
Providence Medical Center	Health care	2,546
Medford School District 549C	Schools	1,024
Jackson County	County government	1,001
Lithia Motors	Auto dealership	502
Rogue Valley Manor	Retirement community	500
City of Medford	Government	455
Pure Light Power	Solar installation	300
UNIFI Aviation, LLC	Aviation	256
Boise Cascade Company	Wood products	251
Transamerica Retirement Solutions Corporation	Investment services	250
PacifiCorp	Utility	211
Naumes, Inc.	Orchards	199
Harry & David Operations	Gourmet fruit & gifts	187
Stahlbush Island Farms, Inc.	Farm and food processor	187
Hearthstone Operator LLC	Nursing and rehabilitative services	160
Sabroso Company	Food manufacturing	150

Note: The above list of employers does not reflect layoffs or furloughs that may have occurred due to the impacts of the current pandemic. Total number of employees may include full, part-time, temporary and seasonal employment.

Source: Hoovers Business Database; data extracted March 21, 2024.

**Building Permits.** Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in the City are listed below:

### City of Medford Residential Building Permits

Year	New Single Family		New Multi Family				Total
	Number	Construction Cost	Number	Units	Construction Cost	Construction Cost	
2024 <sup>(1)</sup>	166	\$ 52,016,687	16	56	\$ 9,690,540	\$	61,707,227
2023	322	101,839,701	45	506	84,812,803		186,652,504
2022	264	80,468,158	10	46	6,094,691		86,562,849
2021	318	88,687,545	11	119	16,627,111		105,314,656
2020	265	73,184,181	4	20	2,343,156		75,527,337
2019	303	73,959,773	6	32	4,428,228		78,388,001

(1) As of June 2024.

Source: U.S. Census Bureau.

**Higher Education.** Southern Oregon University is a public liberal arts and sciences university located in Ashland, with a branch campus in Medford. The university offers bachelor and master degrees in more than 35 majors and more than 100 academic programs. Rogue Community College, which has a main campus in Josephine County, operates the Riverside Campus in downtown Medford. The branch campus was established in 1997 and currently includes 8 buildings totaling 103,130 square feet. Programs at the college include associate degrees, certificates, and training programs.

**Transportation.** The City is located along Interstate 5 between Portland and San Francisco with direct access to US 99West and four major state highways. Air transportation is available at Rogue Valley International-Medford Airport, which is owned and operated by Jackson County. Commercial air service is provided by Alaska Airlines,

Allegiant Air, American Eagle, Delta Connection, United Airlines, and United Express. Rail freight service is also available via the Central Oregon and Pacific Railroad (CORP).

*Healthcare.* Healthcare services are available at the Rogue Valley Medical Center and Providence Medford Medical Center.

## **Certain Investment Considerations**

*In addition to factors set forth elsewhere in this Official Statement, this section describes certain factors and considerations that purchasers of the Bonds should carefully consider in connection with an investment in the Bonds. The following is not meant to present an exhaustive list of the risks and considerations associated with the purchase of any Bonds (and other considerations that may be relevant to particular investors) and the order in which the information is presented does not necessarily reflect the relative importance of the various factors. Prospective investors are advised to consider the following factors, along with all other information contained or incorporated by reference in this Official Statement, in evaluating whether to purchase the Bonds. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.*

### **General**

*Economic Considerations.* Global and national economic conditions may have had, and may in the future have, significant effects on the finances and operations of the City and its property taxes. No assurance can be given that future changes in economic conditions will not have an effect on the City and its finances and operations, nor can there be any assurances the changes in economic conditions will not have an impact on the taxpayers of the City. Federal and State statutory and regulatory changes, administrative rulings, interpretations of policy, funding restrictions, whether taken as part of federal or State budgetary actions or otherwise, may reduce funds made available to the City to support certain programs and operations. At the same time, the federal or State government may maintain or increase the responsibilities of the City in certain areas, notwithstanding reductions in federal or State funding for such activities. It is difficult for the City to predict the occurrence of such economic or federal or State government changes or the potential effect on the finances and operations of the City and its property taxes until the extent and duration of such changes are known.

*Public Health Considerations.* The financial and operating condition of the City may be materially affected by a national or localized outbreak of an infectious disease, such as the outbreak of COVID-19, a respiratory illness caused by a novel strain of coronavirus, or other highly contagious or epidemic disease (an “Outbreak”). There can be no assurances that an Outbreak, including COVID-19 in the State, nationally and globally, will not materially affect the City, state and national economies and accordingly, materially adversely affect the operations and financial condition of the City. The City cannot predict the effects of such events. Further, there may be other developments related to the COVID-19 pandemic. The City does not expect to supplement this Official Statement based on those changes.

### **Cybersecurity**

The City, like other public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. The City and its departments routinely face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s information technology systems to misappropriate assets and/or information or to cause operational disruption and damage. The City has not had a material Cybersecurity incident in the past five years.

To reduce and mitigate the risk of business operations impact and/or damage from cybersecurity incidents, the City has invested in multiple forms of cybersecurity and operational safeguards. No assurances can be given that the security and operational control measures of the City will be successful in guarding against any and each cyber threat and attack.

The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the City and damage the digital networks and systems. The City cannot predict the outcome of any such attack, nor its effect on the operations and finances of the City.

### **Environmental Considerations**

The City, like all communities in the State, may be subject to unpredictable natural or man-made disasters, such as seismic events, seasonal storms, excessive/high winds, flood, fire, toxic dumping or acts of terrorism, any of which could adversely affect the City and the collection and receipt of revenues. In the event of such calamities, there may be significant damage to both property and infrastructure, including the City infrastructure. The occurrence of a severe natural disaster could have negative effects on the economic, financial and operational status of both the City and its citizens, which could have an adverse impact on the City's ability to make payments of principal of and interest on the Bonds.

*Seismic and Tsunami Risks.* The City is located in an area of seismic activity, with frequent small earthquakes and occasional moderate to larger earthquakes on the coast. The scientific consensus is that the Pacific Northwest region is subject to periodic great earthquakes along the Cascadia Subduction Zone, a large fault that runs offshore from Northern California to British Columbia. Historically, the Pacific Northwest has experienced 8.7 to 9.1 magnitude earthquakes every 300 to 400 years, and such seismic event has not occurred since at least 1700. Such an earthquake would cause widespread damage to structures and infrastructure in affected portions of the State, and potentially catastrophic damage in coastal areas inundated by a possible accompanying tsunami. The City cannot predict how such seismic activity could impact its revenue sources.

*Wildfire Risks.* In recent years, portions of the State have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. Within the last five years, the City has not experienced material wildfire damage within its boundaries. Property damage due to future wildfires could result in a significant decrease in the assessed value of property of the City. It is not possible for the City to make any representation or prediction regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the City or the extent to which wildfires may affect the value of taxable property within the City.

*Drought.* Areas of the State have experienced varying levels of drought conditions in recent years, and may experience extended drought conditions in the future. Over the last five years, the Governor declared drought emergencies in Jackson County in 2020, 2021, 2022 and 2023. As of August 20, 2024, the U.S. Drought Monitor reports that the majority of the County is experiencing severe drought conditions. Extended drought conditions may affect development of undeveloped properties and the value of properties within the boundaries of the City, which may negatively affect the financial condition and operations of the City.

### **No Acceleration; Limitation of Remedies**

The Bonds are not subject to acceleration. The rights of holders are limited by the terms of the Declaration. See "Description of the Bonds – Default and Remedies" herein.

### **Change in Law**

State legislation is introduced before the Oregon Legislative Assembly and as described below, initiatives and referenda are placed on the ballot from time to time that could affect the finances or operations of the City. The City cannot predict whether any such legislation, initiative or referenda will be introduced, enacted or approved in the future, nor can it predict the potential implications on the finances or operations of the City.

## **The Initiative and Referendum Process**

Article IV, Section 1 of the Oregon Constitution reserves to the people of the State the initiative power to amend the State Constitution or to enact legislation by placing measures on the statewide general election ballot for consideration by the voters. Oregon law therefore permits any registered Oregon voter to file a proposed initiative with the Oregon Secretary of State's office without payment of fees or other burdensome requirements.

Consequently, a large number of initiative measures are submitted to the Oregon Secretary of State's office, and a much smaller number of petitions obtain sufficient signatures to be placed on the ballot.

Because many proposed statewide initiative measures are submitted to the Oregon Secretary of State's office that do not qualify for the ballot, the City does not formally or systematically monitor the impact of those measures or estimate their financial effect prior to the time the measures qualify for the ballot. The City also does not formally or systematically monitor efforts to qualify measures for the ballot that would initiate new provisions for, or amend, the City's charter and ordinances. Consequently, the City does not ordinarily disclose information about proposed initiative measures that have not qualified for the ballot.

Pursuant to ORS 250.125, a five-member Committee composed of the Secretary of State, the State Treasurer, the Director of the Department of Revenue, the Director of the Department of Administrative Services, and a local government representative must prepare an estimate of the direct financial impact of each measure ("Financial Estimate Statements") to be printed in the voters' pamphlet and on the ballot.

### **Initiative Process**

To place a proposed statewide initiative on a general election ballot, the proponents must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. Any elector may sign an initiative petition for any measure on which the elector is entitled to vote. Statewide initiatives may only be filed for general elections in even-numbered years.

A statewide initiative petition must be submitted to the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition. Once an initiative measure has gathered a sufficient number of signatures and qualified for placement on the ballot, the State is required to prepare a formal estimate of the measure's financial impact. Typically, this estimate is limited to an evaluation of the direct dollar impact.

*November 2024 Election.* There were two initiative petitions that garnered sufficient signatures to qualify for the November 2024 ballot, one of which if approved could affect individual and corporate finances in the State. Initiative Petition 17 ("IP17", also referred to as Measure 118), is entitled "Corporate Tax Revenue Rebate for Residents" and if passed would provide revenue to all individuals residing more than 200 days annually in the State by increasing corporate minimum tax by an additional 3 percent on Oregon sales exceeding \$25,000,000 and eliminating the current tax cap beginning in 2025. The Measure directs the Oregon Department of Revenue to equally distribute increased revenue (minus certain costs) to all eligible individuals. If approved, the measure may affect individual and corporate finances in ways that cannot be predicted. At this time the City does not expect that passage of IP17, would have a material impact on its revenues or its ability to repay the Bonds.



*Historical Initiative Petitions.* Historically, a larger number of initiative measures have qualified for the ballot than have been approved by the electors. According to the Elections Division of the Secretary of State, the total number of initiative petitions that qualified for the ballot and the numbers that passed in recent general elections are as follows:

#### Recent Initiative Petitions

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2014	4	2
2016	4	3
2018	4	0
2020	2	2
2022	2	2
2024	2	N/A

Source: Elections Division, Oregon Secretary of State, Initiative, Referendum and Referral Log, Elections Division.

### Referendum

“Referendum” generally means measures that have been passed by a legislative body, such as the Legislative Assembly or the governing body of a district, county or other political subdivision and referred to the electors by the legislative body, or by petition prior to the measure’s effective date.

In Oregon, both houses of the Legislative Assembly must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. Any change to the Oregon Constitution passed by the Legislative Assembly requires referral to voters. In the case of a referendum by petition, proponents of the referendum must obtain a specified number of signatures from qualified voters. The required number of signatures is equal to four percent of the votes cast for all candidates for governor at the preceding gubernatorial election. There are three legislative referrals that have been approved for the November 2024 ballot.

### City Charter

In addition to statutory and constitutional changes by the Legislative Assembly and the initiative and referendum process, the independent basis of legislative authority has been granted to cities in Oregon by municipal charters. A copy of the City Charter is available upon request from the City.

## Legal Matters and Litigation

### Legal Matters

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix A. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

### Litigation

There is no litigation pending questioning the validity of the Bonds nor the power and authority of the City to issue the Bonds. There is no litigation pending which would materially affect the finances of the City or affect the City’s ability to meet debt service requirements on the Bonds.

Under the Oregon law local public bodies, such as the City, are subject to the following limits on liability. The State of Oregon is subject to different limits.

*Personal Injury and Death Claim.* The liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any single claimant for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed \$855,200, for causes of

action arising on or after July 1, 2024, and before July 1, 2025. The liability limits to all claimants for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence may not exceed \$1,710,200 for causes of action arising on or after July 1, 2024, and before July 1, 2025.

*Property Damage or Destruction Claim.* The liability limits of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2024: (a) \$140,300, adjusted as described below, to any single claimant, and (b) \$701,300, adjusted as described below, to all claimants.

For causes of action arising on or after July 1, 2025, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the statutory formula. The adjustment may not exceed three percent for any year.

## **Tax Matters**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of Oregon personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX A hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of Oregon personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has made certain

representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of Oregon personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain

Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

### **Qualified Tax-Exempt Obligations**

The City has not designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

### **Continuing Disclosure**

The Securities and Exchange Commission Rule 15c2-12 (the “Rule”) requires at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Bonds. Pursuant to the Rule, the City has agreed to provide audited financial information and certain financial information or operating data at least annually, and timely notice of certain events (collectively, “Continuing Disclosure”) to the MSRB through its EMMA system (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes).

*Prior Undertakings.* During the last five fiscal years, the City was obligated to provide Continuing Disclosure filings for its General Obligation Bonds, Series 2006; Limited Tax Revenue Bonds, Series 2013; Limited Tax Revenue and Refunding Bonds, Series 2020; and Limited Tax Pension Obligations, Series 2004 (“Outstanding Debt”). All the City’s undertakings require its annual financial information filing within 270 days of the end of the Fiscal Year (usually March 27).

A copy of the form of the City’s Continuing Disclosure Certificate for the Bonds is attached hereto as Appendix D.

### **Municipal Advisor**

In connection with the authorization and issuance of the Bonds, the City has retained Piper Sandler & Co., Portland, Oregon, as its Municipal Advisor (the “Municipal Advisor”).

The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement.

### **Rating**

As noted on the cover page of this Official Statement, S&P Global Ratings, a Division of Standard & Poor’s Financial Services LLC, has assigned its underlying rating of “AA-” to the Bonds. There is no assurance that the ratings will be retained for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the ratings will be likely to have an adverse effect on the market price of the Bonds.

### **Purchaser of the Bonds**

The Bonds are being purchased by StoneX Financial Inc. and they will receive compensation of \$29,292.65. The purchaser of the Bonds may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices corresponding to the yields set forth on page i of this Official Statement, and such initial offering prices may be changed from time to time by such purchaser. After the initial public offering, the public offering prices may be varied from time to time.

In connection with the offering of the Bonds, the purchaser of the Bonds may over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued or recommenced at any time.

### **Certificate with Respect to Official Statement**

At the time of the original delivery of and payment for the Bonds, the City will deliver a certificate of its authorized representative to the effect that the representative has examined this Official Statement and the financial and other data concerning the City contained herein and that to the best of the representative's knowledge and belief, (i) the Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Bonds there has been no material adverse change in the affairs (financial or other), financial condition or results of operations of the City except as set forth in or contemplated by the Official Statement.

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# **Appendix A**

**Form of Bond Counsel Opinion**

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September [\_\_\_], 2024

City of Medford, Oregon  
Medford, Oregon

\$[\_\_\_\_\_]   
City of Medford, Oregon  
Limited Tax Revenue Bonds  
Series 2024

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(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the City of Medford, Oregon (the “City”) in connection with issuance of \$[\_\_\_\_\_] aggregate principal amount of its Limited Tax Revenue Bonds, Series 2024 (the “Bonds”), issued pursuant to Resolution No. 2024-57 adopted by the City’s City Council (the “City Council”) on June 20, 2024 (the “Resolution”) and a Bond Declaration, dated September [\_\_\_], 2024, (the “Bond Declaration”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution or the Bond Declaration.

In such connection, we have reviewed the Resolution, the Bond Declaration, the Tax Certificate, dated the date hereof (the “Tax Certificate”), executed by the City, certificates of the City, U.S. Bank Trust Company, National Association, as paying agent and registrar, and others, and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted

or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution, the Bond Declaration and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

We call attention to the fact that the rights and obligations under the Bonds, the Resolution, the Bond Declaration and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the cities in the State of Oregon. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Resolution or the Bond Declaration or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement dated [\_\_\_\_\_, 2024] or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the City.
2. The Resolution was duly adopted by the City, and the Resolution and the Bond Declaration constitute the valid and binding obligations of the City. The Resolution and the Bond Declaration create a valid pledge of the full faith and credit of the City, to secure the payment of the principal of and interest on the Bonds, including the general non-restricted revenues and other funds of the City that are lawfully available for that purpose, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.
3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of Oregon personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences

City of Medford, Oregon  
September [\_\_\_], 2024  
Page 3

related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

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## **Appendix B**

### **Financial Statements**

The City's Auditor has not performed any further review of the City's financial statements since the date of the audit contained herein. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on the 2023 Fiscal Year.

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# CITY OF MEDFORD

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



MEDFORDOREGON.GOV



FOR THE FISCAL YEAR  
ENDED: JUNE 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF MEDFORD, OREGON

For the Fiscal Year Ended June 30, 2023

Prepared by:  
City Finance Department

**City of Medford**  
**June 30, 2023**  
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## **Introductory Section**

December 21, 2023

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 Annual Comprehensive Financial Report of the City of Medford, Oregon as of June 30, 2023 and for the year then ended.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of an internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State law requires the financial statements of the City of Medford be audited by a certified public accountant selected by the City Council. The accounting firm of Moss Adams LLP conducted the audit for the fiscal year ending June 30, 2023 and has issued an unmodified ("clean") opinion. Their opinion is located in the Financial Section.

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

### **Profile of the City:**

The City of Medford, incorporated in 1885, is located in the southwestern part of Oregon. It currently occupies 26 square miles, has a population of over 87,000 and an estimated service population of over 400,000. The City operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and eight council members, all elected on a non-partisan basis. The Council appoints the City Manager, who in turn appoints the heads of various departments. Council members, elected by ward, serve four-year terms, with four members elected every two years. The Mayor is elected at large for a four-year term.

The City of Medford provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; and recreational activities. It is also financially accountable for a legally separate Water Commission, which is reported separately within the City's financial statements. Additional information on the Water Commission can be found in the notes to the financial statements.

### Local Economy:

The City of Medford continues to experience increases in revenues and appears to be returning to pre-pandemic levels of economic activity in most areas of the economy. Existing businesses continue to lead job creation with the vast majority of net new jobs coming from existing business growth. Medford continues to have increasing numbers of inquiries from businesses considering relocation and expansion. The City's Electronic Commerce Zone has historically been the most active in the State. Medford had an increase in revenues from property taxes due to a 4.5% increase in taxable assessed values. Since the largest share of City revenues comes from property taxes, any change is significant and is closely monitored.

Local, State and Federal governments continue to be major area employers. Outside of government, health care is still the largest single category of employment in Medford with Asante Health Systems being the largest in the category and community with more than 4,200 employees. Transient lodging tax revenues continue to increase, reflecting a return to pre-pandemic levels of demand for tourism in the area. The amount of money spent by visitors and business travelers to Jackson County and Medford continues to be a solid revenue factor for the region. The tourism and sports tourism industries continue to grow in Jackson County and Medford with the continued success of Lithia and Driveway Fields and the growing wine and craft beer industries. The City expects this trend to only continue with the opening of the Rogue Credit Union Community Complex in January of 2024.

### Long-term financial planning:

The economic climate in Medford continues to be strong but is beginning to reflect the economic realities that high inflation and near-record interest rates have had on the global economy. Development applications and building permits have slowed as a result of current economic conditions and several large projects being completed in previous years. The City does not anticipate a significant, long-term, decrease in development applications or building permits and anticipates stronger growth once inflation and interest rates come down to more reasonable levels. The City embraces its core value of accountability by making the best use of taxpayer dollars by focusing on ways to conserve its existing assets while improving livability. The City accomplishes this goal by maintaining a three month contingency fund for personnel and operating expenses.

The City continues its emphasis on assisting with the increase of affordable and workforce housing. In the fiscal year ending June 30, 2023, the City granted over \$400,000 in Housing Opportunity Fund monies (funded by a construction excise tax) to projects focused on providing affordable housing. The City also allocated an additional \$650,000 in American Rescue Plan Act monies, to be spent by December 31, 2024, to supplement the Housing Opportunity Fund. The construction excise tax's goal is to provide funding for affordable housing; revenues come from a .33% tax on most new construction and home improvement building permits.

The City continues to rely on long-term forecasts and planning. However, management pivoted in the 2021-2023 biennium from preparing full six year forecasts to preparing the current biennial budget and providing a narrative look at the long-term forecasts. The narrative format of the forecast allows management to discuss future opportunities and potential issues that are anticipated to arise, without associating a specific dollar amount to them. Continuing to prepare for biennia outside of the one being budgeted for is a priority for management and the City believes the narrative format continues to allow stakeholders to look more closely at trends, surpluses, and deficits and gives more opportunity to make the best use of taxpayer dollars. The 2021-2023 biennial budget was adopted by Council in June 2021 and includes management's forecast of future biennia. The 2023-2025 biennial budget, though out of the scope of the year ending June 30, 2023, also contains a narrative format of the City's long-term forecast and can be found on the City's website.

### Awards and Acknowledgments:

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

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Medford for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive Financial Report could not have been accomplished without the dedicated effort of the Finance Department's staff, and the cooperation of all City departments. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Medford's finances.

Respectfully submitted,



Brian Sjothun  
City Manager



Government Finance Officers Association

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

Presented to

**City of Medford  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**City of Medford  
Officials of the City  
June 30, 2023**

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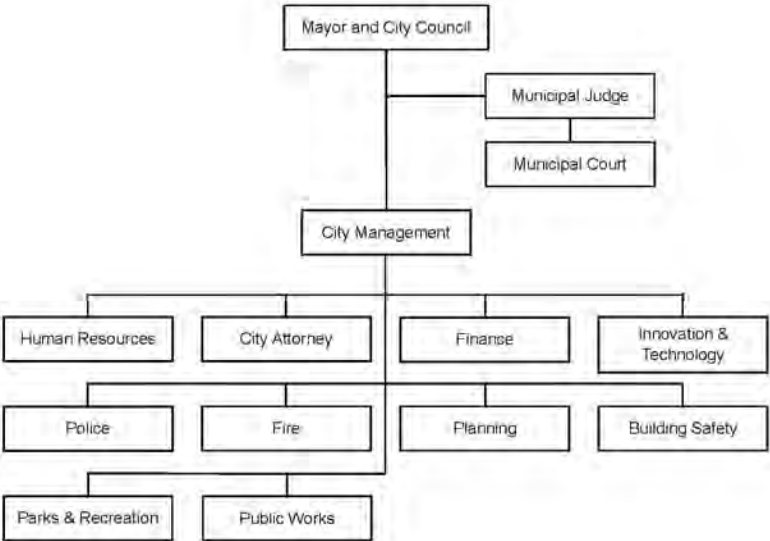
		<u>Term Expires December 31</u>
Randy Sparacino	Mayor	2024
Jessica Ayres	Council Member Ward 1	2026
Sarah Spansail	Council Member Ward 1	2024
Tim D'Alessandro	Council Member Ward 2	2024
Zac Smith	Council Member Ward 2	2026
Chad Miller	Council Member Ward 3	2024
Kevin Stine	Council Member Ward 3	2026
Nick Card	Council Member Ward 4	2026
Eric Stark	Council Member Ward 4	2024

**Principal Officials**

Brian Sjothun, City Manager  
Eric Mitton, City Attorney  
Ryan Martin, Chief Financial Officer / Deputy City Manager

**City Address**

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



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**Financial Section**



## Report of Independent Auditors

The Mayor and City Council Members  
City of Medford, Oregon

### Report on the Audit of the Financial Statements

#### Opinions

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 (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Medford Water Commission, a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit of the City. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Medford Water Commission, is based solely on the report of the other auditors.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Medford Water Commission were not audited in accordance with *Government Auditing Standards*.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, postemployment benefit schedules, and pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, postemployment benefit schedules, and pension schedules 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 management's discussion and analysis, postemployment benefit schedules, and pension schedules 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 basic financial statements. The budgetary comparison information described above is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the combining and individual nonmajor fund financial statements, budgetary schedules, schedule of expenditures by division – budget and actual (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and other schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

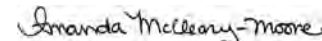
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

#### **Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations**

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 21, 2023, on our consideration of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Amanda McCleary-Moore, Partner for  
Moss Adams LLP  
Medford, Oregon  
December 21, 2023

**City of Medford, Oregon**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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 \$609.1 million at June 30, 2023 consisting of \$401.5 million in capital assets, \$193.1 million in cash and investments and \$14.5 million in receivables and other assets. The City's governmental activities liabilities totaled \$221.8 million at June 30, 2023 consisting of \$125.1 million in noncurrent liabilities, \$46.9 million in accounts payable and other liabilities, and net pension liability of \$50.1 million. Total net position was \$390.4 million of which \$306.0 million was invested in capital assets, \$108.4 million was restricted and the remaining \$24.0 million was a deficit balance.

The City's governmental activities net position increased by \$33.7 million or 9.4 percent. Overall governmental activities revenue increased by \$19.0 million or 15.8 percent. The increase was most noticeable in operating grants and contributions, which increased by \$9.2 million primarily due to an increase in gas taxes received. There was also an increase in capital grants and contributions of \$3.1 million due to an increase in acquisition of developer produced/improved capital assets that come under City control once completed. In addition, total taxes collected increased \$2.4 million due to a combination of property tax and tourism tax increases and investment earnings increased \$5.0 million due to significantly higher interest rates earned on investments.

The City's business-type activities assets totaled \$143.3 million at June 30, 2023 consisting of \$89.3 million in capital assets, \$51.5 million in cash and investments and \$2.5 million in receivables and other assets. The City's business-type activities liabilities totaled \$10.0 million at June 30, 2023 consisting of \$0.5 million in noncurrent liabilities, \$3.6 million in accounts payable and other liabilities, net OPEB liability of \$0.6 million and net pension liability of \$5.3 million. Total net position was \$133.3 million of which \$89.3 million was invested in capital assets, \$17.2 million was restricted and the remaining \$26.9 million was unrestricted.

The City's business-type activities net position increased by \$4.9 million or 3.8 percent. Business-type activities total revenue increased by \$2.8 million primarily due to increases in capital grants and contributions tied to development in the area and investment earnings.

**Report Layout:**

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

- **Management's Discussion and Analysis.** This section of the report provides financial highlights and overviews.
- **Basic Financial Statements.** Includes Statement of Net Position, Statement of Activities, Fund Financial Statements, and the Notes to the Financial Statements. Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.
  - The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference. Over time, increases or decreases may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
  - 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.

**City of Medford, Oregon**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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 (RSI).** Contains budgetary comparison statements for the major general fund and special revenue fund types, presented in a biennium format. RSI also includes certain required pension and OPEB schedules.
- **Supplementary Information.** Readers desiring additional information can find it in the Supplementary Information section of this report. Components within this section include:
  - Major Fund Budgetary Schedules
  - Special Revenue Funds (non-major)
  - Debt Service Funds (non-major)
  - Capital Projects Funds (non-major)
  - Enterprise Funds (non-major)
  - Internal Service Funds
- **Statistical Section.** This section includes trend information and demographics.
- **Reports by independent certified public auditors.** Supplemental communication on the City's compliance and internal controls as required by Oregon statutes and the Single Audit Act.

**Government-Wide Financial Statements:**

**TABLE 1**  
**CITY OF MEDFORD - STATEMENT OF NET POSITION**  
**JUNE 30, 2023 AND 2022**  
**(in millions)**

	Governmental Activities		Business-type Activities		Total Governmental	
	2023	2022	2023	2022	2023	2022
Cash and investments	\$ 193.1	\$ 212.4	\$ 51.5	\$ 49.3	\$ 244.6	\$ 261.7
Other assets	13.5	11.0	2.3	1.8	15.8	12.8
Capital assets, net	401.5	353.7	89.3	85.9	490.8	439.6
Net OPEB asset	1.0	1.0	0.1	0.1	1.1	1.1
Total assets	609.1	578.1	143.2	137.1	752.3	715.2
Deferred outflows	22.1	22.9	2.1	2.2	24.2	25.1
Total assets and deferred outflows	\$ 631.2	\$ 601.0	\$ 145.3	\$ 139.3	\$ 776.5	\$ 740.3
Other liabilities	\$ 41.9	\$ 37.3	\$ 3.6	\$ 2.0	\$ 45.5	\$ 39.3
Long-term liabilities	125.1	131.5	0.5	0.5	125.6	132.0
Total OPEB liability	4.7	4.6	0.6	0.6	5.3	5.2
Net pension liability	50.1	37.4	5.3	4.1	55.4	41.5
Total Liabilities	221.8	210.8	10.0	7.2	231.8	218.0
Deferred inflows	19.0	33.5	2.0	3.7	21.0	37.2
Net position:						
Net investment in capital assets	306.0	296.0	89.2	85.8	395.2	381.8
Restricted	108.4	123.4	17.2	16.0	125.6	139.4
Unrestricted	(24.0)	(62.7)	26.9	26.6	2.9	(36.1)
Total Net Position	\$ 390.4	\$ 356.7	\$ 133.3	\$ 128.4	\$ 523.7	\$ 485.1



**City of Medford, Oregon**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**TABLE 2**  
**CITY OF MEDFORD - STATEMENT OF ACTIVITIES**  
**FO THE YEAR ENDED JUNE 30, 2023 AND 2022**  
**(In millions)**

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
General revenues:						
Taxes	\$ 69.8	\$ 67.4	\$ -	\$ -	\$ 69.8	\$ 67.4
Other	3.4	(1.5)	0.6	(0.6)	4.0	(2.1)
Program revenues:						
Charges for services	26.0	26.7	22.9	22.2	48.9	48.9
Operating	32.3	23.1	-	-	32.3	23.1
Capital	8.2	5.1	1.6	0.7	9.8	5.8
Total revenues	<u>139.7</u>	<u>120.8</u>	<u>25.1</u>	<u>22.3</u>	<u>164.8</u>	<u>143.1</u>
<b>EXPENSES</b>						
General government	12.0	10.6	-	-	12.0	10.6
Public safety	48.4	43.9	-	-	48.4	43.9
Highways and streets	16.8	12.2	-	-	16.8	12.2
Culture and recreation	13.5	11.1	-	-	13.5	11.1
Community development	13.8	10.7	-	-	13.8	10.7
Interest on long-term debt	4.1	3.8	-	-	4.1	3.8
Sewer services	-	-	17.2	16.0	17.2	16.0
Parking services	-	-	0.5	0.5	0.5	0.5
Total expenses	<u>108.6</u>	<u>92.3</u>	<u>17.7</u>	<u>16.5</u>	<u>126.3</u>	<u>108.8</u>
Increase in net position before transfers	31.1	28.5	7.4	5.8	38.5	34.3
Transfers	2.5	2.5	(2.5)	(2.5)	-	-
Change in net position	33.6	31.0	4.9	3.3	38.5	34.3
Beginning Net Position	<u>356.7</u>	<u>325.7</u>	<u>128.4</u>	<u>125.1</u>	<u>485.1</u>	<u>450.8</u>
Ending Net Position	<u>\$ 390.3</u>	<u>\$ 356.7</u>	<u>\$ 133.3</u>	<u>\$ 128.4</u>	<u>\$ 523.6</u>	<u>\$ 485.1</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 \$159.6 million, a decrease from the prior year of \$21.8 million. The decrease can mostly be attributed to capital outlay in the Rogue X Construction fund. If that fund were removed from governmental operations, total governmental fund balances would have increased by \$14.0 million.

The General Fund ending fund balance increased by \$5.4 million during the current fiscal year. Total General Fund revenues in 2023 increased by \$3.6 million, which comprised of increases in property taxes of \$1.3 million, franchise and lodging taxes of \$0.7 million, and investment earnings of \$1.5 million (among other changes). General Fund expenditures increased by \$3.4 million in 2023, which comprised mostly of increases to spending for general government of \$1.2 million, public safety of \$1.7 million, and community development of \$2.3 million, and a decrease to spending in capital outlay of \$2.4 million.

**City of Medford, Oregon**  
**Management's Discussion and Analysis**  
**June 30, 2023**

The increases to both general government and public safety are primarily attributable to increases in staffing costs while the increase to community development is primarily related to a continued increase in programs dedicated to homeless services. The decrease in capital outlay is primarily related to the prior year's significant investment in facilities dedicated to homeless services that were one-time costs.

The Federal Stimulus Grant Fund was created during in the prior fiscal year and has an ending fund balance of \$0. The fund received the City's full entitlement of American Rescue Plan Act (ARPA) monies and those funds are reported as unearned revenue until spent. Total revenues in 2023 were \$4.3 million and total expenditures were \$4.3 million. All expenditures are related to the spending of ARPA funds for eligible purposes.

The Gas Tax Fund had a \$2.3 million increase in fund balance during the current fiscal year. Gas Tax Fund revenues increased \$0.3 million due to an increase to investment earnings of \$0.6 million, a reduction in grants and contributions of \$0.4 million and total other revenues of \$0.1 million. Total Gas Tax Fund expenditures decreased by \$1.1 million with the majority of the decrease coming from capital outlay. The City is planning a significant capital improvement project related to the expansion and improvement of a major street and, as such, some current spending has slowed in preparation for significant future capital outlay; the City anticipates a large reduction in fund balance via capital outlay by June 30, 2025.

The Rogue X Construction Fund had a \$35.8 million decrease in fund balance during the current fiscal year. This fund accounts for the construction of the Rogue Credit Union Community Complex (not future ongoing maintenance) and, as such, it is not expected to maintain a consistent fund balance. Construction costs for 2023 were \$41.6 million.

**Proprietary Funds.** The City has two enterprise funds: the Sewer Utility Fund and the Parking Facilities Fund. As of the end of the current year, the Sewer Utility Fund had unrestricted net position of \$26.2 million, restricted net position of \$17.2 million and investment in capital assets of \$87.6 million. Net position increased \$4.9 million to \$130.9 million primarily due to increases in capital contributions of \$0.9 million and investment earnings of \$1.1 million. The Parking Facilities Fund had total net position \$2.4 million of which \$0.7 million is unrestricted. Net position remained steady for the year with revenues matching expenses almost exactly. The City is in active discussions about how to raise parking revenues via new sources as it does not appear the existing revenue streams will return to their pre-pandemic levels.

**Budgetary Highlights:**

The City's final budget differed from the original budget in that it contains supplemental appropriations approved during the fiscal year. The budget for the General Fund resources increased by \$12.3 million during the biennium ending June 30, 2023, primarily due to unexpected state and federal grants awarded. During the year ended June 30, 2023, the City received a significant amount of unanticipated grant awards including \$2.2 million from the State of Oregon to assist in the expansion and improvement of a navigation center to provide a central location for multiple homeless services in Medford along with other public safety grants. Other notable increases were \$0.4 million in investment earnings due to significantly higher interest rates than budgeted and \$0.3 million in fines and penalties due to elevated levels of photo radar and red-light enforcement fines.

Variances between actual biennial revenues and final budgeted biennial revenues should appear as negative numbers (indicating the City collected more revenue than budgeted) or \$0. In the current biennium, all revenue categories except grants exceeded their budgeted amounts in the General Fund. Grant revenues did not meet or exceed budgeted amounts due to several grant-funded projects being extended into the next biennium so both the grant revenue and expenditure of the grant funds came in under budget. Alternatively, all department expenditure categories should have a positive variance (less was expended than budgeted) or be \$0. All departments were in compliance at June 30, 2023. The Community Promotion and Grants department has the largest variance in the General Fund due to several grant-funded projects being extended into the next biennium that were originally fully budgeted in the 2021-2023 biennium.

**City of Medford, Oregon**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Capital Assets and Debt Administration:**

**Capital Assets.** As of June 30, 2023, the City had \$490.8 million in capital assets, net of depreciation as reflected in the following table, which represents a net increase (additions, deductions and depreciation) of \$51.2 million.

**TABLE 3**  
**CITY OF MEDFORD - CAPITAL ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023 AND 2022**  
(In millions)

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 29.4	\$ 26.6	\$ 1.4	\$ 1.4	\$ 30.8	\$ 28.0
Land rights of way	135.6	132.5	0.2	0.2	135.8	132.7
Construction in progress	69.7	24.5	1.6	0.5	71.3	24.9
Buildings	45.9	44.5	2.3	2.5	48.2	47.0
Improvements	26.9	27.7	9.0	10.2	35.9	37.9
Equipment	9.6	10.9	14.3	14.0	23.9	24.9
Sewers	-	-	23.4	22.1	23.4	22.1
Storm drains	-	-	36.9	34.9	36.9	34.9
Infrastructure	84.5	87.1	-	-	84.5	87.1
Total	<u>\$ 401.5</u>	<u>\$ 353.7</u>	<u>\$ 89.3</u>	<u>\$ 85.9</u>	<u>\$ 490.8</u>	<u>\$ 439.6</u>

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

**TABLE 4**  
**CITY OF MEDFORD - CHANGE IN CAPITAL ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
(In millions)

	Governmental Activities	Business-type Activities	Total
Beginning balance	\$ 353.7	\$ 85.9	\$ 439.6
Additions	63.8	7.5	71.3
Deletions	(0.4)	(0.1)	(0.5)
Transfers	-	-	-
Depreciation	(15.6)	(4.0)	(19.6)
Ending Balance	<u>\$ 401.5</u>	<u>\$ 89.3</u>	<u>\$ 490.8</u>

Capital assets, net of depreciation for governmental activities increased \$47.8 million. Additions included acquisition of land and rights of way of \$5.9 million, building purchases of \$1.2 million, equipment purchases of \$2.0 million, infrastructure of \$6.3 million, transfers from construction in progress of \$2.7 million and new construction in progress of \$48.3 million. Offsetting these additions were depreciation of \$15.6 million and deletions of \$0.4 million.

Business-type activities capital assets, net of depreciation increased \$3.4 million. Additions included sewers of \$2.1 million, storm drains of \$3.0 million, equipment and other additions of \$1.0 million, transfers from construction in progress of \$0.2 million, and new construction in progress of \$1.5 million. Offsetting these additions were depreciation of \$4.1 million and transfers and dispositions of \$0.1 million. For more detailed information on the City's capital asset activity, refer to Note III (B) of the financial statements.

**City of Medford, Oregon**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Debt Administration.** As of year-end, the City had \$125.3 million in debt outstanding compared to \$131.9 million last year. For more detailed information, refer to Note III (C) of the financial statements.

**TABLE 5**  
**CITY OF MEDFORD - OUTSTANDING DEBT AT FISCAL YEAR END**  
**JUNE 30, 2023**  
(In millions)

	Governmental Activities	Business-type Activities	Total
Bonds & notes payable	\$ 117.1	\$ -	\$ 117.1
Unamortized premium	3.5	-	3.5
Compensated absences	4.1	0.5	4.6
Total	<u>\$ 124.7</u>	<u>\$ 0.5</u>	<u>\$ 125.2</u>

**Economic Factors and the Biennium Budget:**

Continuing the trend first noted in 2022, the travel and tourism economy appears to be continuing to return to pre-pandemic levels or beyond with lodging, franchise, and car rental taxes up 5.5%. In contrast, revenues for building permits fell 11.1%, continuing a slowdown in commercial and residential development first noted in 2022. The City does not expect the development downturn to be long-term and expects a rebound when inflation and interest rates decrease from their current highs.

The City saw an increase in property taxes of \$1.3 million for 2023, primarily due to growth and increases in the assessed values of properties taxed. For the year ending June 30, 2023, the assessed tax valuation for property taxes was \$8.7 billion. The tax collection rate of 95.3% is lower than the previous year but remains on par with the historical average for tax collection rates.

**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 Chief Financial Officer at (541) 774-2030 or Room 380, 411 West 8th Street, Medford, Oregon 97501.

## Basic Financial Statements

### City of Medford Statement of Net Position June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Medford Water Commission
<b>ASSETS</b>				
Cash and investments	\$ 193,094,592	\$ 51,467,040	\$ 244,561,632	\$ 34,337,219
Receivables				
Accounts	7,883,855	1,933,273	9,817,128	2,627,236
Taxes	1,891,405	-	1,891,405	-
Leases	580,027	45,239	625,266	-
Inventory	1,297,422	420,969	1,718,391	5,293,702
Prepaid expenses	1,129,307	499	1,129,806	397,050
Restricted cash and cash equivalents	261,176	-	261,176	5,638,856
Notes receivable	-	-	-	2,530,917
Capital assets not being depreciated	234,633,172	3,298,660	237,931,832	37,633,716
Depreciable capital assets, net	166,913,466	85,960,513	252,873,979	142,491,188
Right-to-use asset, net	47,265	1,490	48,755	-
Right-to-use subscription asset, net	339,356	-	339,356	61,796
Net OPEB asset	1,024,822	122,143	1,146,965	-
<b>Total assets</b>	<b>609,095,865</b>	<b>143,249,826</b>	<b>752,345,691</b>	<b>231,011,680</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Bond refunding	2,655,690	-	2,655,690	-
OPEB related	421,183	50,198	471,381	-
Pension related	19,027,731	2,026,130	21,053,861	2,470,107
<b>Total deferred outflows of resources</b>	<b>22,104,604</b>	<b>2,076,328</b>	<b>24,180,932</b>	<b>2,470,107</b>
<b>LIABILITIES</b>				
Accounts payable	11,004,711	2,983,177	13,987,888	5,998,313
Payroll and related accruals	3,047,849	354,788	3,402,617	-
Unearned revenue	18,867,937	166,319	19,034,256	-
Retainage payable	2,699,475	133,108	2,832,583	-
Deposits	4,041,650	-	4,041,650	730,547
Accrued interest payable	586,623	-	586,623	-
Claims payable	1,609,161	-	1,609,161	-
Long-term liabilities				
Due within one year				
Bonds and note payable	6,969,233	-	6,969,233	-
Compensated absences	827,552	96,831	924,383	546,559
Lease Payable	48,061	1,593	49,654	-
Subscription Liability	341,856	-	341,856	51,269
Due in more than one year				
Bonds and note payable	110,132,983	-	110,132,983	25,332,045
Bond premium	3,526,640	-	3,526,640	-
Compensated absences	3,310,208	387,326	3,697,534	136,640
Total OPEB liability	4,658,612	555,234	5,213,846	-
Net pension liability	50,120,887	5,337,029	55,457,916	6,506,500
<b>Total liabilities</b>	<b>221,793,438</b>	<b>10,015,385</b>	<b>231,808,823</b>	<b>39,301,873</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB related	1,236,618	147,385	1,384,003	-
Pension related	17,185,931	1,830,012	19,015,943	2,231,011
Leases	571,201	44,785	615,986	-
<b>Total deferred inflows of resources</b>	<b>18,993,750</b>	<b>2,022,182</b>	<b>21,015,932</b>	<b>2,231,011</b>
<b>NET POSITION</b>				
Net investment in capital assets	306,000,990	89,259,070	395,260,060	154,792,859
Restricted for				
Future system development	-	17,157,890	17,157,890	-
Public safety	1,763,664	-	1,763,664	-
Highways and streets	60,811,073	-	60,811,073	5,638,856
Culture and recreation	27,260,300	-	27,260,300	-
Community development	17,446,037	-	17,446,037	-
Debt service	1,117,091	-	1,117,091	-
Unrestricted	(23,985,874)	26,871,627	2,885,753	31,517,188
<b>Total net position</b>	<b>\$ 390,413,281</b>	<b>\$ 133,288,587</b>	<b>\$ 523,701,868</b>	<b>\$ 191,948,903</b>

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, 2023**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position			
	Expenses	Fines, Fees, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-type Activities	Medford Water Commission	
PRIMARY GOVERNMENT								
Governmental activities								
General government	\$ 12,010,614	\$ 4,066,617	9,379,227	\$ -	\$ 1,435,230	\$ -	\$ 1,435,230	\$ -
Public safety	48,420,926	6,730,463	1,104,862	-	(40,585,601)	-	(40,585,601)	-
Highways and streets	16,837,259	8,868,176	12,172,535	8,230,673	12,434,125	-	12,434,125	-
Culture and recreation	13,512,123	2,983,780	4,474,661	-	(6,053,682)	-	(6,053,682)	-
Community development	13,798,648	3,379,199	5,194,478	-	(5,224,971)	-	(5,224,971)	-
Interest on long-term debt	4,119,002	-	-	-	(4,119,002)	-	(4,119,002)	-
Total governmental activities	108,698,572	26,028,235	32,325,763	8,230,673	(42,113,901)	-	(42,113,901)	-
Business-type activities								
Sewer services	17,219,355	22,391,781	2,000	1,637,227	-	6,811,653	6,811,653	-
Parking services	508,796	523,111	-	-	-	14,315	14,315	-
Total business-type activities	17,728,151	22,914,892	2,000	1,637,227	-	6,825,968	6,825,968	-
TOTAL PRIMARY GOVERNMENT	\$ 126,426,723	\$ 48,943,127	\$ 32,327,763	\$ 9,867,900	(42,113,901)	6,825,968	(35,287,933)	-
COMPONENT UNITS								
Medford Water Commission	\$ 18,893,858	\$ 23,747,930	\$ 1,222	\$ 2,700,260				\$ 7,555,554
GENERAL REVENUES								
Property taxes					48,886,418	-	48,886,418	-
Use taxes					20,937,292	-	20,937,292	-
Unrestricted investment earnings					3,433,244	553,083	3,986,327	1,028,658
Total general revenues					73,256,954	553,083	73,810,037	1,028,658
TRANSFERS								
Total general revenues and transfers					75,779,726	(1,969,689)	73,810,037	1,028,658
CHANGE IN NET POSITION								
					33,665,825	4,856,279	38,522,104	8,584,212
NET POSITION, beginning of year					356,747,456	128,432,308	485,179,764	183,364,691
NET POSITION, end of year					\$ 390,413,281	\$ 133,288,587	\$ 523,701,868	\$ 191,948,903

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

**City of Medford**  
**Balance Sheet - Governmental Funds**  
**June 30, 2023**

	General Fund	Federal Stimulus Grant Fund - 180	Gas Tax Fund - 530	Rogue X Construction Fund - 640	Nonmajor Governmental Funds	Total
<b>ASSETS</b>						
Cash and investments	\$ 47,338,744	\$ 15,658,745	\$ 27,627,233	\$ 29,682,849	\$ 69,433,726	\$ 189,741,297
Receivables						
Accounts	3,286,460	-	703,348	-	3,765,470	7,755,278
Taxes	1,665,603	-	-	-	225,802	1,891,405
Leases	367,823	-	-	-	192,204	560,027
Prepaid items	269,133	-	-	-	20,000	289,133
Inventories	46,334	-	-	-	-	46,334
Restricted cash and cash equivalents	106,907	-	-	-	32,843	139,750
Advances to other funds	450,000	-	-	-	45,000	495,000
<b>Total assets</b>	<b>\$ 53,551,004</b>	<b>\$ 15,658,745</b>	<b>\$ 28,330,581</b>	<b>\$ 29,682,849</b>	<b>\$ 73,715,045</b>	<b>\$ 200,938,224</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,268,359	\$ 14,268	\$ 219,522	\$ 8,329,592	\$ 1,039,304	\$ 10,871,045
Retainage payable	-	52,215	6,640	2,590,372	50,248	2,699,475
Customer deposits	354,559	-	-	-	3,687,091	4,041,650
Unearned revenue	2,133,748	15,592,262	-	-	1,141,927	18,867,937
Payroll and related accruals	2,381,183	-	70,490	-	423,043	2,874,716
Advances from other funds	45,000	-	-	-	-	45,000
<b>Total liabilities</b>	<b>6,182,849</b>	<b>15,658,745</b>	<b>296,652</b>	<b>10,919,964</b>	<b>6,341,613</b>	<b>39,399,823</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Leases	379,508	-	-	-	191,693	571,201
Unavailable revenue - property taxes	1,192,042	-	-	-	185,976	1,378,018
<b>Total deferred inflows of resources</b>	<b>1,571,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>377,669</b>	<b>1,949,219</b>
<b>FUND BALANCES</b>						
Nonspendable						
Inventory	46,334	-	-	-	-	46,334
Prepaid items	269,133	-	-	-	20,000	289,133
Advances to other funds	450,000	-	-	-	-	450,000
Restricted for						
Public safety	-	-	-	-	1,763,664	1,763,664
Highways and streets	-	-	28,033,929	-	32,777,144	60,811,073
Culture and recreation	-	-	-	18,762,885	8,497,415	27,260,300
Community development	-	-	-	-	17,446,037	17,446,037
Debt service	-	-	-	-	1,117,091	1,117,091
Committed for						
Public safety	-	-	-	-	1,826,612	1,826,612
Culture and recreation	-	-	-	-	1,830,114	1,830,114
Community development	-	-	-	-	1,717,686	1,717,686
PERS debt	3,940,228	-	-	-	-	3,940,228
Assigned						
2023-25 Budget	36,018,400	-	-	-	-	36,018,400
Unassigned	5,072,510	-	-	-	-	5,072,510
<b>Total fund balances</b>	<b>45,796,605</b>	<b>-</b>	<b>28,033,929</b>	<b>18,762,885</b>	<b>66,995,763</b>	<b>159,589,182</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 53,551,004</b>	<b>\$ 15,658,745</b>	<b>\$ 28,330,581</b>	<b>\$ 29,682,849</b>	<b>\$ 73,715,045</b>	<b>\$ 200,938,224</b>

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

**City of Medford**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2023**

FUND BALANCES -- total governmental funds	\$	159,589,182
Amounts reported for governmental activities in the statement of net position are different because:		
Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital and right-to-use assets, cost		
Less accumulated depreciation and amortization		401,706,825
Certain items, such as liabilities and deferred outflows of resources are reported on the statement of net position, however, if they are not due and payable in the current period, they are not recorded in the governmental funds.		
Revenues earned but not available	1,378,018	
Deferred outflow of resources	21,800,290	
		23,178,308
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	(586,623)	
Compensated absences	(4,074,530)	
Lease liability	(47,509)	
Subscription liability	(311,673)	
Total OPEB liability	(4,567,310)	
Net OPEB asset	1,004,737	
Bonds payable	(117,102,216)	
Unamortized bond premium	(3,526,640)	
Net pension liability	(49,341,034)	
Deferred inflow of resources	(18,130,909)	
		(196,683,707)
Internal service funds are used by management to charge costs of insurance, risk management, and fleet management services to individual funds. Their assets and liabilities are included in the statement of net position.		2,622,673
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>390,413,281</b>

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

**City of Medford**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	General Fund	Federal Stimulus Grant Fund - 180	Gas Tax Fund - 530	Rogue X Construction Fund - 640	Nonmajor Governmental Funds	Total
<b>REVENUES</b>						
Taxes						
Property	\$ 44,738,762	\$ -	\$ -	\$ -	\$ 3,980,580	\$ 48,719,342
Car rental taxes	-	-	-	-	3,412,137	3,412,137
Franchise and lodging	13,039,203	-	-	-	3,745,194	16,784,397
Other taxes	-	-	-	-	740,758	740,758
Fuel	-	-	6,909,316	-	-	6,909,316
Charges for services	2,486,934	-	148,839	-	3,340,247	5,976,020
Fines and penalties	2,092,145	-	-	-	-	2,092,145
Intergovernmental	6,033,618	-	9,841	-	3,361,497	9,404,956
Licenses, permits, and fees	703,325	-	-	-	14,990,259	15,693,584
Investment earnings	872,535	-	289,503	1,064,821	1,151,122	3,377,981
Grants and contributions	3,345,609	4,262,738	-	3,000,000	5,403,144	16,011,491
Other revenue	340,142	-	22,895	51,605	1,308,090	1,722,732
Capital contributions and donations	-	-	-	-	1,835,276	1,835,276
Total revenues	73,652,273	4,262,738	7,380,394	4,116,426	43,268,304	132,680,135
<b>EXPENDITURES</b>						
Current						
General government	11,935,901	-	-	-	-	11,935,901
Public safety	43,473,687	-	-	-	3,283,707	46,757,394
Highways and streets	-	-	1,966,004	-	7,191,232	9,157,236
Culture and recreation	8,506,374	-	-	25,679	1,077,570	9,609,623
Community development	4,697,173	263,158	-	-	7,567,675	12,528,006
Debt service	-	-	-	-	-	-
Debt service principal	-	-	-	-	6,611,176	6,611,176
Debt service interest	-	-	-	-	3,663,290	3,663,290
Capital outlay	1,808,986	3,999,580	1,793,077	41,631,591	7,779,149	57,012,383
Total expenditures	70,422,121	4,262,738	3,759,081	41,657,270	37,173,799	157,275,009
Excess (deficiency) of revenues over (under) expenditures	3,230,152	-	3,621,313	(37,540,844)	6,094,505	(24,594,874)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	10,059,821	-	-	1,775,000	19,341,527	31,176,348
Transfers out	(7,935,537)	-	(1,337,765)	-	(19,095,845)	(28,369,147)
Total other financing sources (uses)	2,124,284	-	(1,337,765)	1,775,000	245,682	2,807,201
NET CHANGE IN FUND BALANCES	5,354,436	-	2,283,548	(35,765,844)	6,340,187	(21,787,673)
FUND BALANCES, beginning of year	40,442,169	-	25,750,381	54,528,729	60,655,576	181,376,855
FUND BALANCES, end of year	\$ 45,796,605	\$ -	\$ 28,033,929	\$ 18,762,885	\$ 66,995,763	\$ 159,589,182

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 Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

NET CHANGE IN FUND BALANCES – total governmental funds	\$ (21,787,673)	
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 contributions	6,395,397	
Capital outlays	57,012,383	
Less current year depreciation and amortization	(15,531,040)	47,876,740
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. The change in unavailable revenue increases/decreases revenue in the Statement of Net Position.		167,077
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.		
Change in compensated absences	64,774	
Change in expenses related to pension and OPEB	1,006,216	1,070,990
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. 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:		
Leases and other changes	(131,376)	
Change in accrued interest	(457,070)	
Amortization of premium	134,143	
Amortization of deferred loss	(132,785)	
Principal payments	6,611,176	6,024,088
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.		314,603
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 33,665,825	

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

**City of Medford**  
**Balance Sheet**  
**Proprietary Funds**  
**June 30, 2023**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Nonmajor Parking Facilities Fund	Total	Internal Service Funds
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 50,623,848	\$ 843,192	\$ 51,467,040	\$ 3,353,295
Receivables	1,920,517	12,756	1,933,273	128,577
Prepaid expense	499	-	499	840,174
Inventories	420,969	-	420,969	1,251,088
Total current assets	52,965,833	855,948	53,821,781	5,573,134
Noncurrent assets				
Restricted cash and investments	-	-	-	121,426
Lease Receivable	-	45,239	45,239	-
Capital assets				
Land and construction in progress	1,954,814	1,343,846	3,298,660	7,280
Right-to-use subscription, net	-	-	-	29,947
Right-to-use, net	1,490	-	1,490	513
Capital assets, net	85,643,486	317,027	85,960,513	188,694
Net OPEB asset	119,991	2,152	122,143	20,085
Total noncurrent assets	87,719,781	1,708,264	89,428,045	367,945
Total assets	140,685,614	2,564,212	143,249,826	5,941,079
DEFERRED OUTFLOW OF RESOURCES				
OPEB related	49,314	884	50,198	8,255
Pension related	1,992,475	33,655	2,026,130	296,059
Total deferred outflows of resources	2,041,789	34,539	2,076,328	304,314
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 142,727,403	\$ 2,598,751	\$ 145,326,154	\$ 6,245,393
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 2,944,853	\$ 38,324	\$ 2,983,177	\$ 133,666
Payroll and related accruals	350,320	4,448	354,768	173,133
Retainage payable	133,108	-	133,108	-
Unearned revenue	166,319	-	166,319	-
Advances from other funds	-	-	-	450,000
Compensated absences, due within one year	96,258	573	96,831	12,646
Claims payable	-	-	-	1,609,161
Total current liabilities	3,690,858	43,345	3,734,203	2,378,606
Long-term liabilities				
Compensated absences, due in more than one year	385,033	2,293	387,326	50,584
Subscription liability	-	-	-	30,183
Lease liability	1,593	-	1,593	552
Total OPEB liability	545,453	9,781	555,234	91,302
Net pension liability	5,248,375	88,654	5,337,029	779,853
Total long-term liabilities	6,180,454	100,728	6,281,182	952,474
Total liabilities	9,871,312	144,073	10,015,385	3,331,080
DEFERRED INFLOW OF RESOURCES				
Leases	-	44,785	44,785	-
Pension related	1,799,613	30,399	1,830,012	267,405
OPEB related	144,789	2,596	147,385	24,235
Total deferred inflows of resources	1,944,402	77,780	2,022,182	291,640
NET POSITION				
Net investment in capital assets	87,598,197	1,660,873	89,259,070	195,699
Restricted for				
Future system development	17,157,890	-	17,157,890	-
Employee section 125 plan	-	-	-	121,426
Unrestricted	26,155,602	716,025	26,871,627	2,305,548
Total net position	130,911,689	2,376,898	133,288,587	2,622,673
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 142,727,403	\$ 2,598,751	\$ 145,326,154	\$ 6,245,393

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

**City of Medford**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Nonmajor Parking Facilities Fund	Total	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 22,317,737	\$ 524,581	\$ 22,842,318	\$ 4,108,150
Other revenue	76,215	-	76,215	78,299
Total operating revenues	22,393,952	524,581	22,918,533	4,186,449
<b>OPERATING EXPENSES</b>				
Salaries and fringe benefits	7,380,122	118,346	7,498,468	1,259,883
Operating supplies	1,593,095	15,978	1,609,073	854,219
Professional services	1,416,895	244,342	1,661,237	53,755
Repairs and maintenance	1,242,960	29,533	1,272,493	23,650
Premiums and claims	203,011	1,000	204,011	1,302,336
Utilities	528,991	50,391	579,382	3,501
General, administrative, and engineering	828,104	17,133	845,237	86,521
Depreciation and amortization	4,026,177	32,073	4,058,250	34,666
Total operating expenses	17,219,355	508,796	17,728,151	3,618,531
OPERATING INCOME	5,174,597	15,785	5,190,382	567,918
<b>NONOPERATING REVENUES</b>				
Investment earnings	541,910	9,532	551,442	31,114
Total nonoperating revenues	541,910	9,532	551,442	31,114
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	5,716,507	25,317	5,741,824	599,032
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	1,637,227	-	1,637,227	-
Transfers out	(2,464,426)	(58,346)	(2,522,772)	(284,429)
Total contributions and transfers	(827,199)	(58,346)	(885,545)	(284,429)
CHANGE IN NET POSITION	4,889,308	(33,029)	4,856,279	314,603
NET POSITION, beginning of year	126,022,381	2,409,927	128,432,308	2,308,070
NET POSITION, end of year	\$ 130,911,689	\$ 2,376,898	\$ 133,288,587	\$ 2,622,673

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, 2023**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Utility Fund	Nonmajor Parking Facilities Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 21,905,430	\$ 542,273	\$ 22,447,703	\$ 768,943
Receipt from interfund services provided	-	-	-	3,386,186
Payments to suppliers	(4,372,561)	(325,932)	(4,698,493)	(3,531,585)
Payments to employees	(7,638,415)	(123,767)	(7,762,182)	(1,233,754)
Net cash provided (used) by operating activities	9,894,454	92,574	9,987,028	(610,210)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	(2,464,426)	(58,346)	(2,522,772)	(284,429)
Net cash provided (used) by noncapital financing activities	(2,464,426)	(58,346)	(2,522,772)	(284,429)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(5,808,733)	(453)	(5,809,186)	(13,050)
Net cash provided (used) by capital and related financing activities	(5,808,733)	(453)	(5,809,186)	(13,050)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	541,910	9,532	551,442	31,114
Net cash provided (used) by investing and activities	541,910	9,532	551,442	31,114
INCREASE (DECREASE) IN CASH AND INVESTMENTS	2,163,205	43,307	2,206,512	(426,575)
CASH AND INVESTMENTS, beginning of year	48,460,643	799,885	49,260,528	3,901,296
CASH AND INVESTMENTS, end of year	\$ 50,623,848	\$ 843,192	\$ 51,467,040	\$ 3,474,721
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 5,174,597	\$ 15,785	\$ 5,190,382	\$ 567,918
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	4,026,177	32,073	4,058,250	34,666
Pension and OPEB expense	(306,065)	(6,918)	(312,983)	34,616
(Increase) decrease in accounts receivable	(571,796)	17,692	(554,104)	(31,320)
(Increase) decrease in inventories	(37,766)	-	(37,766)	(19,023)
(Increase) decrease in prepaids	(499)	-	(499)	(840,174)
Increase (decrease) in unearned revenue	83,274	-	83,274	-
Increase (decrease) in accounts payable	1,413,867	32,445	1,446,312	74,818
Increase (decrease) in accrued payroll and related expenses	19,354	303	19,657	(10,409)
Increase (decrease) in compensated absences	28,418	1,194	29,612	1,922
Increase (decrease) in retainage payable	64,893	-	64,893	-
Increase (decrease) in claims payable	-	-	-	(423,224)
Total adjustments	4,719,857	76,789	4,796,646	(1,178,128)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 9,894,454	\$ 92,574	\$ 9,987,028	\$ (610,210)
NONCASH CAPITAL ACTIVITIES				
Contributions of capital assets from developers	\$ 1,637,227	\$ -	\$ 1,637,227	\$ -

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

**City of Medford**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**June 30, 2023**

	Custodial Fund
ASSETS	
Cash and investments	\$ 570,605
Total assets	570,605
LIABILITIES	
Unearned revenue	560,512
Total liabilities	560,512
FIDUCIARY NET POSITION	
Restricted for individuals, organizations, and other governments	10,093
Total fiduciary net position	\$ 10,093

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



**City of Medford**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Year Ended June 30, 2023**

	Custodial Fund
ADDITIONS	
Investment earnings	\$ 5,788
Total additions	5,788
NET CHANGE IN FIDUCIARY NET POSITION	5,788
FIDUCIARY NET POSITION, beginning of year	4,305
FIDUCIARY NET POSITION, end of year	\$ 10,093

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

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**A. Reporting entity**

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

**Blended component unit**

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

**Discretely presented component unit**

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

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

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

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

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

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*.

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

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both *measurable* and *available*. The City considers property tax revenue reported in the governmental funds to be available if they are collected within 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 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.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

The government reports the following major governmental funds:

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

The *Federal Stimulus Grant Fund* is a special revenue fund that accounts for revenue from the American Rescue Plan Act and the associated expenditure of those grant funds.

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

The *Rogue X Construction Fund* is a capital projects fund and accounts for the construction of the Rogue Credit Union Community Complex (Rogue X).

The government reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

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

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

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

*Fiduciary funds* account for resources held for the benefit of parties outside of the City. These funds are not included in the government-wide financial statement because their resources are not available to support the City's own programs. The City has one custodial fiduciary fund for police forfeitures as forfeitures are held in a custodial capacity for individuals, private organization, and other governments

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Use of estimates**

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

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

**1. Cash and cash equivalents**

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

**2. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF).

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. The LGIP is not rated by a national rating service. Additional information about the OSTF can be obtained at [www.oregon.gov/treasury](http://www.oregon.gov/treasury). The weighted-average maturity of LGIP is less than one year. The fair value of the City's position in the pool is the same as the value of the pool shares.

**3. Receivables and payables**

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

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

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

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

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

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

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

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

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

**4. Inventories**

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

**5. Restricted cash**

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

**6. 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 \$10,000 and an estimated useful life of one year or more. If an asset is purchased using federal funds, any asset with an initial cost of \$5,000 and an estimated useful life of one year or more is considered a capital asset. Capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the time of donation. Intangible assets with an indefinite useful life are included in nondepreciable assets.

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:

Assets	Years
Buildings	25–75
Sewers and water infrastructure	20–75
Parking structures	45–50
Improvements	10–50
Road networks	20
Storm drains	20
Equipment	3–20

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows include charges on the refunding of long-term debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

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

A detailed description of these accounts related to pensions and OPEB and how they are calculated are discussed in Note 3J.

**8. Compensated absences**

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

**9. Long-term liabilities**

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

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

**10. Fund balance / net position**

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.

On the Statement of Net Position for government-wide reporting and for the proprietary funds, net position is segregated into three categories: net investments in capital assets, restricted net position; and unrestricted net position.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

Net investment in capital assets represents total capital assets less accumulated depreciation and capital related debt net of unspent bond proceeds. Deferred outflows of resources and deferred inflows of resources and deferred inflows of resources directly related debt should also be included in this section. Significant unspent bond proceeds should not be included.

Restricted net position represents net position that is not subject solely to the government's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulation of other governments, by enabling legislation, by endowment agreements, or by the nature of the asset. Unspent bond proceeds for capital projects are used in the calculation of restricted net position.

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

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

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

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

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

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

**11. Leases and Software Based Information Technology Arrangements**

The City recognizes lease contracts or equivalents (including Software Based Information Technology Arrangements) that have a term exceeding one year and the cumulative future payments on the contract exceed \$25,000 that meet the definition of an other than short-term lease. The City uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the City's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain indirect costs, if applicable. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

Short-term lease payments are expensed when incurred. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable are recognized as income when earned.

**12. New Accounting Pronouncement**

**Adoption of New Accounting Pronouncement and Standards**

The City implemented GASB No. 91 *Conduit Debt Obligations* (GASB 91) as of July 1, 2022. The City evaluated all conduit debt arrangements and determined none had any circumstances where the City would be required to report a liability or expense under GASB 91. All GASB 91 disclosure requirements will continue to be met.

The City implemented GASB No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94) as of July 1, 2022. The City evaluated all contracts that may require treatment as Public-Private or Public-Public Partnerships (PPPs) or Availability Payment Arrangements (APAs) under GASB 94. The City determined no contracts met the definition of a PPP and all APAs the City has are for the operation of nonfinancial assets. As such, they will be reported as inflows or outflows of resources.

The City implemented GASB No. 96 *Subscription-Based Information Technology Arrangements* (GASB 96) as of July 1, 2022. The City evaluated contracts that involved the use of software to determine if they meet the definition of a Software Based Information Technology Arrangement (SBITA) in GASB 96 wherein a subscription liability needed to be recorded. Contracts that met the definition of a SBITA were identified and intangible right to use subscription assets were recorded along with corresponding subscription liabilities. The beginning net position was not restated for adoption of GASB 96.

**Note 2 – Stewardship, Compliance, and Accountability**

**A. Budgetary information**

The City and Agency adopt biennial budgets for all funds 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 of odd-numbered years, with the Budget Committees approving the budgets in late spring of odd-numbered years. Public notices of the budget hearings are published in the months prior to public hearings in June. The City Council, or Board of Directors for the Agency, adopts the budgets, authorizes appropriations, and declares the tax levy no later than June 30. State statutes do not require the Commission to prepare and adopt a budget. However, the Commission's Board and management have prepared and adopted an annual budget for operational accountability and control purposes.

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

The budget document contains more detailed expenditure categories than the authorizing appropriation ordinance. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. Supplemental budgets less than 10% of the fund's original budget may be adopted by the City Council or the Agency's Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the City Council or the Agency's Board of Directors. Original and supplemental budgets may be modified by use of appropriation transfers between levels of control. Such transfers require approval by the City Council or the Board of Directors for the City and the Agency, respectively. The City Council approved various transfer resolutions during the current biennium budget period 2021-2023.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 2 – Stewardship, Compliance, and Accountability (continued)**

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 and Agency appropriations lapse at the end of the biennial period.

**B. Excess of Expenditure over Appropriations**

For the year ended June 30, 2023, no expenditures (on a budgetary basis) exceeded appropriations authorized by the City Council or Board of Directors.

**C. Deficit fund balance**

There were no funds with deficit balances as of June 30, 2023.

**Note 3 – 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. As of June 30, 2023, the City's cash and investment balances were reported as follows:

	Primary Government	Weighted Average Maturity in Years
Subject to interest rate risk		
U.S. agency securities	\$ 108,848,866	1.63
Corporate bonds	17,050,555	1.83
Not subject to interest rate risk or maturities are less than one month		
Petty cash	7,235	
Cash equivalents	5,922,504	
Deposits with financial institutions	40,410,687	
LGIP	73,153,566	
Less fiduciary cash and investments	(570,605)	
Total cash and investments	<u>\$ 244,822,808</u>	
Cash and investments are reported as follows		
Cash and investments	\$ 244,561,632	
Restricted cash and cash equivalents	261,176	
Total cash and investments	<u>\$ 244,822,808</u>	

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**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, 2023, the City's deposits with various financial institutions had a bank balance of \$40,410,687. Of these deposits, \$750,000 was covered by FDIC insurance and \$39,660,687 was collateralized in accordance with ORS 295. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

**Investments**

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

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

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

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

At June 30, 2023, the City's investments were rated as follows:

Investment Type	Fair Value	Moody's Rating	Percent of Total Investments
U.S. agency securities			
Federal Farm Credit Bank	\$ 15,313,366	Aaa	7.69%
Federal Home Loan Bank	16,670,563	Aaa	8.37%
U.S. Treasury	69,676,338	Aaa	35.00%
Fannie Mae	5,304,203	Aaa	2.66%
Freddie Mac	1,884,396	Aaa	0.95%
Total U.S. agency securities	108,848,866		
Corporate bonds			
JP Morgan Chase & Co	3,738,992	A1	1.88%
Colgate-Palmolive Co	3,427,198	Aa3	1.72%
State Street Corp	3,140,001	A1	1.58%
Bank of America Corp	2,429,062	A1	1.22%
Morgan Stanley Bank NA	2,167,599	Aa3	1.09%
US Bank NA Cincinnati	2,147,703	A2	1.08%
Total corporate bonds	17,050,555		
LGIP	73,153,566	Not rated	36.75%
TOTAL INVESTMENTS	\$ 199,052,987		100.00%

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

**Concentration of credit risk** – The City's policy for investing in individual issuers varies depending on the type of investments. Agency securities are restricted to no more than 25% for any one issuer. No more than 5% 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 5% per issuer. Obligations of the states of Oregon, California, Idaho, and Washington are restricted to no more than 5% for any one issuer.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Fair value hierarchy** – GASB Statement No. 72, Fair Value Measurement and Application establishes accounting and financial reporting standards for fair value measurements, the level of fair value hierarchy, and valuation techniques. Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

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

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

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

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

The City has the following recurring fair value measurement:

Investment Measured at Fair Value	Total as of June 30, 2023	Fair Value Measurement			Cost Measurement Not Measured at Fair Value
		Level One	Level Two	Level Three	
U.S. agency securities	\$ 39,172,528	\$ -	\$ 39,172,528	\$ -	\$ -
Corporate bonds	17,050,555	-	17,050,555	-	-
U.S. treasury	69,676,338	69,676,338	-	-	-
LGIP	73,153,566	-	-	-	73,153,566
TOTAL INVESTMENTS	\$ 199,052,987	\$ 69,676,338	\$ 56,223,083	\$ -	\$ 73,153,566

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**B. Capital assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES					
Capital assets, not being depreciated					
Land	\$ 26,588,234	\$ 2,827,899	\$ (61,387)	\$ -	\$ 29,354,746
Land - rights of way	132,457,025	3,118,752	-	-	135,575,777
Construction in progress	24,483,598	48,335,017	(367,347)	(2,748,620)	69,702,648
Total capital assets, not being depreciated	183,528,857	54,281,668	(428,734)	(2,748,620)	234,633,171
Capital assets, being depreciated					
Buildings	64,557,497	1,233,916	-	1,879,023	67,670,436
Improvements	57,558,296	1,167,484	-	378,363	59,104,143
Equipment	35,978,997	864,626	(158,660)	281,570	36,966,533
Infrastructure	264,356,139	6,289,413	-	209,664	270,855,216
Total capital assets being depreciated	422,450,929	9,555,439	(158,660)	2,748,620	434,596,328
Less accumulated depreciation for					
Buildings	(20,061,613)	(1,722,379)	-	-	(21,783,992)
Improvements	(29,847,613)	(2,341,336)	-	-	(32,188,949)
Equipment	(25,097,776)	(2,470,328)	165,348	-	(27,402,756)
Infrastructure	(177,281,488)	(9,025,676)	-	-	(186,307,164)
Total accumulated depreciation	(252,288,490)	(15,559,719)	165,348	-	(267,682,861)
Total capital assets being depreciated, net	170,162,439	(6,004,280)	6,688	2,748,620	166,913,467
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	\$ 353,691,296	\$ 48,277,388	\$ (422,046)	\$ -	\$ 401,546,638

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
PRIMARY GOVERNMENT					
BUSINESS-TYPE ACTIVITIES					
Capital assets, not being depreciated					
Land	\$ 1,410,253	\$ -	\$ -	\$ -	\$ 1,410,253
Land - rights of way	243,198	-	-	-	243,198
Construction in progress	454,917	1,488,977	(91,083)	(207,602)	1,645,209
Total capital assets, not being depreciated	2,108,368	1,488,977	(91,083)	(207,602)	3,298,660
Capital assets, being depreciated					
Buildings	10,465,294	-	-	-	10,465,294
Improvements	28,486,378	67,911	-	-	28,554,289
Equipment	32,719,184	915,021	-	-	33,634,205
Sewers	41,643,950	2,080,012	-	19,057	43,743,019
Storm drains	54,382,845	2,984,587	-	188,545	57,555,977
Total capital assets being depreciated	167,697,651	6,047,531	-	207,602	173,952,784
Less accumulated depreciation for					
Buildings	(7,974,369)	(185,104)	-	-	(8,159,473)
Improvements	(18,249,061)	(1,326,060)	-	-	(19,575,121)
Equipment	(18,728,803)	(564,108)	-	-	(19,292,911)
Sewers	(19,508,241)	(806,222)	-	(11,780)	(20,326,243)
Storm drains	(19,474,052)	(1,176,251)	-	11,780	(20,638,523)
Total accumulated depreciation	(83,934,526)	(4,057,745)	-	-	(87,992,271)
Total capital assets being depreciated, net	83,763,125	1,989,786	-	207,602	85,960,513
BUSINESS-TYPE ACTIVITIES					
CAPITAL ASSETS, NET	\$ 85,871,493	\$ 3,478,763	\$ (91,083)	\$ -	\$ 89,259,173



**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

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

**Depreciation Expense for Primary Business**

Governmental activities	
General government	\$ 2,049,105
Public Safety	2,255,482
Highways and streets	8,054,148
Culture and recreation	3,149,057
Community Development	23,248
Internal service	28,679
Total depreciation expense - governmental activities	<u>\$ 15,559,719</u>
Business-type activities	
Sewer	\$ 4,025,672
Parking services	32,073
Total depreciation expense - business-type activities	<u>\$ 4,057,745</u>

**Medford Water Commission**

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
MEDFORD WATER COMMISSION				
Capital assets, not being depreciated				
Land and rights of way	\$ 5,056,375	\$ -	\$ -	\$ 5,056,375
Construction in progress	15,564,531	18,340,187	(1,327,377)	32,577,341
Total capital assets, not being depreciated	<u>20,620,906</u>	<u>18,340,187</u>	<u>(1,327,377)</u>	<u>37,633,716</u>
Capital assets, being depreciated				
Buildings, supply, and distribution system	188,584,172	17,898,652	(3,005,903)	203,476,921
Equipment and software	5,923,159	5,011,885	(160,739)	10,774,305
Total capital assets being depreciated	<u>194,507,331</u>	<u>22,910,537</u>	<u>(3,166,642)</u>	<u>214,251,226</u>
Less accumulated depreciation for				
Buildings, supply, and distribution system	(54,297,553)	(12,683,198)	2,347,436	(64,633,315)
Equipment and software	(2,209,735)	(4,977,594)	60,606	(7,126,723)
Total accumulated depreciation	<u>(56,507,288)</u>	<u>(17,660,792)</u>	<u>2,408,042</u>	<u>(71,760,038)</u>
Total capital assets being depreciated, net	<u>138,000,043</u>	<u>5,249,745</u>	<u>(758,600)</u>	<u>142,491,188</u>
MEDFORD WATER COMMISSION CAPITAL ASSETS, NET	<u>\$ 158,620,949</u>	<u>\$ 23,589,932</u>	<u>\$ (2,085,977)</u>	<u>\$ 180,124,904</u>

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**C. Long-term debt**

**General obligation and full faith and credit bonds**

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

Purpose	Original Amount	Interest Rates	Amount Outstanding
General Obligation bond			
PERS actuarial bonds, maturing 2028	\$ 29,205,000	4.91 to 6.10%	\$ 14,975,000
Full faith and credit bond			
2020 full faith and credit for LED street lighting, maturing 2035	3,842,698	1.80%	<u>3,104,146</u>
Total bonds outstanding			<u>\$ 18,079,146</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.

During 2020, the City issued full faith and credit bonds of \$3,842,698 for LED street lighting, maturing in 2035. Interest is paid annually at 1.80%. Debt service payments are expected to be offset by savings on utility bills through reduction in power consumption over the life of the bonds.

In an event of default, the lenders may collect the payments then due and all other amounts under the loan agreements when they become due.

The following schedule shows the debt service requirements as of June 30, 2023:

	Governmental Activities	
	Principal	Interest
2024	\$ 2,946,164	\$ 967,708
2025	3,303,659	796,747
2026	3,691,349	604,315
2027	4,104,237	388,585
2028	2,012,328	148,033
2029-2033	1,290,388	131,330
2034-2036	731,021	19,956
Total	<u>\$ 18,079,146</u>	<u>\$ 3,056,674</u>

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Revenue bonds**

Revenue bonds at June 30, 2023 are as follows:

Purpose	Original Amount	Interest Rates	Amount Outstanding
Revenue bonds			
2020A, Limited tax revenue and refunding bonds, maturing 2050	\$ 63,110,000	2%-5%	\$ 61,710,000
2020B, Limited tax revenue and refunding bonds, maturing 2035	36,140,000	2%-2.55%	35,230,000
2013 Police, fire, and parks limited tax revenue bonds, maturing 2043	38,155,000	3%-5%	1,120,000
Total revenue bonds outstanding			<u>\$ 98,060,000</u>

The series 2013 limited tax revenue bonds were issued in December of 2013 and are secured by revenues from a Public Safety Fee the City collects per residential and commercial unit per month as well as a Car Rental Tax which is collected on every car rented in the City. The bonds were issued to finance the costs of capital projects for the City including construction of new police headquarters and parking facilities, relocation of fire stations, and construction of 3 additional ball fields and related parking facilities at the Lithia and Driveway Fields located within the City. The 2013 Police, Fire, and Parks limited tax revenue bond has an interest rate that fluctuates from year to year between 3.00% to 5.00% from 2014 to 2043. The bond was partially refunded into a new bond, series 2020B.

The 2020A (tax-exempt) limited tax revenue and refunding bonds were issued for \$63,110,000 in October 2020 with interest rates ranging between 2.00% to 5.00% and final maturity in fiscal year 2050. The proceeds were used to advance refund the remaining amounts due on the 2017 full faith and credit refunding bonds, maturing 2025 and were issued to finance all or a portion of the construction of a sports and event complex. As a result, the refunding bonds are considered defeased in substance, and the liability for those bonds has been removed from the financial statements. The City advance refunded the aforementioned bond to reduce its total debt service payments over the next five years by \$257,854 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$393,456.

The 2020B (federally taxable) limited tax revenue refunding bonds were issued for \$36,140,000 in October 2020 with interest rates ranging between 2.00% to 2.55% and final maturity in fiscal year 2043. The proceeds were used to advance refund \$32,040,000, a partial refunding, of the 2013 police, fire, and parks limited tax revenue bonds, maturing 2043. As a result, the refunded bonds are considered defeased in substance, and the liability for those bonds has been removed from the financial statements. The City advance refunded the aforementioned bond to reduce its total debt service payments over the next 22 years by \$6,527,844 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$5,337,338.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

The following schedule shows the debt service requirements for revenue bonds as of June 30, 2023:

	Governmental Activities	
	Principal	Interest
2024	\$ 3,060,000	\$ 2,383,611
2025	3,180,000	2,261,061
2026	3,290,000	2,150,761
2027	3,405,000	2,036,011
2028-2032	18,675,000	8,508,791
2033-2037	19,635,000	6,134,512
2038-2042	20,745,000	4,073,239
2043-2047	17,240,000	1,897,823
2048-2050	8,830,000	377,932
Total	<u>\$ 98,060,000</u>	<u>\$ 29,823,741</u>

**Note Payable**

Note payable at June 30, 2023 is as follows:

Purpose	Maximum Draw down	Interest Rates	Amount Outstanding	Unused Credit
Notes Payable				
State of Oregon, Department of Transportation, maturing 2031.	\$ 10,000,000	1.61%	\$ 963,070	\$ 6,911,757

The City signed a loan agreement with the State of Oregon, Department of Transportation for \$10,000,000 to finance a transportation project which expired in 2018 and was renewed in March 2019. The project must be completed by December 31, 2025. The note will mature in 2031. Until project completion, interest is paid annually at 1.61%. Payments will be due semiannually at \$545,335 beginning November 1, 2021. The City drew down \$3,088,243 and had repaid \$2,125,173 in principal as of June 30, 2023 for the project.

The following schedule shows the debt service requirements for note payable as of June 30, 2023:

	Governmental Activities	
	Principal	Interest
2024	\$ 963,070	\$ 11,178
Total	<u>\$ 963,070</u>	<u>\$ 11,178</u>

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Changes in long-term liabilities**

Long-term liabilities for the year ended June 30, 2023, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds payable					
General obligation/full					
faith bonds	\$ 20,703,002	\$ -	\$ (2,623,856)	\$ 18,079,146	\$ 2,946,164
Revenue bonds	100,985,000	-	(2,925,000)	98,060,000	3,060,000
Total bonds payable	121,688,002	-	(5,548,856)	116,139,146	6,006,164
Notes payable	2,025,390	-	(1,062,320)	963,070	963,070
Total notes and bonds	123,713,392	-	(6,611,176)	117,102,216	6,969,234
Compensated absences	4,071,064	4,137,760	(4,071,064)	4,137,760	827,552
GOVERNMENTAL ACTIVITIES					
LONG-TERM LIABILITIES	<u>\$ 127,784,456</u>	<u>\$ 4,137,760</u>	<u>\$ (10,682,240)</u>	<u>\$ 121,239,976</u>	<u>\$ 7,796,786</u>
BUSINESS-TYPE ACTIVITIES					
Compensated absences	<u>\$ 454,545</u>	<u>\$ 484,157</u>	<u>\$ (454,545)</u>	<u>\$ 484,157</u>	<u>\$ 96,831</u>

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

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

Net investment in capital assets for Governmental Activities as presented in the Statement of Net Position as of June 30, 2023 is determined as follows:

Capital assets, net	\$ 401,546,638
Right-to-use asset, net	47,265
Right-to-use subscription asset, net	339,356
Less outstanding principal on capital asset related debt	
Lease Liability	(48,061)
Subscription Liability	(341,856)
General obligation bonds, excluding PERS bond	(3,104,146)
Revenue bonds	(98,060,000)
Notes payable	(963,070)
Less: unamortized premium	(3,526,640)
Add: deferred outflows on bond refunding	2,655,690
Add: unspent bond proceeds	<u>7,455,814</u>
Governmental activities net position invested in capital assets, net of related debt	<u>\$ 306,000,990</u>

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**E. Interfund advances and transfers**

**Interfund advances**

Interfund loan activity and balances for the year ended June 30, 2023, are as follows:

	Beginning of Year	Additions	Payments	End of Year
Fleet Maintenance Fund				
Due to the general fund	\$ -	\$ 450,000	\$ -	\$ 450,000
General Fund				
Due to the CDBG fund	-	45,000	-	45,000
Total Interfund Advances	<u>\$ -</u>	<u>\$ 495,000</u>	<u>\$ -</u>	<u>\$ 495,000</u>

The General Fund loaned the Fleet Maintenance Fund \$450,000 to be repaid by June 30, 2027 at 0% interest. The amount owed from the General Fund to the CDBG Fund will be repaid during the year ending June 30, 2024.

**Interfund transfers**

Transfers In	Transfers Out						Total Transfers In
	General Fund	Gas Tax Fund	Nonmajor Governmental Funds	Sewer Utility Fund	Parking Facilities Fund	Internal Service Funds	
General fund	\$ -	\$ 559,404	\$ 6,697,975	\$ 2,464,426	\$ 53,587	\$ 284,429	\$ 10,059,821
Rogue X Construction fund	-	-	1,775,000	-	-	-	1,775,000
Nonmajor governmental	<u>7,935,537</u>	<u>778,361</u>	<u>10,622,870</u>	<u>-</u>	<u>4,759</u>	<u>-</u>	<u>19,341,527</u>
Total transfers out	<u>\$ 7,935,537</u>	<u>\$ 1,337,765</u>	<u>\$ 19,095,845</u>	<u>\$ 2,464,426</u>	<u>\$ 58,346</u>	<u>\$ 284,429</u>	<u>\$ 31,176,348</u>

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

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**F. Risk management**

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

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

	Year Ended June 30,	
	2023	2022
Unpaid claims, beginning of year	\$ 2,032,385	\$ 1,744,889
Incurred claims (including IBNR)	320,913	1,290,528
Claim payments	(744,137)	(1,003,032)
Unpaid claims, end of year	<u>\$ 1,609,161</u>	<u>\$ 2,032,385</u>

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

**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 liabilities are not recorded on the accompanying Statement of Net Position.

**H. Conduit debt**

The Hospital Facilities Authority of the City of Medford has outstanding bonds issued in 2013 (2013A & 2013B issuances) and 2020 (2020A & 2020B issuances). The outstanding balance of these bonds as of June 30, 2023 was \$541,026,000. The bonds are to be paid solely from the revenues and assets of The Hospital Facilities Authority of the City of Medford, and are not an obligation of the City. The City makes a limited commitment to maintain each bond issue's tax-exempt status, as applicable, but assumes no responsibility for debt service payments and makes no other voluntary pledges or guarantees.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**I. Commitments and contingencies**

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

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

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

**J. Pension plans**

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

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**Plan benefits**

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

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

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

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 3 – Detailed Notes on All Funds (continued)**

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

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

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

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

**OPSRP Pension Program (OPSRP DB)**

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

- General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- Police and fire employees: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

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

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

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 3 – Detailed Notes on All Funds (continued)**

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

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

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

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

*Recordkeeping* – OPERS contracts with VOYA Financial to maintain IAP participant records.

**Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2023 were \$6,698,581, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2023 were 22.34 percent for Tier One/Tier Two General Services and 15.00 percent for OPSRP Pension Program General Services, 19.36 percent for OPSRP Pension Program Police and Fire and 6 percent for OPSRP Individual Account Program. The City has elected to make the payments on behalf of its employees for the OPSRP Individual Account Program.

**Pension assets, liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

At June 30, 2023, the City's proportionate share of the net pension liability is \$55,457,916. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2022 measurement date, the City's proportion was 0.40468 percent, which was changed from its proportion measured as of June 30, 2021 of 0.38470 percent. For the year ended June 30, 2023, the City recognized pension expense of \$6,708,484.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,692,033	\$ 345,847
Change in assumptions	8,701,647	79,498
Net difference between projected and actual earnings on pension plan investments	-	9,914,804
Changes in proportionate share	2,957,870	1,489,936
Differences between City contributions and proportionate share of contributions	3,730	7,185,858
Subtotal before post-measurement date contributions	14,355,280	19,015,943
City contributions subsequent to the measurement date	6,698,581	-
Total	<u>\$ 21,053,861</u>	<u>\$ 19,015,943</u>

Deferred outflows of resources related to pensions of \$6,698,581 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Net deferred outflows (inflows) of resources will be recognized in pension expense as follows for the fiscal year ended June 30:

2024	\$ (752,156)
2025	(2,276,095)
2026	(5,258,420)
2027	3,881,580
2028	(255,572)
	<u>\$ (4,660,663)</u>

**Actuarial assumptions:**

The employer contribution rates effective July 1, 2022, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Actuarial methods and assumptions used in developing total pension liability**

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience study report	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Inflation rate	2.40%
Investment rate of return	6.90%
Projected salary increases	3.40% overall payroll growth; salaries for individuals are assumed to grow at 3.40% plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set backs as described in the valuation. Active members Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees Pub-2010 Disable Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

**Long-term expected rate of return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Discount rate**

The discount rate used to measure the total pension liability was 6.9 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate**

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9 percent) or 1- percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9)%	Discount Rate (6.9)%	1% Increase (7.9)%
Proportionate share of net pension liability	\$ 98,349,817	\$ 55,457,916	\$ 19,559,376

**K. Post-employment benefits other than pension**

Aggregate Balances – At June 30, 2023, the City's aggregate OPEB plan balances were as follows:

	City Healthcare Plan	PERS RHIA	Aggregated Total
Net deferred outflows of resources related to OPEBs	\$ 462,400	\$ 8,980	\$ 471,380
Net OPEB liability (asset)	5,213,846	(1,146,965)	4,066,881
Net deferred inflows of resources related to OPEBs	1,169,612	214,392	1,384,004
OPEB expense (income)	502,015	(188,455)	313,560

**1. City Healthcare Plan**

*Plan description and benefit provided* – The City administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The healthcare plan provides for post-retirement medical, dental, and vision coverage for eligible retirees, their spouses, domestic partners, and dependents on a self-pay basis. Benefit provisions are susceptible to change as they are established through negotiations between the City and representatives of collective bargaining units. Eligible participants may select from one of two deductible levels of the City's health insurance care plan. The level of benefits provided by the plans are the same as those afforded to active employees. Coverage is provided to retirees, spouses, and domestic partners until they become eligible for Medicare, typically age 65, and to eligible dependents until age 26. The City's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. Due to the effect of age, retiree claim costs are generally higher than claim costs for all members as a whole. The difference between retiree claims costs and the amount of retiree healthcare premiums represents the City's implicit employer contribution. There are no assets accumulated in a trust that meets the criteria under generally accepted accounting principles to pay related benefits for this OPEB plan. The plan does not issue a stand-alone financial report.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Employees covered by benefit terms**

At June 30, 2023, the following employees were covered by the benefit terms:

Category	Count
Active employees	477
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	22
Inactive employees entitled to but not yet receiving benefit payments	0

**Contributions**

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, 2023, the City's combined plan contributions were \$151,446.

**Total OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023.

**Actuarial assumptions**

The OPEB liability in the July 1, 2022 actuarial valuation rolled forward to June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions	
Inflation rate	2.50%
Long-term expected rate of return	3.75%
Salary growth	3.50%
Healthcare cost trend rates	4.5%-6.6%

Mortality rates are based on the PUB 2010 Sex-distinct, projected generationally, set-back 12 months for males, no set back for females; 115% of published rates for males, 125% of published rates for females.

**Discount rate**

The discount rate used to measure the total OPEB liability at June 30, 2023 was 3.75 percent which is based on all years discounted at municipal bond rate.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Changes in the net OPEB liability**

Total OPEB Liability	2023
Changes for the year:	
Service cost	\$ 375,261
Interest	192,791
Differences between expected & actual experience	(306,946)
Changes in assumptions	(104,596)
Benefit payment	(151,446)
Net change in total OPEB liability	5,064
Total OPEB liability - beginning of year	5,208,782
Total OPEB liability - end of year	<u>\$ 5,213,846</u>

**Sensitivity of proportionate share of the total OPEB liability to changes in the discount rate and health care cost trend rates**

The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current discount rate:

	1% Decrease (2.75)%	Current Discount Rate (3.75%)	1% Increase (4.75)%
Total OPEB liability	\$ 5,702,833	\$ 5,213,846	\$ 4,766,591

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1- percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 5.8% Graded Down to 3.5%	Current Trend Rate 6.8% Graded Down to 4.5%	1% Increase 7.8% Graded Down to 5.5%
Total OPEB liability	\$ 4,556,274	\$ 5,213,846	\$ 6,000,724

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB**

For the year ended June 30, 2023, the City recognized OPEB expense of \$502,015. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to single employer OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 8,540	\$ 559,363
Change in assumptions	453,860	610,249
	<u>\$ 462,400</u>	<u>\$ 1,169,612</u>

Net deferred outflows (inflows) of resources will be recognized in OPEB expense as follows for the fiscal year ended June 30:

2024	\$ (66,037)
2025	(66,037)
2026	(66,037)
2027	(66,037)
2028	(66,036)
Thereafter	(377,028)
	<u>\$ (707,212)</u>

**2. Oregon Public Employees Retirement System Retiree Health Insurance Account**

OPERS administers the Retirement Health Insurance Account (RHIA) cost-sharing multiple-employer defined benefit OPEB plan (the Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan.

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage OPERS. All members of the board are appointed by the governor and confirmed by the State Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing. RHIA was established by ORS 238.420 and is administered and managed by the Board. The Plan was closed to new entrants hired on or after August 29, 2003. OPERS issues a publicly available financial report online at:

<http://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>



**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Benefits Provided**

The RHIA provides a monthly premium subsidy available to Medicare entitled (enrolled in Medicare Parts A and B) retirees that are receiving either a PERS service or disability retirement allowance and have had either eight or more years of qualifying service time at retirement or is receiving a PERS disability retirement allowance that is computed as if the retiree had eight or more years of creditable service time.

**Contributions**

Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. Employer proportions are determined as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. Ultimate authority for setting and changing the laws governing contributions rest with the Oregon Legislature. Employees are not required to contribute to the OPEB plan. The contribution, as determined by the proportionate share, as of June 30, 2023 was \$6,324.

**Assets, liabilities, deferred outflows of resources and deferred inflows of resources, and expense related to OPEB**

At June 30, 2023, the City reported an asset of \$1,146,965 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation date of December 31, 2020. The City's proportionate share as of the June 30, 2022 measurement date was 0.3607%. The proportionate share prior to the June 30, 2021 measurement date was 0.3526%.

For the year ended June 30, 2023, the City recognized OPEB expense (income) of (\$188,455) and deferred outflows of resources and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ -	\$ 31,082
Change in assumptions	8,980	38,232
Net difference between projected and actual earnings on investments	-	87,471
Changes in proportionate share	-	57,607
Total	<u>\$ 8,980</u>	<u>\$ 214,392</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ended June 30:

2024	\$ (121,300)
2025	(56,928)
2026	(55,198)
2027	28,014
	<u>\$ (205,412)</u>

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 3 – Detailed Notes on All Funds (continued)**

**Actuarial methods and assumptions**

The total OPEB liability based on the December 31, 2020 actuarial valuation date and rolled forward to the June 30, 2022 measurement date. 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 OPEB schedules 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.

The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified, were used:

Actuarial assumptions	
Inflation rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Salary changes	3.40%
Healthcare cost trend rates	Not applicable

**Discount rate**

The discount rate used to measure the total OPEB liability at June 30, 2022 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Long term expected rate of return**

The long-term expected rate of return was determined by a review of the long-term assumptions developed by Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table showing Milliman's assumptions for each of the asset classes in which the Plan was invested at the time based on OIC's long-term target asset allocation can be found in section J.

**Sensitivity of proportionate share of the net OPEB liability to changes in the discount rate**

The following presents the City's proportionate share of the net OPEB liability, as well as what the City's proportionate share of the net OPEB liability would be if calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current discount rate:

	1% Decrease (5.90)%	Current Discount Rate (6.9%)	1% Increase (7.90)%
Net OPEB liability (asset)	\$ (1,033,739)	\$ (1,146,965)	\$ (1,244,027)

**OPEB plan fiduciary net position**

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPERS financial report.

**City of Medford**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 3 – Detailed Notes on All Funds (continued)**

**L. Related party transactions**

The Commission paid the City a franchise fee amounting to \$335,940 in fiscal year 2023 and garage charges of \$141,611. The Commission's water sales to the City were \$373,040 during the year ended June 30, 2023.

**M. Leases**

The City is a lessor for noncancellable lease of property and equipment with lease terms through 2027. For the year ending June 30, 2023, the City recognized \$222,711 in lease revenue released from the Deferred Inflows of Resources related to the lease on the statement of changes in net position. The City recognized interest revenue of \$26,244 for the year ending June 30, 2023. No inflows of resources were recognized in the year related to termination penalties or residual value guarantees during the fiscal year. The balance of leases receivable was \$625,266 as of June 30, 2023.

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**Required Supplementary Information**

**City of Medford**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2023**

**Schedule of Proportionate Share of Net OPEB Liability (Asset) - Cost-sharing plan (PERS)**

Measurement date as of June 30:	2022	2021	2020	2019	2018	2017	2016
Proportion of the net OPEB liability (asset)	0.360654%	0.352561%	0.249502%	0.382030%	0.376479%	0.027102%	0.029265%
Proportionate share of the net OPEB liability (asset)	\$ (1,146,965)	\$ (1,092,634)	\$ (464,222)	\$ (674,091)	\$ (383,748)	\$ (154,394)	\$ 105,761
Covered payroll	\$ 40,380,129	\$ 39,532,534	\$ 37,986,189	\$ 36,921,955	\$ 35,841,876	\$ 33,995,721	\$ 32,381,717
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-2.84%	-2.76%	-1.22%	-1.83%	-1.07%	-0.45%	0.33%
Plan net position as a percentage of the total OPEB liability	194.60%	183.90%	150.10%	144.40%	123.99%	108.90%	94.20%

**Schedule of OPEB Contributions - Cost-sharing plan (PERS)**

Fiscal year ended June 30:	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 6,324	\$ 8,181	\$ 8,522	\$ 16,299	\$ 170,305	\$ 151,077	\$ 184,180	\$ 173,650
Contributions in relation to the contractually required contribution	6,324	8,181	8,522	16,299	170,305	151,077	184,180	173,650
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	42,365,545	40,380,129	39,532,534	37,986,189	36,921,955	35,841,876	33,995,721	32,381,717
Contributions as a percentage of covered payroll	0.01%	0.02%	0.02%	0.04%	0.46%	0.42%	0.54%	0.54%

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation - 2.40%, Payroll Growth - 3.40%, Investment rate of return - 6.90%. The assumptions for Healthy retirees and beneficiaries are based on the Pub-2010 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. The assumptions for Active members are based on Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs. The assumptions for Disabled retirees are based on Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale. These methods and assumptions are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

10-year trend information required by GASB Statements 68 and 75 will be presented prospectively. The pension and OPEB schedules are intended to show information for 10 years and the additional years information will be displayed as it becomes available.

**City of Medford**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2023**

**Schedule of Changes in the Employer Total OPEB Liability and Related Ratios - Single-employer plan**

Measurement date as of June 30:	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Changes for the year							
Service cost	\$ 375,261	\$ 364,329	\$ 404,031	\$ 310,314	\$ 244,641	\$ 238,674	\$ 238,674
Interest	192,791	130,596	133,337	171,777	153,370	140,932	133,484
Differences between expected and actual experience	(306,946)	-	(404,448)	-	17,080	-	-
Changes in assumptions	(104,596)	(625,972)	(21,908)	606,476	179,951	-	-
Benefit payment	(151,446)	(200,175)	(186,098)	(142,155)	(127,441)	(171,640)	(147,069)
Net change in total OPEB liability	5,064	(331,222)	(75,086)	946,412	467,601	207,966	225,089
Total OPEB liability - beginning of year	5,208,782	5,540,003	5,615,089	4,668,677	4,201,076	3,993,110	3,768,021
Total OPEB liability - end of year	\$ 5,213,846	\$ 5,208,781	\$ 5,540,003	\$ 5,615,089	\$ 4,668,677	\$ 4,201,076	\$ 3,993,110
Covered-employee payroll	\$ 38,323,665	\$ 43,656,600	\$ 43,673,110	\$ 40,734,809	\$ 39,357,303	\$ 37,046,092	\$ 36,142,529
Total OPEB liability as percentage of covered- employee payroll	13.60%	11.93%	12.69%	13.78%	11.86%	11.34%	11.05%

There are no assets accumulated in a trust that meets the criteria under generally accepted accounting principles to pay related benefits for this OPEB plan.

Actuarial assumptions. The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation - 2.50%, Payroll Growth - 3.50%, Investment rate of return - 3.75%. Annual premium costs will increase 6.80% in the first year. In future years, the medical and vision cost trend varies between 6.60% and 4.50% based in part on the 2023 Segal Health Plan Cost Trend Survey. Mortality rates were based on the PUB 2010 general employees, sex distinct, projected generationally, set back 12 months for males, no setback for females; 115% of published rates for males, 125% of published rates for females. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers. The discount rate in effect for the June 30, 2023 reporting date is 3.75%. See the Notes to the Financial Statements for other key assumptions and changes.

10-year trend information required by GASB Statements 68 and 75 will be presented prospectively. The pension and OPEB schedules are intended to show information for 10 years and the additional years information will be displayed as it becomes available.

**City of Medford**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2023**

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

Measurement date as of June 30:	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.404679%	0.384699%	0.400039%	0.379140%	0.392096%	0.392096%	0.399763%	0.411583%
Proportionate share of the net pension liability (asset)	\$ 55,457,916	\$ 41,545,780	\$ 78,876,336	\$ 62,959,645	\$ 52,445,472	\$ 48,266,853	\$ 5,480,413	\$ 23,630,896
Covered payroll	\$ 40,380,129	\$ 39,532,534	\$ 37,986,189	\$ 36,921,955	\$ 35,841,876	\$ 33,995,721	\$ 32,381,717	\$ 30,829,250
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	137.34%	105.09%	207.64%	170.52%	146.32%	141.98%	169.24%	76.65%
Plan net position as a percentage of the total pension liability	84.50%	87.60%	68.80%	80.23%	82.07%	83.12%	80.50%	91.88%

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

Fiscal year ended June 30:	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 6,698,581	\$ 6,493,122	\$ 5,970,097	\$ 5,774,915	\$ 4,356,173	\$ 4,287,467	\$ 3,681,437	\$ 3,618,220
Contributions in relation to the contractually required contribution	6,698,581	6,493,122	5,970,097	5,774,915	4,356,173	4,287,467	3,681,437	3,618,220
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 42,365,545	\$ 40,380,129	\$ 39,532,534	\$ 37,986,189	\$ 36,921,955	\$ 35,841,876	\$ 33,995,721	\$ 32,381,717
Contributions as a percentage of covered payroll	15.81%	16.08%	15.10%	15.20%	11.80%	11.96%	10.83%	11.17%

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation - 2.40%, Payroll Growth - 3.4%, Investment rate of return - 6.90%. The assumptions for Healthy retirees and beneficiaries are based on the Pub-2010 Healthy Retiree mortality tables with group-specific job category and setback adjustments. The assumptions for Disabled retirees are based on Pub-2010 generational Disabled Retiree mortality tables with group-specified job category and setback adjustments. These methods and assumptions are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

10-year trend information required by GASB Statements 68 & 75 will be presented prospectively. The pension and OPEB schedules are intended to show information for 10 years and the additional years information will be displayed as it becomes available.

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**General Fund - 100**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual		Final Budget
REVENUES						
Property taxes	\$ 86,673,600	\$ 86,673,600	\$ 43,399,610	\$ 44,738,762	\$ 88,138,372	\$ (1,464,772)
Franchise fees	22,109,800	22,109,800	12,317,455	13,039,203	25,356,658	(3,246,858)
Licenses, permits, and fees	1,239,500	1,239,500	687,469	703,325	1,390,794	(151,294)
Intergovernmental	9,214,000	9,788,200	5,122,488	6,160,101	11,282,589	(1,494,389)
Charges for services	3,014,500	3,067,190	2,149,158	2,481,526	4,630,684	(1,563,494)
Fines and penalties	3,513,000	3,787,000	2,348,701	2,092,146	4,440,846	(653,846)
Investment earnings	218,000	668,000	316,537	1,136,316	1,452,853	(784,853)
Other revenue	75,000	406,645	622,940	226,402	849,342	(442,697)
Grants and contracts	456,000	11,116,430	3,950,137	3,329,957	7,280,095	3,836,335
Total revenues	126,513,400	138,856,365	70,914,497	73,907,737	144,822,234	(5,965,869)
EXPENDITURES						
Mayor and council	1,397,800	1,455,000	508,615	485,197	993,812	461,188
City managers office	2,797,000	2,897,000	1,123,265	1,360,979	2,484,244	412,756
Legal	1,741,800	1,744,300	757,804	828,898	1,586,701	157,599
Human resources	1,531,600	1,670,400	741,717	888,089	1,629,806	40,594
Finance	7,918,500	7,898,500	3,479,915	3,616,715	7,096,630	801,870
Municipal court	3,491,400	3,765,400	1,645,461	1,959,283	3,604,744	160,656
Innovation and technology	5,802,600	5,886,400	2,553,425	2,681,255	5,234,680	651,720
Planning	4,106,900	4,302,392	2,028,190	2,061,213	4,089,402	212,990
Parks and recreation						
Facilities maintenance	6,917,800	6,636,200	2,822,341	2,904,007	5,726,347	909,853
Parks and recreation	12,157,600	12,276,600	6,097,617	6,137,397	12,235,014	41,586
Police	52,663,300	53,884,931	25,795,811	26,740,742	52,536,553	1,348,378
Fire	33,382,400	34,116,650	16,400,451	17,230,749	33,631,200	485,450
Building safety	40,200	40,200	15,018	19,475	34,493	5,707
Community promotions & grants	668,200	10,120,942	3,057,508	3,508,123	6,565,631	3,555,311
Contingency	3,200,000	2,807,600	-	-	-	2,807,600
Total expenditures	137,817,100	149,502,515	67,027,137	70,422,121	137,449,258	12,053,257
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(11,303,700)	(10,646,150)	3,887,360	3,485,616	7,372,976	(18,019,126)
OTHER FINANCING SOURCES (USES)						
Transfers in	19,650,600	20,235,300	9,515,792	10,309,820	19,825,612	409,688
Transfers out	(25,408,700)	(26,687,200)	(8,660,349)	(8,590,537)	(17,250,886)	(9,436,314)
Total other financing sources (uses)	(5,758,100)	(6,451,900)	855,443	1,719,283	2,574,726	(9,026,626)
NET CHANGE IN FUND BALANCE	(17,061,800)	(17,098,050)	4,742,803	5,204,899	9,947,702	(27,045,752)
FUND BALANCE, beginning of year	35,926,900	35,926,900	36,533,577	41,276,380	41,276,380	(5,349,480)
FUND BALANCE, end of year	\$ 18,865,100	\$ 18,828,850	\$ 41,276,380	46,481,279	\$ 46,481,279	\$ (27,652,429)
RECONCILIATION TO GAAP BASIS						
Advances to other funds				(45,000)		
Advances from other funds				450,000		
GASB 72 adjustment				(1,097,989)		
GASB 87 lease receivable				387,823		
GASB 87 deferred inflow of resources				(379,508)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 45,796,605		

**City of Medford**  
**Notes to Required Supplementary Information – Basis of Budgeting**  
**For the Year Ended June 30, 2023**

**Note 1 – Basis of Budgeting**

Interfund loans are classified as a due to due from in the basic financial statements, but are reported as a transfer on the budgetary basis. The subsequent loan payments are recorded as debt payments and revenue on the budgetary basis. These payments are recorded as a reduction of the loan receivable/ payable in the basic financial statements. There is one interfund loan for the year ended June 30, 2023. The General Fund loaned the Fleet Maintenance Fund \$450,000 to be repaid by June 30, 2027 at 0% interest.

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Federal Stimulus Grant Fund - 180**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Intergovernmental	\$ 9,167,700	\$ 9,167,700	\$ 1,378,802	\$ 4,262,738	\$ 5,641,541	\$ 3,526,159
Total revenues	9,167,700	9,167,700	1,378,802	4,262,738	5,641,541	3,526,159
EXPENDITURES						
Community Development	-	3,945,570	130,313	1,771,977	1,902,290	2,043,280
Capital outlay	-	11,440,000	1,248,489	2,490,761	3,739,251	7,700,749
Contingency	18,344,600	2,959,030	-	-	-	2,959,030
Total expenditures	18,344,600	18,344,600	1,378,802	4,262,738	5,641,541	12,703,059
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(9,176,900)	(9,176,900)	-	-	-	(9,176,900)
OTHER FINANCING SOURCES (USES)						
Transfers in	9,176,900	9,176,900	-	-	-	9,176,900
Total other financing sources (uses)	9,176,900	9,176,900	-	-	-	9,176,900
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Gas Tax Fund - 530**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Fuel Taxes	\$ 10,700,000	\$ 10,700,000	\$ 6,859,200	\$ 6,909,312	\$ 13,768,512	\$ (3,068,512)
Investment earnings	216,700	216,700	117,910	405,187	523,097	(306,397)
Charges for services	167,800	167,800	119,968	148,839	268,807	(101,007)
Grants and contracts	-	560,000	-	9,841	9,841	550,159
Miscellaneous	-	6,400	372,786	22,895	395,682	(389,282)
Total revenues	11,084,500	11,650,900	7,469,864	7,496,074	14,965,939	(3,315,039)
EXPENDITURES						
Highway and streets	5,683,500	5,682,400	2,252,959	2,427,652	4,680,611	1,001,789
Capital outlay	15,077,700	15,877,700	2,563,828	1,331,422	3,895,250	11,982,450
Contingency	3,000,000	2,760,000	-	-	-	2,760,000
Total expenditures	23,761,200	24,320,100	4,816,787	3,759,074	8,575,861	15,744,239
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(12,676,700)	(12,669,200)	2,653,077	3,737,000	6,390,078	(19,059,277)
OTHER FINANCING SOURCES (USES)						
Transfers out	(2,796,600)	(2,796,600)	(1,450,586)	(1,337,765)	(2,788,351)	(8,249)
Total other financing sources (uses)	(2,796,600)	(2,796,600)	(1,450,586)	(1,337,765)	(2,788,351)	(8,249)
NET CHANGE IN FUND BALANCE	(15,473,300)	(15,465,800)	1,202,491	2,399,235	3,601,727	(19,067,527)
FUND BALANCE, beginning of year	22,783,700	22,783,700	24,909,000	26,111,491	26,111,491	(3,327,791)
FUND BALANCE, end of year	\$ 7,310,400	\$ 7,317,900	\$ 26,111,491	28,510,726	\$ 28,510,726	\$ (21,192,826)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(476,797)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 28,033,929		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Rogue X Construction Fund - 640**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Grants and contracts	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -
Charges for services	2,215,000	1,009,200	985,187	-	985,187	24,013
Other Revenue	-	51,700	-	51,605	51,605	95
Investment earnings	-	72,000	216,440	972,857	1,189,297	(1,117,297)
Total revenues	2,215,000	4,132,900	1,201,626	4,024,462	5,226,089	(1,093,189)
EXPENDITURES						
Culture and recreation	241,400	313,400	180,033	102,887	282,920	30,480
Capital outlay	55,000,000	72,227,500	13,035,174	41,554,383	54,589,557	17,637,943
Contingency	4,289,200	-	-	-	-	-
Total expenditures	59,530,600	72,540,900	13,215,207	41,657,270	54,872,477	17,668,423
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(57,315,600)	(68,408,000)	(12,013,581)	(37,632,808)	(49,646,388)	(18,761,611)
OTHER FINANCING SOURCES (USES)						
Transfers in	4,317,300	7,354,700	5,579,700	1,775,000	7,354,700	-
Transfers out	(4,743,400)	-	-	-	-	-
Total other financing sources (uses)	(426,100)	7,354,700	5,579,700	1,775,000	7,354,700	-
NET CHANGE IN FUND BALANCE	(57,741,700)	(61,053,300)	(6,433,881)	(35,857,808)	(42,291,688)	(18,761,611)
FUND BALANCE, beginning of year	57,741,700	61,053,300	61,053,299	54,619,418	54,619,418	6,433,882
FUND BALANCE, end of year	\$ -	\$ -	\$ 54,619,418	18,761,610	\$ 18,761,610	\$ (18,761,610)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				1,275		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 18,762,885		

**Combining and Individual Fund Statements and Schedules**

**City of Medford**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ 35,269,218	\$ 1,077,211	\$ 33,087,297	\$ 69,433,726
Receivables				
Accounts	2,687,508	54	1,077,908	3,765,470
Taxes	-	225,802	-	225,802
Leases	-	-	192,204	192,204
Prepaid items	20,000	-	-	20,000
Restricted cash and cash equivalents	32,843	-	-	32,843
Advances to other funds	45,000	-	-	45,000
<b>TOTAL ASSETS</b>	<b>\$ 38,054,569</b>	<b>\$ 1,303,067</b>	<b>\$ 34,357,409</b>	<b>\$ 73,715,045</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 856,023	\$ -	\$ 183,281	\$ 1,039,304
Retainage payable	48,150	-	2,098	50,248
Customer deposits	347,334	-	3,339,757	3,687,091
Unearned revenue	1,141,927	-	-	1,141,927
Payroll and related accruals	398,324	-	24,719	423,043
Total liabilities	<u>2,791,758</u>	<u>-</u>	<u>3,549,855</u>	<u>6,341,613</u>
Deferred inflows of resources				
Leases	-	-	191,693	191,693
Unavailable revenue - property taxes	-	185,976	-	185,976
Total deferred inflows of resources	<u>-</u>	<u>185,976</u>	<u>191,693</u>	<u>377,669</u>
Fund Balances				
Nonspendable				
Prepaid items	20,000	-	-	20,000
Restricted				
Public safety	1,591,202	-	172,462	1,763,664
Highways and streets	16,622,832	-	16,154,312	32,777,144
Culture and recreation	2,502,140	-	5,995,275	8,497,415
Community development	9,152,225	-	8,293,812	17,446,037
Debt service	-	1,117,091	-	1,117,091
Committed for				
Public safety	1,826,612	-	-	1,826,612
Culture and recreation	1,830,114	-	-	1,830,114
Community development	1,717,686	-	-	1,717,686
Total fund balances	<u>35,262,811</u>	<u>1,117,091</u>	<u>30,615,861</u>	<u>66,995,763</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 38,054,569</b>	<b>\$ 1,303,067</b>	<b>\$ 34,357,409</b>	<b>\$ 73,715,045</b>

**City of Medford**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>REVENUES</b>				
Taxes				
Property	\$ -	\$ 3,980,580	\$ -	\$ 3,980,580
Car rental taxes	-	-	3,412,137	3,412,137
Franchise and lodging	1,586,946	-	2,158,248	3,745,194
Other taxes	740,758	-	-	740,758
Charges for services	3,260,983	-	79,264	3,340,247
Intergovernmental	111,497	-	3,250,000	3,361,497
Licenses, permits, and fees	14,990,259	-	-	14,990,259
Investment earnings	384,515	4,982	761,625	1,151,122
Grants and contributions	3,492,672	-	1,910,472	5,403,144
Other revenue	1,078,396	-	229,694	1,308,090
Capital contributions and donations	1,835,276	-	-	1,835,276
Total revenues	<u>27,481,302</u>	<u>3,985,562</u>	<u>11,801,440</u>	<u>43,268,304</u>
<b>EXPENDITURES</b>				
Current				
Public safety	3,241,677	-	42,030	3,283,707
Highways and streets	6,303,138	-	888,094	7,191,232
Culture and recreation	830,967	-	246,603	1,077,570
Community development	5,578,162	-	1,989,513	7,567,675
Debt service				
Principal	-	6,611,176	-	6,611,176
Interest	-	3,663,290	-	3,663,290
Capital outlay	3,848,723	-	3,930,426	7,779,149
Total expenditures	<u>19,802,667</u>	<u>10,274,466</u>	<u>7,096,666</u>	<u>37,173,799</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,678,635</b>	<b>(6,288,904)</b>	<b>4,704,774</b>	<b>6,094,505</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	627,061	10,274,466	8,440,000	19,341,527
Transfers out	(8,725,603)	(4,070,000)	(6,300,242)	(19,095,845)
Total other financing sources (uses)	<u>(8,098,542)</u>	<u>6,204,466</u>	<u>2,139,758</u>	<u>245,682</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(419,907)</b>	<b>(84,438)</b>	<b>6,844,532</b>	<b>6,340,187</b>
<b>FUND BALANCE, beginning of year</b>	<b>35,682,718</b>	<b>1,201,529</b>	<b>23,771,329</b>	<b>60,655,576</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 35,262,811</b>	<b>\$ 1,117,091</b>	<b>\$ 30,615,861</b>	<b>\$ 66,995,763</b>



**City of Medford**  
**Nonmajor Special Revenue Funds**  
**June 30, 2023**

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

**Fire Public Safety Utility Fund** – Accounts for specified resources to be expended on additional or expanded fire operations.

**Park Dedication Fund** – Accounts for specified revenues from system development funds, hotel/motel and car rental taxes to be expended on park recreation improvements and maintenance.

**Cemetery Fund** – Accounts for the principal balance of the cemetery trust and for projects at the cemetery.

**Building Safety Fund** – Accounts for fees received for the purpose of building inspections and permits.

**Police Public Safety Utility Fund** – Accounts for the revenues collected for the purpose of providing additional police funding.

**State Forfeitures Fund** – Accounts for the receipt of state forfeiture funds to be expended on local law enforcement.

**Federal DOJ Forfeitures Fund** – Accounts for the receipt of federal forfeiture funds to be expended on local law enforcement.

**Community Promotions Fund** – Accounts for transient lodging tax to be expended on projects that promote the community.

**Council Community Initiative Fund** – This fund accounts for revenues received from the City's 3% tax on retail marijuana sales as well as the City's portion of state-shared marijuana tax.

**Community Development Block Grant Fund** – Accounts for federal community block grant funds to be expended on various revitalization projects.

**Veteran's Park Fund** – Accounts for the betterment of Veterans Memorial in Medford's Veteran's Park.

**Community Park Reserve Fund** – Accounts for the betterment of community parks in the City of Medford.

**Parks Utility Fund** – Accounts for operation, maintenance and construction of parks facilities and beautification for right of way strip maintenance.

**Street Utility Fund** – Accounts for street utility fees to be expended on street improvements and maintenance.

**Street System Development Charge Fund** – Accounts for System Development Charges (SDCs) to be expended on arterial and collector street improvements & maintenance.

**Construction Excise Tax Fund** – Accounts for revenues from the imposition of a construction excise tax.

**Federal Treasury Forfeiture Fund** – Accounts for the receipt and expenditures of federal forfeiture funds from treasury to be expended on local law enforcement.

**Rogue X Operations Fund** – Accounts for the operations of the Rogue X Complex, including payments for bonded debt.

**National Opioid Settlement Fund** – Accounts for the receipt and expenditure of funds received from the national opioid settlement agreement.

**City of Medford**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2023**

	Fire Public Safety Utility Fund - 300	Park Dedication Fund - 620	Cemetery Fund - 633	Building Safety Fund - 400	Police Public Safety Utility Fund - 200	State Forfeitures Fund - 202	Federal DOJ Forfeitures Fund - 201	Community Promotions Fund - 730
<b>ASSETS</b>								
Cash and investments	\$ 860,290	\$ 2,536,396	\$ (2,528)	\$ 7,750,922	\$ 633,407	\$ 521,225	\$ 286,481	\$ 149,812
Receivables	166,827	284,097	-	1,319	299,170	-	-	183,573
Prepaid items	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	32,843	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,027,117</b>	<b>\$ 2,820,493</b>	<b>\$ 30,315</b>	<b>\$ 7,752,241</b>	<b>\$ 932,577</b>	<b>\$ 521,225</b>	<b>\$ 286,481</b>	<b>\$ 333,385</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 9,046	\$ 39,622	\$ 428	\$ 315,065	\$ 4,132	\$ -	\$ -	\$ 143,997
Retainage payable	-	-	-	-	-	3,710	-	-
Customer deposits	-	-	-	(4,277)	-	-	-	-
Unearned revenue	-	279,495	-	-	-	-	-	-
Payroll and related accruals	41,093	2,448	-	82,224	78,811	-	-	-
<b>Total liabilities</b>	<b>50,139</b>	<b>321,565</b>	<b>428</b>	<b>393,012</b>	<b>82,943</b>	<b>3,710</b>	<b>-</b>	<b>143,997</b>
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Restricted for	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	517,515	286,481	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	2,498,928	-	-	-	-	-	-
Community development	-	-	-	7,359,229	-	-	-	-
Committed for	-	-	-	-	-	-	-	-
Public safety	976,978	-	-	-	849,634	-	-	-
Culture and recreation	-	-	29,887	-	-	-	-	-
Community development	-	-	-	-	-	-	-	189,388
<b>Total fund balances</b>	<b>976,978</b>	<b>2,498,928</b>	<b>29,887</b>	<b>7,359,229</b>	<b>849,634</b>	<b>517,515</b>	<b>286,481</b>	<b>189,388</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,027,117</b>	<b>\$ 2,820,493</b>	<b>\$ 30,315</b>	<b>\$ 7,752,241</b>	<b>\$ 932,577</b>	<b>\$ 521,225</b>	<b>\$ 286,481</b>	<b>\$ 333,385</b>

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**City of Medford**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (continued)**  
**June 30, 2023**

	Council Community Initiative Fund - 420	Community Development Block Grant Fund - 731	Veteran's Park Fund - 634	Community Park Reserve Fund - 670	Parks Utility Fund - 600	Street Utility Fund - 500	Street SDC Fund - 520	Construction Excise Tax Fund - 120
<b>ASSETS</b>								
Cash and investments	\$ 1,261,407	\$ (23,264)	\$ 3,212	\$ 246,054	\$ 1,352,111	\$ 4,456,735	\$ 12,636,401	\$ 1,223,579
Receivables	275,941	132,508	-	-	147,634	773,331	331,846	-
Prepaid items	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Advances to other funds	-	45,000	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,537,348</b>	<b>\$ 154,244</b>	<b>\$ 3,212</b>	<b>\$ 246,054</b>	<b>\$ 1,499,745</b>	<b>\$ 5,230,066</b>	<b>\$ 12,968,247</b>	<b>\$ 1,223,579</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 9,050	\$ 125,143	\$ -	\$ -	\$ 2,948	\$ 156,442	\$ 10,572	\$ -
Retainage payable	-	-	-	-	-	44,440	-	-
Customer deposits	-	-	-	-	-	336,452	-	15,159
Unearned revenue	-	-	-	-	-	543,431	319,001	-
Payroll and related accruals	-	-	-	-	28,453	148,496	16,647	152
<b>Total liabilities</b>	<b>9,050</b>	<b>125,143</b>	<b>-</b>	<b>-</b>	<b>31,401</b>	<b>1,229,261</b>	<b>346,220</b>	<b>15,311</b>
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Restricted for	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	4,000,805	12,622,027	-
Culture and recreation	-	-	3,212	-	-	-	-	-
Community development	-	29,101	-	-	-	-	-	1,208,268
Committed for	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	246,054	1,468,344	-	-	-
Community development	1,528,298	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,528,298</b>	<b>29,101</b>	<b>3,212</b>	<b>246,054</b>	<b>1,468,344</b>	<b>4,000,805</b>	<b>12,622,027</b>	<b>1,208,268</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,537,348</b>	<b>\$ 154,244</b>	<b>\$ 3,212</b>	<b>\$ 246,054</b>	<b>\$ 1,499,745</b>	<b>\$ 5,230,066</b>	<b>\$ 12,968,247</b>	<b>\$ 1,223,579</b>

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**City of Medford**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (continued)**  
**June 30, 2023**

	Federal Treasury Forfeiture Fund - 204	Rogue X Operations Fund - 641	National Opioid Settlement Fund - 732	Total
<b>ASSETS</b>				
Cash and investments	\$ 826,779	\$ (5,428)	\$ 555,627	\$ 35,269,218
Receivables	-	91,262	-	2,687,508
Prepaid items	-	-	20,000	20,000
Restricted cash and cash equivalents	-	-	-	32,843
Advances to other funds	-	-	-	45,000
<b>TOTAL ASSETS</b>	<b>\$ 826,779</b>	<b>\$ 85,834</b>	<b>\$ 575,627</b>	<b>\$ 38,054,569</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 39,573	\$ 5	\$ -	\$ 856,023
Retainage payable	-	-	-	48,150
Customer deposits	-	-	-	347,334
Unearned revenue	-	-	-	1,141,927
Payroll and related accruals	-	-	-	398,324
<b>Total liabilities</b>	<b>39,573</b>	<b>5</b>	<b>-</b>	<b>2,791,758</b>
<b>Fund Balances</b>				
Nonspendable	-	-	20,000	20,000
Prepaid items	-	-	-	-
Restricted for				
Public Safety	787,206	-	-	1,591,202
Highways and streets	-	-	-	16,622,832
Culture and recreation	-	-	-	2,502,140
Community development	-	-	555,627	9,152,225
Committed for				
Public safety	-	-	-	1,826,612
Culture and recreation	-	85,829	-	1,830,114
Community development	-	-	-	1,717,686
<b>Total fund balances</b>	<b>787,206</b>	<b>85,829</b>	<b>575,627</b>	<b>35,262,811</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 826,779</b>	<b>\$ 85,834</b>	<b>\$ 575,627</b>	<b>\$ 38,054,569</b>

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**City of Medford**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2023**

	Fire Public Safety Utility Fund - 300	Park Dedication Fund - 620	Cemetery Fund - 633	Building Safety Fund - 400	Police Public Safety Utility Fund - 200	State Forfeitures Fund - 202	Federal DOJ Forfeitures Fund - 201	Community Promotions Fund - 730
<b>REVENUES</b>								
Taxes - Franchise and lodging	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,586,946
Other taxes	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	3,062,601	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Licenses, permits, and fees	1,575,681	-	-	2,417,252	-	-	-	-
Investment earnings	6,854	21,661	(25)	76,522	3,679	4,753	2,535	-
Grants and contributions	72,727	1,449,667	3,513	5,800	150,000	143,770	144,219	-
Other revenue	-	-	4,300	38,052	-	1	-	-
Capital contributions and donations	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,655,262</b>	<b>1,471,328</b>	<b>7,788</b>	<b>2,537,626</b>	<b>3,216,280</b>	<b>148,524</b>	<b>146,754</b>	<b>1,586,946</b>
<b>EXPENDITURES</b>								
<b>Current</b>								
Public safety	762,897	-	-	-	1,962,042	153,518	39,563	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	68,697	9,785	-	-	-	-	-
Community development	-	-	-	1,981,837	-	-	-	1,403,372
Capital outlay	-	163,603	-	106,320	17,205	12,306	24,293	-
<b>Total expenditures</b>	<b>762,897</b>	<b>232,300</b>	<b>9,785</b>	<b>2,088,157</b>	<b>1,979,247</b>	<b>165,824</b>	<b>63,856</b>	<b>1,403,372</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>892,365</b>	<b>1,239,028</b>	<b>(1,997)</b>	<b>449,469</b>	<b>1,237,033</b>	<b>(17,300)</b>	<b>82,898</b>	<b>183,574</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	125,000	-	-	-	125,000	-	-	-
Transfers out	(697,846)	(341,174)	-	(333,451)	(1,399,919)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(572,846)</b>	<b>(341,174)</b>	<b>-</b>	<b>(333,451)</b>	<b>(1,274,919)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>319,519</b>	<b>897,854</b>	<b>(1,997)</b>	<b>116,018</b>	<b>(37,886)</b>	<b>(17,300)</b>	<b>82,898</b>	<b>183,574</b>
<b>FUND BALANCE, beginning of year</b>	<b>657,459</b>	<b>1,601,074</b>	<b>31,884</b>	<b>7,243,211</b>	<b>887,520</b>	<b>534,815</b>	<b>203,583</b>	<b>5,814</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 976,978</b>	<b>\$ 2,498,928</b>	<b>\$ 29,887</b>	<b>\$ 7,359,229</b>	<b>\$ 849,634</b>	<b>\$ 517,515</b>	<b>\$ 286,481</b>	<b>\$ 189,388</b>

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**City of Medford**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (continued)**  
**For the Year Ended June 30, 2023**

	Council Community Initiative Fund - 420	Community Development Block Grant Fund - 731	Veteran's Park Fund - 634	Community Park Reserve Fund - 670	Parks Utility Fund - 600	Street Utility Fund - 500	Street SDC Fund - 520	Construction Excise Tax Fund - 120
<b>REVENUES</b>								
Taxes - Franchise and lodging	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	740,758	-	-	-	-	-	-	-
Charges for services	-	-	-	149,935	-	48,447	-	-
Intergovernmental	-	-	-	-	-	-	111,497	-
Licenses, permits, and fees	-	-	-	-	1,445,793	8,375,564	-	-
Investment earnings	20,973	-	36	1,903	11,462	61,022	136,772	12,153
Grants and contributions	173,871	751,694	-	-	-	3,265	-	-
Other revenue	-	-	-	-	-	124,272	54,212	271,932
Capital contributions and donations	-	-	-	-	-	-	1,835,276	-
Total revenues	935,602	751,694	36	151,838	1,457,255	8,612,570	2,137,757	284,085
<b>EXPENDITURES</b>								
Current	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	5,895,960	407,178	-
Culture and recreation	-	-	-	-	752,485	-	-	-
Community development	879,371	886,411	-	-	-	-	-	417,171
Capital outlay	165,797	-	-	-	-	2,271,774	955,645	-
Total expenditures	1,045,168	886,411	-	-	752,485	8,167,734	1,362,823	417,171
EXCESS REVENUES OVER (UNDER)	(109,566)	(134,717)	36	151,838	704,770	444,836	774,934	(133,086)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	45,000	-	-	-	82,061	-	250,000
Transfers out	(500,000)	-	-	-	(541,274)	(1,224,640)	(615,611)	-
Total other financing sources (uses)	(500,000)	45,000	-	-	(541,274)	(1,142,579)	(615,611)	250,000
NET CHANGE IN FUND BALANCE	(609,566)	(89,717)	36	151,838	163,496	(697,743)	159,323	116,914
FUND BALANCE, beginning of year	2,137,864	118,818	3,176	94,216	1,304,848	4,698,548	12,462,704	1,091,354
FUND BALANCE, end of year	\$ 1,528,298	\$ 29,101	\$ 3,212	\$ 246,054	\$ 1,468,344	\$ 4,000,805	\$ 12,622,027	\$ 1,208,268

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**City of Medford**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (continued)**  
**For the Year Ended June 30, 2023**

	Federal Treasury Forfeiture Fund - 204	Rogue X Operations Fund - 641	National Opioid Settlement Fund - 732	Total
<b>REVENUES</b>				
Taxes - Franchise and lodging	\$ -	\$ -	\$ -	\$ 1,586,946
Other taxes	-	-	-	740,758
Charges for services	-	-	-	3,260,983
Intergovernmental	-	-	-	111,497
Licenses, permits, and fees	-	1,175,969	-	14,990,259
Investment earnings	6,879	17,336	-	384,515
Grants and contributions	594,146	-	-	3,492,672
Other revenue	-	-	585,627	1,078,396
Capital contributions and donations	-	-	-	1,835,276
Total revenues	601,025	1,193,305	585,627	27,481,302
<b>EXPENDITURES</b>				
Current	-	-	-	-
Public safety	323,657	-	-	3,241,677
Highways and streets	-	-	-	6,303,138
Culture and recreation	-	-	-	830,967
Community development	-	-	10,000	5,578,162
Capital outlay	131,780	-	-	3,848,723
Total expenditures	455,437	-	10,000	19,802,667
EXCESS REVENUES OVER (UNDER)	145,588	1,193,305	575,627	7,678,635
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	627,061
Transfers out	-	(3,071,688)	-	(8,725,603)
Total other financing sources (uses)	-	(3,071,688)	-	(8,098,542)
NET CHANGE IN FUND BALANCE	145,588	(1,878,383)	575,627	(419,907)
FUND BALANCE, beginning of year	641,618	1,964,212	-	35,682,718
FUND BALANCE, end of year	\$ 787,206	\$ 85,829	\$ 575,627	\$ 35,262,811

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**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Fire Public Safety Utility Fund - 300**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Licenses, permits, and fees	\$ 3,149,600	\$ 3,149,600	\$ 1,565,773	\$ 1,575,682	\$ 3,141,455	\$ 8,145
Intergovernmental	-	72,727	-	72,727	72,727	-
Investment earnings	2,400	2,400	2,855	10,552	13,407	(11,007)
Total revenues	3,152,000	3,224,727	1,568,629	1,658,960	3,227,589	(2,862)
EXPENDITURES						
Fire	1,656,500	1,775,250	681,515	762,897	1,444,412	330,838
Capital outlay	-	172,727	172,727	-	172,727	-
Contingency	150,000	50,000	-	-	-	50,000
Total expenditures	1,806,500	1,997,977	854,243	762,897	1,617,140	380,838
EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,345,500	1,226,750	714,386	896,063	1,610,449	(383,699)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	125,000	-	125,000	125,000	-
Transfers out	(1,692,900)	(1,692,900)	(994,810)	(697,846)	(1,692,655)	(245)
Total other financing sources (uses)	(1,692,900)	(1,567,900)	(994,810)	(572,846)	(1,567,655)	(245)
NET CHANGE IN FUND BALANCE	(347,400)	(341,150)	(280,424)	323,217	42,794	(383,944)
FUND BALANCE, beginning of year	482,100	482,100	945,923	665,499	665,499	(183,399)
FUND BALANCE, end of year	\$ 134,700	\$ 140,950	\$ 665,499	988,716	\$ 988,716	\$ (847,766)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(11,738)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 976,978		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Park Dedication Fund - 620**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Investment earnings	\$ 27,100	\$ 27,100	\$ 17,582	\$ 32,476	\$ 50,058	\$ (22,958)
Contributions and donations	1,700,000	2,197,400	1,267,202	1,423,133	2,690,335	(492,935)
Grants and contracts	-	-	218	26,535	26,753	(26,753)
Total revenues	1,727,100	2,224,500	1,285,002	1,482,144	2,767,146	(542,646)
EXPENDITURES						
Capital outlay	2,283,300	909,900	226,221	232,300	458,520	451,380
Contingency	1,115,900	681,800	-	-	-	681,800
Total expenditures	3,399,200	1,591,700	226,221	232,300	458,520	1,133,180
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,672,100)	632,800	1,058,781	1,249,844	2,308,626	(1,675,825)
OTHER FINANCING SOURCES (USES)						
Transfers out	(7,700)	(2,881,100)	(2,539,873)	(341,174)	(2,881,047)	(53)
Total other financing sources (uses)	(7,700)	(2,881,100)	(2,539,873)	(341,174)	(2,881,047)	(53)
NET CHANGE IN FUND BALANCE	(1,679,800)	(2,248,300)	(1,481,092)	908,670	(572,421)	(1,675,879)
FUND BALANCE, beginning of year	2,599,100	3,167,600	3,142,750	1,661,658	1,661,658	1,505,942
FUND BALANCE, end of year	\$ 919,300	\$ 919,300	\$ 1,661,658	2,570,328	\$ 2,570,328	\$ (1,651,028)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(71,400)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 2,498,928		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Cemetery Fund - 633**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Investment earnings	\$ -	\$ -	\$ 6	\$ (25)	\$ (19)	\$ 19
Grants and contracts	-	3,113	-	3,113	3,113	-
Other revenue	7,000	7,000	6,550	4,700	11,250	(4,250)
Total revenues	7,000	10,113	6,556	7,788	14,344	(4,231)
EXPENDITURES						
Culture and recreation	11,700	20,513	10,523	9,785	20,308	205
Contingency	28,200	22,500	-	-	-	22,500
Total expenditures	39,900	43,013	10,523	9,785	20,308	22,705
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(32,900)	(32,900)	(3,967)	(1,997)	(5,964)	(26,936)
NET CHANGE IN FUND BALANCE	(32,900)	(32,900)	(3,967)	(1,997)	(5,964)	(26,936)
FUND BALANCE, beginning of year	32,900	32,900	35,845	31,878	31,878	1,022
FUND BALANCE, end of year	\$ -	\$ -	\$ 31,878	29,881	\$ 29,881	\$ (29,881)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				6		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 29,887		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Building Safety Fund - 400**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Licenses, permits, and fees	\$ 3,738,300	\$ 3,738,300	\$ 2,719,537	\$ 2,417,252	\$ 5,136,789	\$ (1,398,489)
Investment earnings	46,900	46,900	30,044	109,226	139,270	(92,370)
Other revenue	70,700	77,895	58,123	43,852	101,975	(24,080)
Total revenues	3,855,900	3,863,095	2,807,704	2,570,330	5,378,034	(1,514,939)
EXPENDITURES						
Community development	4,307,900	4,184,367	1,823,015	1,938,996	3,762,012	422,355
Capital outlay	30,000	160,728	-	149,166	149,166	11,562
Contingency	200,000	200,000	-	-	-	200,000
Total expenditures	4,537,900	4,545,095	1,823,015	2,088,162	3,911,177	633,918
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(682,000)	(682,000)	984,689	482,168	1,466,857	(2,148,856)
OTHER FINANCING SOURCES (USES)						
Transfers in	333,000	333,000	333,000	-	333,000	-
Transfers out	(659,300)	(659,300)	(325,732)	(333,451)	(659,183)	(117)
Total other financing sources (uses)	(326,300)	(326,300)	7,268	(333,451)	(326,183)	(117)
NET CHANGE IN FUND BALANCE	(1,008,300)	(1,008,300)	991,957	148,717	1,140,674	(2,148,973)
FUND BALANCE, beginning of year	5,196,100	5,196,100	6,360,003	7,351,960	7,351,960	(2,155,860)
FUND BALANCE, end of year	\$ 4,187,800	\$ 4,187,800	\$ 7,351,960	7,500,677	\$ 7,500,677	\$ (3,312,877)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(141,448)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 7,359,229		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Police Public Safety Utility - 200**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Licenses, permits, and fees	\$ 6,114,100	\$ 6,114,100	\$ 3,025,176	\$ 3,062,602	\$ 6,087,777	\$ 26,323
Investment earnings	1,400	1,400	1,116	6,472	7,588	(6,188)
Grants and contracts	-	150,000	-	150,000	150,000	-
Other revenue	-	-	1,014	-	1,014	(1,014)
Total revenues	6,115,500	6,265,500	3,027,306	3,219,073	6,246,379	19,121
EXPENDITURES						
Public safety	3,235,600	3,510,600	1,492,509	1,954,817	3,447,326	63,274
Capital outlay	50,000	50,000	20,184	24,430	44,614	5,386
Contingency	100,000	100,000	-	-	-	100,000
Total expenditures	3,385,600	3,660,600	1,512,693	1,979,247	3,491,940	168,660
EXCESS REVENUES OVER (UNDER) EXPENDITURES	2,729,900	2,604,900	1,514,613	1,239,826	2,754,439	(149,539)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	125,000	-	125,000	125,000	-
Transfers out	(2,794,900)	(2,794,900)	(1,394,511)	(1,399,919)	(2,794,430)	(470)
Total other financing sources (uses)	(2,794,900)	(2,669,900)	(1,394,511)	(1,274,919)	(2,669,430)	(470)
NET CHANGE IN FUND BALANCE	(65,000)	(65,000)	120,102	(35,093)	85,009	(150,008)
FUND BALANCE, beginning of year	478,300	478,300	777,298	897,400	897,400	(419,100)
FUND BALANCE, end of year	\$ 413,300	\$ 413,300	\$ 897,400	862,307	\$ 862,307	\$ (449,007)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(12,673)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 849,634		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**State Forfeitures Fund - 202**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Grants and contracts	\$ -	\$ 90,000	\$ 31,383	\$ 143,770	\$ 175,153	\$ (85,153)
Investment earnings	18,000	18,000	3,108	9,003	12,111	5,889
Other revenue	-	188,000	196,929	1	196,930	(8,930)
Total revenues	18,000	296,000	231,420	152,774	384,194	(88,194)
EXPENDITURES						
Police	55,000	270,400	94,475	148,350	242,824	27,576
Capital outlay	125,000	187,600	156,305	17,474	173,779	13,821
Contingency	373,800	373,800	-	-	-	373,800
Total expenditures	553,800	831,800	250,779	165,824	416,603	415,197
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(535,800)	(535,800)	(19,359)	(13,050)	(32,409)	(503,390)
NET CHANGE IN FUND BALANCE	(535,800)	(535,800)	(19,359)	(13,050)	(32,409)	(503,390)
FUND BALANCE, beginning of year	535,900	535,900	570,723	551,364	551,364	(15,464)
FUND BALANCE, end of year	\$ 100	\$ 100	\$ 551,364	538,314	\$ 538,314	\$ (538,214)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(20,799)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 517,515		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Federal DOJ Forfeitures Fund - 201**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Investment earnings	\$ 10,500	\$ 10,500	\$ 1,741	\$ 3,736	\$ 5,477	\$ 5,023
Other revenue	-	119,100	104,621	144,218	248,839	(129,739)
Total revenues	10,500	129,600	106,362	147,954	254,316	(124,716)
EXPENDITURES						
Public Safety	18,000	137,100	82,938	29,362	112,300	24,800
Capital outlay	427,000	427,000	316,205	34,494	350,699	76,301
Contingency	388,800	388,800	-	-	-	388,800
Total expenditures	833,800	952,900	399,143	63,856	462,999	489,901
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(823,300)	(823,300)	(292,781)	84,098	(208,683)	(614,616)
NET CHANGE IN FUND BALANCE	(823,300)	(823,300)	(292,781)	84,098	(208,683)	(614,616)
FUND BALANCE, beginning of year	823,400	823,400	498,750	205,969	205,969	617,431
FUND BALANCE, end of year	\$ 100	\$ 100	\$ 205,969	290,067	\$ 290,067	\$ (289,967)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(3,586)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 286,481		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Community Promotions Fund - 730**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Lodging taxes	\$ 2,250,000	\$ 3,335,000	\$ 1,634,847	\$ 1,586,946	\$ 3,221,793	\$ 113,207
Total revenues	2,250,000	3,335,000	1,634,847	1,586,946	3,221,793	113,207
EXPENDITURES						
Community promotion	2,250,000	3,335,000	1,807,974	1,403,372	3,211,346	123,654
Total expenditures	2,250,000	3,335,000	1,807,974	1,403,372	3,211,346	123,654
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	-	(173,127)	183,574	10,447	(10,447)
NET CHANGE IN FUND BALANCE	-	-	(173,127)	183,574	10,447	(10,447)
FUND BALANCE, beginning of year	-	-	178,941	5,814	5,814	(5,814)
FUND BALANCE, end of year	\$ -	\$ -	\$ 5,814	\$ 189,388	\$ 189,388	\$ (189,388)



**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Council Community Initiative Fund - 420**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Marijuana Taxes	\$ 2,175,000	\$ 2,175,000	\$ 839,424	\$ 740,759	\$ 1,580,183	\$ 594,817
Grants and contracts	210,000	210,000	166,514	173,871	340,385	(130,385)
Investment earnings	5,100	5,100	9,007	26,378	35,384	(30,284)
Total revenues	2,390,100	2,390,100	1,014,945	941,007	1,955,953	434,147
EXPENDITURES						
Community development	-	1,299,655	306,625	809,753	1,116,378	183,277
Capital outlay	275,000	1,120,500	180,497	235,414	415,911	704,589
Contingency	3,599,800	672,335	-	-	-	672,335
Total expenditures	3,874,800	3,092,490	487,121	1,045,167	1,532,288	1,560,202
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,484,700)	(702,390)	527,824	(104,160)	423,665	(1,126,054)
OTHER FINANCING SOURCES (USES)						
Transfers out	-	(782,310)	(282,310)	(500,000)	(782,310)	-
Total other financing sources (uses)	-	(782,310)	(282,310)	(500,000)	(782,310)	-
NET CHANGE IN FUND BALANCE	(1,484,700)	(1,484,700)	245,514	(604,160)	(358,645)	(1,126,054)
FUND BALANCE, beginning of year	1,484,700	1,484,700	1,921,121	2,166,635	2,166,635	(681,935)
FUND BALANCE, end of year	\$ -	\$ -	\$ 2,166,635	1,562,475	\$ 1,562,475	\$ (1,562,475)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(34,177)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 1,528,298		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Community Development Block Grant Fund - 731**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Grants and contracts	\$ 1,950,000	\$ 3,578,000	\$ 1,088,918	\$ 751,694	\$ 1,840,612	\$ 1,737,388
Total revenues	1,950,000	3,578,000	1,088,918	751,694	1,840,612	1,737,388
EXPENDITURES						
Community development	1,950,000	3,854,100	1,300,451	886,411	2,186,862	1,667,238
Total expenditures	1,950,000	3,854,100	1,300,451	886,411	2,186,862	1,667,238
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	(276,100)	(211,533)	(134,717)	(346,250)	70,150
OTHER FINANCING SOURCES (USES)						
Transfers out	-	(45,000)	(45,000)	-	(45,000)	-
Total other financing sources (uses)	-	(45,000)	(45,000)	-	(45,000)	-
NET CHANGE IN FUND BALANCE	-	(321,100)	(256,533)	(134,717)	(391,250)	70,150
FUND BALANCE, beginning of year	-	-	375,351	118,818	118,818	(118,818)
FUND BALANCE, end of year	\$ -	\$ (321,100)	\$ 118,818	(15,899)	\$ (15,899)	\$ (305,201)
RECONCILIATION TO GAAP BASIS						
Advances from other funds				45,000		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 29,101		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Veteran's Park Fund - 634**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual		Final Budget
REVENUES						
Investment earnings	\$ -	\$ -	\$ 15	\$ 51	\$ 66	\$ (66)
Total revenues	-	-	15	51	66	(66)
EXPENDITURES						
Contingency	8,300	8,300	-	-	-	8,300
Total expenditures	8,300	8,300	-	-	-	8,300
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(8,300)	(8,300)	15	51	66	(8,366)
NET CHANGE IN FUND BALANCE	(8,300)	(8,300)	15	51	66	(8,366)
FUND BALANCE, beginning of year	8,300	8,300	3,195	3,210	3,210	5,090
FUND BALANCE, end of year	-	-	3,210	3,261	3,261	(3,261)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(49)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 3,212		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Community Park Reserve Fund - 670**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual		Final Budget
REVENUES						
Investment earnings	\$ -	\$ -	\$ 469	\$ 2,924	\$ 3,393	\$ (3,393)
Other revenue	60,000	60,000	114,987	149,935	264,922	(204,922)
Total revenues	60,000	60,000	115,456	152,859	268,315	(208,315)
OTHER FINANCING SOURCES (USES)						
Transfers out	(156,400)	(156,400)	(156,400)	-	(156,400)	-
Total other financing sources (uses)	(156,400)	(156,400)	(156,400)	-	(156,400)	-
NET CHANGE IN FUND BALANCE	(96,400)	(96,400)	(40,944)	152,859	111,915	(208,315)
FUND BALANCE, beginning of year	116,400	116,400	136,435	95,491	95,491	20,909
FUND BALANCE, end of year	\$ 20,000	\$ 20,000	\$ 95,491	248,350	\$ 248,350	\$ (228,350)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(2,296)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 246,054		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Parks Utility Fund - 600**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final	Actual	Actual		
REVENUES						
Licenses, permits, and fees	\$ 2,729,000	\$ 2,729,000	\$ 1,513,257	\$ 1,445,793	\$ 2,959,049	\$ (230,049)
Investment earnings	8,600	8,600	4,200	17,160	21,361	(12,761)
Total revenues	2,737,600	2,737,600	1,517,457	1,462,953	2,980,410	(242,810)
EXPENDITURES						
Culture and recreation	1,116,400	1,337,900	583,365	752,485	1,335,851	2,049
Contingency	500,000	278,500	-	-	-	278,500
Total expenditures	1,616,400	1,616,400	583,365	752,485	1,335,851	280,549
EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,121,200	1,121,200	934,092	710,468	1,644,559	(523,359)
OTHER FINANCING SOURCES (USES)						
Transfers out	(1,433,000)	(1,433,000)	(891,554)	(541,274)	(1,432,829)	(171)
Total other financing sources (uses)	(1,433,000)	(1,433,000)	(891,554)	(541,274)	(1,432,829)	(171)
NET CHANGE IN FUND BALANCE	(311,800)	(311,800)	42,538	169,194	211,730	(523,531)
FUND BALANCE, beginning of year	1,207,600	1,207,600	1,279,632	1,322,170	1,322,170	(114,570)
FUND BALANCE, end of year	\$ 895,800	\$ 895,800	\$ 1,322,170	1,491,364	\$ 1,491,364	\$ (595,564)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(23,020)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 1,468,344		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Street Utility Fund - 500**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final	Actual	Actual		
REVENUES						
Licenses, permits, and fees	\$ 16,487,200	\$ 16,487,200	\$ 8,301,294	\$ 8,424,015	\$ 16,725,309	\$ (238,109)
Investment earnings	71,400	71,400	34,033	83,239	117,272	(45,872)
Other revenue	77,600	77,600	141,229	127,537	268,766	(191,166)
Total revenues	16,636,200	16,636,200	8,476,556	8,634,790	17,111,347	(475,147)
EXPENDITURES						
Highways and streets	10,548,900	10,938,000	4,806,076	4,974,161	9,780,237	1,157,763
Capital outlay	7,063,800	6,963,800	3,232,072	3,193,574	6,425,646	538,154
Contingency	1,000,000	703,400	-	-	-	703,400
Total expenditures	18,612,700	18,605,200	8,038,147	8,167,735	16,205,883	2,399,317
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,976,500)	(1,969,000)	438,409	467,055	905,464	(2,874,464)
OTHER FINANCING SOURCES (USES)						
Transfers in	420,000	420,000	78,690	82,061	160,751	259,249
Transfers out	(2,552,300)	(2,552,300)	(1,188,933)	(1,224,640)	(2,413,573)	(138,727)
Total other financing sources (uses)	(2,132,300)	(2,132,300)	(1,110,243)	(1,142,579)	(2,252,822)	120,522
NET CHANGE IN FUND BALANCE	(4,108,800)	(4,101,300)	(671,834)	(675,524)	(1,347,358)	(2,753,942)
FUND BALANCE, beginning of year	5,893,700	5,893,700	5,450,195	4,778,361	4,778,361	1,115,339
FUND BALANCE, end of year	\$ 1,784,900	\$ 1,792,400	\$ 4,778,361	4,102,837	\$ 4,102,837	\$ (2,310,437)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(102,032)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 4,000,805		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Street SDC Fund - 520**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Contributions earnings	\$ 3,648,200	\$ 3,648,200	\$ 2,304,107	\$ 1,835,276	\$ -	\$ -
Other Revenue	-	-	-	165,709	165,709	(165,709)
Investment earnings	135,100	135,100	60,746	190,062	250,808	(115,708)
Total revenues	3,783,300	3,783,300	2,364,853	2,191,047	416,518	(281,418)
EXPENDITURES						
Highways and streets	1,059,100	1,059,100	629,787	532,436	1,162,223	(103,123)
Capital outlay	8,608,000	8,608,000	2,037,449	830,387	2,867,836	5,740,164
Contingency	500,000	500,000	-	-	-	500,000
Total expenditures	10,167,100	10,167,100	2,667,237	1,362,823	4,030,060	6,137,040
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(6,383,800)	(6,383,800)	(302,384)	828,224	(3,613,542)	(6,418,458)
OTHER FINANCING SOURCES (USES)						
Transfers out	(1,229,100)	(1,229,100)	(605,387)	(615,611)	(1,220,998)	(8,102)
Total other financing sources (uses)	(1,229,100)	(1,229,100)	(605,387)	(615,611)	(1,220,998)	(8,102)
NET CHANGE IN FUND BALANCE	(7,612,900)	(7,612,900)	(907,771)	212,613	(4,834,540)	(6,426,560)
FUND BALANCE, beginning of year	11,186,500	11,186,500	13,544,401	12,636,630	12,636,630	(1,450,130)
FUND BALANCE, end of year	\$ 3,573,600	\$ 3,573,600	\$ 12,636,630	12,849,243	\$ 12,849,243	\$ (9,275,643)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(227,216)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 12,622,027		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Construction Excise Tax Fund - 120**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Investment earnings	\$ 3,200	\$ 3,200	\$ 4,179	\$ 17,231	\$ 21,410	\$ (18,210)
Other revenue	425,200	425,200	488,988	271,932	760,920	(335,720)
Total revenues	428,400	428,400	493,167	289,164	782,330	(353,930)
EXPENDITURES						
Community development	360,000	1,311,210	79,765	417,171	496,936	814,274
Contingency	418,900	-	-	-	-	-
Total expenditures	778,900	1,311,210	79,765	417,171	496,936	814,274
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(350,500)	(882,810)	413,402	(128,007)	285,394	(1,168,204)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	532,310	282,310	250,000	532,310	-
Transfers out	(333,000)	(333,000)	(333,000)	-	(333,000)	-
Total other financing sources (uses)	(333,000)	199,310	(50,690)	250,000	199,310	-
NET CHANGE IN FUND BALANCE	(683,500)	(683,500)	362,712	121,993	484,704	(1,168,204)
FUND BALANCE, beginning of year	683,500	683,500	744,579	1,107,291	1,107,291	(423,791)
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,107,291	1,229,284	\$ 1,229,284	\$ (1,229,284)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(21,016)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 1,208,268		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Federal Treasury Foreitures Fund - 204**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Grants and contracts	\$ -	\$ 581,900	\$ 566,506	\$ 594,146	\$ 1,160,652	\$ (578,752)
Investment earnings	-	-	2,503	10,380	12,882	(12,882)
Other revenue	-	5,500	5,465	-	5,465	35
Total revenues	-	587,400	574,474	604,525	1,178,999	(591,599)
EXPENDITURES						
Public safety	153,400	512,800	224,032	268,322	492,355	20,445
Capital outlay	183,000	411,000	50,819	187,115	237,933	173,067
Total expenditures	336,400	923,800	274,851	455,437	730,288	193,512
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(336,400)	(336,400)	299,623	149,088	448,711	(785,111)
NET CHANGE IN FUND BALANCE	(336,400)	(336,400)	299,623	149,088	448,711	(785,111)
FUND BALANCE, beginning of year	336,400	336,400	351,090	650,713	650,713	(314,313)
FUND BALANCE, end of year	\$ -	\$ -	\$ 650,713	799,801	\$ 799,801	\$ (799,801)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(12,595)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 787,206		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Rogue X Operations Fund - 641**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Licenses, permits, and fees	\$ -	\$ 1,205,800	\$ 98,300	\$ 1,175,969	\$ 1,274,269	\$ (68,469)
Investment Earnings	-	-	-	17,336	17,336	(17,336)
Total revenues	-	1,205,800	98,300	1,193,305	1,291,605	(85,805)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	3,537,600	3,537,600	-	3,537,600	-
Transfers out	-	(4,743,400)	(1,671,688)	(3,071,688)	(4,743,375)	(25)
Total other financing sources (uses)	-	(1,205,800)	1,865,912	(3,071,688)	(1,205,775)	(25)
NET CHANGE IN FUND BALANCE	-	-	1,964,212	(1,878,383)	85,830	(85,830)
FUND BALANCE, beginning of year	-	-	-	1,964,212	1,964,212	(1,964,212)
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,964,212	\$ 85,829	\$ 85,829	\$ (85,829)

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**National Opioid Settlement Fund - 732**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual		Final Budget
REVENUES						
Other revenue	\$ -	\$ 75,000	\$ -	\$ 585,627	\$ 585,627	\$ (510,627)
Total revenues	-	75,000	-	585,627	585,627	(510,627)
EXPENDITURES						
Culture and recreation	-	75,000	-	10,000	10,000	65,000
Total expenditures	-	75,000	-	10,000	10,000	65,000
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	-	-	575,627	575,627	(575,627)
NET CHANGE IN FUND BALANCE	-	-	-	575,627	575,627	(575,627)
FUND BALANCE, beginning of year	-	-	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ 575,627	\$ 575,627	\$ (575,627)

**City of Medford**  
**Nonmajor Debt Service Funds**  
**June 30, 2023**

**General Debt Service Fund** – Accounts for payment of principal and interest on the City's General Obligation or Full Faith and Credit bonds and loans. The resource for those payments comes from transfers in from other funds for which the bond proceeds were used.

**Revenue Bond Fund** – Accounts for payment of principal and interest on the City's Revenue Bonds. The resource for those payments comes from transfers in from other funds for which the bond proceeds were used.

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

**City of Medford**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2023**

	General Debt Service Fund - 160	Revenue Bond Fund - 161	MURA Debt Service Fund - 902	Total
<b>ASSETS</b>				
Cash and investments	\$ 304,491	\$ 604	\$ 772,116	\$ 1,077,211
Receivables				
Accounts	-	-	54	54
Taxes	-	-	225,802	225,802
<b>TOTAL ASSETS</b>	<b>\$ 304,491</b>	<b>\$ 604</b>	<b>\$ 997,972</b>	<b>\$ 1,303,067</b>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ -	\$ -	\$ 185,976	\$ 185,976
<b>Fund Balances</b>				
Restricted - Debt service	304,491	604	811,996	1,117,091
Total fund balances	304,491	604	811,996	1,117,091
<b>TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 304,491</b>	<b>\$ 604</b>	<b>\$ 997,972</b>	<b>\$ 1,303,067</b>

**City of Medford**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2023**

	General Debt Service Fund - 160	Revenue Bond Fund - 161	MURA Debt Service Fund - 902	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 3,980,580	\$ 3,980,580
Investment earnings	2,693	6	2,283	4,982
Total revenues	2,693	6	3,982,863	3,985,562
<b>EXPENDITURES</b>				
Debt service principal	3,492,320	3,118,856	-	6,611,176
Debt service interest	1,087,241	2,576,049	-	3,663,290
Total expenditures	4,579,561	5,694,905	-	10,274,466
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,576,868)</b>	<b>(5,694,899)</b>	<b>3,982,863</b>	<b>(6,288,904)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,579,561	5,694,905	-	10,274,466
Transfers out	-	-	(4,070,000)	(4,070,000)
Total other financing sources (uses)	4,579,561	5,694,905	(4,070,000)	6,204,466
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,693</b>	<b>6</b>	<b>(87,137)</b>	<b>(84,438)</b>
<b>FUND BALANCE, beginning of year</b>	<b>301,798</b>	<b>598</b>	<b>899,133</b>	<b>1,201,529</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 304,491</b>	<b>\$ 604</b>	<b>\$ 811,996</b>	<b>\$ 1,117,091</b>

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**General Debt Service Fund - 160**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Property taxes	\$ -	\$ -	\$ (3,475)	\$ -	\$ (3,475)	\$ 3,475
Investment earnings	-	-	1,466	3,977	5,444	(5,444)
Total revenues	-	-	(2,008)	3,977	1,969	(1,969)
EXPENDITURES						
Debt services	8,992,900	8,992,900	4,397,246	4,579,561	8,976,807	16,093
Total expenditures	8,992,900	8,992,900	4,397,246	4,579,561	8,976,807	16,093
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(8,992,900)	(8,992,900)	(4,399,254)	(4,575,584)	(8,974,838)	(18,062)
OTHER FINANCING SOURCES (USES)						
Transfers in	8,992,900	8,992,900	4,397,246	4,579,561	8,976,807	16,093
Total other financing sources (uses)	8,992,900	8,992,900	4,397,246	4,579,561	8,976,807	16,093
NET CHANGE IN FUND BALANCE	-	-	(2,008)	3,977	1,969	(1,969)
FUND BALANCE, beginning of year	331,500	331,500	308,123	306,115	306,115	25,385
FUND BALANCE, end of year	<u>\$ 331,500</u>	<u>\$ 331,500</u>	<u>\$ 306,115</u>	310,092	<u>\$ 310,092</u>	<u>\$ 21,408</u>
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(5,601)		
TOTAL GAAP BASIS FUND BALANCE, end of year				<u>\$ 304,491</u>		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Revenue Bond Fund - 161**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Investment earnings	\$ -	\$ -	\$ 104	\$ 8	\$ 113	\$ (113)
Total revenues	-	-	104	8	113	(113)
EXPENDITURES						
Debt service	10,131,900	10,131,900	4,436,494	5,694,905	10,131,399	501
Total expenditures	10,131,900	10,131,900	4,436,494	5,694,905	10,131,399	501
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(10,131,900)	(10,131,900)	(4,436,390)	(5,694,897)	(10,131,286)	(614)
OTHER FINANCING SOURCES (USES)						
Transfers in	10,132,300	10,132,300	4,436,494	5,694,905	10,131,399	901
Total other financing sources (uses)	10,132,300	10,132,300	4,436,494	5,694,905	10,131,399	901
NET CHANGE IN FUND BALANCE	400	400	104	8	113	287
FUND BALANCE, beginning of year	6,500	6,500	503	607	607	5,893
FUND BALANCE, end of year	<u>\$ 6,900</u>	<u>\$ 6,900</u>	<u>\$ 607</u>	615	<u>\$ 615</u>	<u>\$ 6,285</u>
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(11)		
TOTAL GAAP BASIS FUND BALANCE, end of year				<u>\$ 604</u>		



**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**MURA Debt Service Fund - 902**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual		Final Budget
REVENUES						
Property taxes	\$ 7,991,000	\$ 7,991,000	\$ 3,812,576	\$ 3,980,580	\$ 7,793,155	\$ 197,845
Investment earnings	3,000	3,000	223	2,283	2,506	494
Total revenues	7,994,000	7,994,000	3,812,799	3,982,863	7,795,662	198,338
OTHER FINANCING SOURCES (USES)						
Transfers out	(7,991,000)	(7,991,000)	(3,921,000)	(4,070,000)	(7,991,000)	-
Total other financing sources (uses)	(7,991,000)	(7,991,000)	(3,921,000)	(4,070,000)	(7,991,000)	-
NET CHANGE IN FUND BALANCE	3,000	3,000	(108,201)	(87,137)	(195,338)	198,338
FUND BALANCE, beginning of year	790,000	790,000	1,007,334	899,133	899,133	(109,133)
FUND BALANCE, end of year	\$ 793,000	\$ 793,000	\$ 899,133	\$ 811,996	\$ 811,996	\$ (18,996)

**City of Medford**  
**Nonmajor Capital Projects Funds**  
**June 30, 2023**

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

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

**Greenway Construction Fund** – Accounts for construction of Bear Creek Greenway.

**Special Sidewalk Fund** – Accounts for the expenditure of the proceeds of the Sidewalk Bonds.

**Fire Apparatus Reserve Fund** – This fund accounts for the replacement of Fire Department Apparatus.

**Aquatic Facilities Reserve** – This fund accounts for the development of an aquatic facilities park.

**Park Southeast Area System Development Charge Fund** – Accounts for SDCs collected in the SE Area to be expended on park and recreation improvements & new construction.

**Park Improvement Fund** – Accounts for specified resources to be expended on park and recreation improvements & new construction.

**MURA Capital Projects Fund** – Accounts for the expenditure of resources for the Medford Urban Renewal Agency.

**City of Medford**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**June 30, 2023**

	Street Improvement Fund - 550	Greenway Construction Fund - 650	Special Sidewalk Fund - 531	Fire Apparatus Reserve - 370	Aquatic Facilities Reserve - 671	Park Southeast Area SDC Fund - 621	Park Improvement Fund - 630	MURA Capital Projects Fund - 901	Total
<b>ASSETS</b>									
Cash and investments	\$ 18,382,109	\$ 1,990	\$ 654,246	\$ 195,452	\$ 1,696	\$ 466,231	\$ 4,968,352	\$ 8,417,221	\$ 33,087,297
Receivables									
Accounts	511,750	-	-	-	-	-	566,138	20	1,077,908
Leases	-	-	-	-	-	-	-	192,204	192,204
Total assets	<u>\$ 18,893,859</u>	<u>\$ 1,990</u>	<u>\$ 654,246</u>	<u>\$ 195,452</u>	<u>\$ 1,696</u>	<u>\$ 466,231</u>	<u>\$ 5,534,490</u>	<u>\$ 8,609,445</u>	<u>\$ 34,357,409</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts payable	\$ 54,036	\$ -	\$ -	\$ 22,990	\$ -	\$ -	\$ 422	\$ 105,833	\$ 183,281
Retainage payable	-	-	-	-	-	-	-	2,098	2,098
Customer deposits	3,339,757	-	-	-	-	-	-	-	3,339,757
Payroll and related accruals	-	-	-	-	-	-	8,710	16,009	24,719
Total liabilities	<u>3,393,793</u>	<u>-</u>	<u>-</u>	<u>22,990</u>	<u>-</u>	<u>-</u>	<u>9,132</u>	<u>123,940</u>	<u>3,549,855</u>
<b>Deferred inflows of resources</b>									
Leases	-	-	-	-	-	-	-	191,693	191,693
<b>Fund balances</b>									
<b>Restricted for</b>									
Public safety	-	-	-	172,462	-	-	-	-	172,462
Highways and streets	15,500,066	-	654,246	-	-	-	-	-	16,154,312
Culture and recreation	-	1,990	-	-	1,696	466,231	5,525,358	-	5,995,275
Community development	-	-	-	-	-	-	-	8,293,812	8,293,812
Total fund balances	<u>15,500,066</u>	<u>1,990</u>	<u>654,246</u>	<u>172,462</u>	<u>1,696</u>	<u>466,231</u>	<u>5,525,358</u>	<u>8,293,812</u>	<u>30,615,861</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 18,893,859</u>	<u>\$ 1,990</u>	<u>\$ 654,246</u>	<u>\$ 195,452</u>	<u>\$ 1,696</u>	<u>\$ 466,231</u>	<u>\$ 5,534,490</u>	<u>\$ 8,609,445</u>	<u>\$ 34,357,409</u>

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**City of Medford**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
**For the Year Ended June 30, 2023**

	Street Improvement Fund - 550	Greenway Construction Fund - 650	Special Sidewalk Fund - 531	Fire Apparatus Reserve - 370	Aquatic Facilities Reserve - 671	Park Southeast Area SDC Fund - 621	Park Improvement Fund - 630	MURA Capital Projects Fund - 901	Total
<b>REVENUES</b>									
Car rental taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,412,137	\$ -	\$ 3,412,137
Lodging tax	-	-	-	-	-	-	2,158,248	-	2,158,248
Charges for services	79,264	-	-	-	-	-	-	-	79,264
Intergovernmental	3,250,000	-	-	-	-	-	-	-	3,250,000
Investment earnings	186,021	23	7,169	2,053	19	4,238	40,117	521,985	761,625
Grants and contributions	1,888,616	-	-	-	-	-	21,481	375	1,910,472
Other revenue	14,683	-	-	-	-	141,300	-	73,711	229,694
Total revenues	<u>5,418,584</u>	<u>23</u>	<u>7,169</u>	<u>2,053</u>	<u>19</u>	<u>145,538</u>	<u>5,631,983</u>	<u>596,071</u>	<u>11,801,440</u>
<b>EXPENDITURES</b>									
<b>Current</b>									
Public safety	-	-	-	42,030	-	-	-	-	42,030
Highways and streets	888,094	-	-	-	-	-	-	-	888,094
Culture and recreation	-	-	-	-	-	-	246,603	-	246,603
Community development	-	-	-	-	-	-	-	1,989,513	1,989,513
Capital outlay	2,108,411	-	-	100,095	-	-	587,287	1,134,633	3,930,426
Total expenditures	<u>2,996,505</u>	<u>-</u>	<u>-</u>	<u>142,125</u>	<u>-</u>	<u>-</u>	<u>833,890</u>	<u>3,124,146</u>	<u>7,096,666</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>2,422,079</u>	<u>23</u>	<u>7,169</u>	<u>(140,072)</u>	<u>19</u>	<u>145,538</u>	<u>4,798,093</u>	<u>(2,528,075)</u>	<u>4,704,774</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	300,000	-	-	-	8,140,000	8,440,000
Transfers out	(22,763)	-	(31)	-	-	-	(2,207,448)	(4,070,000)	(6,300,242)
Total other financing sources	<u>(22,763)</u>	<u>-</u>	<u>(31)</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>(2,207,448)</u>	<u>4,070,000</u>	<u>2,139,758</u>
NET CHANGE IN FUND BALANCE	<u>2,399,316</u>	<u>23</u>	<u>7,138</u>	<u>159,928</u>	<u>19</u>	<u>145,538</u>	<u>2,590,645</u>	<u>1,541,925</u>	<u>6,844,532</u>
FUND BALANCE, beginning of year	<u>13,100,750</u>	<u>1,967</u>	<u>647,108</u>	<u>12,534</u>	<u>1,677</u>	<u>320,693</u>	<u>2,934,713</u>	<u>6,751,887</u>	<u>23,771,329</u>
FUND BALANCE, end of year	<u>\$ 15,500,066</u>	<u>\$ 1,990</u>	<u>\$ 654,246</u>	<u>\$ 172,462</u>	<u>\$ 1,696</u>	<u>\$ 466,231</u>	<u>\$ 5,525,358</u>	<u>\$ 8,293,812</u>	<u>\$ 30,615,861</u>

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**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Street Improvement Fund - 550**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Grants and contracts	\$ 2,143,100	\$ 4,093,100	\$ (19,393)	\$ 1,888,616	\$ 1,869,224	\$ 2,223,876
Intergovernmental	-	-	-	3,250,000	3,250,000	(3,250,000)
Investment earnings	87,500	87,500	74,631	264,149	338,779	(251,279)
Other revenue	<u>3,000,000</u>	<u>3,000,000</u>	<u>705,083</u>	<u>93,947</u>	<u>799,030</u>	<u>2,200,970</u>
Total revenues	<u>5,230,600</u>	<u>7,180,600</u>	<u>760,321</u>	<u>5,496,712</u>	<u>6,257,034</u>	<u>923,567</u>
EXPENDITURES						
Street development	12,100	12,100	65,859	112,231	178,090	(165,990)
Capital outlay	12,500,000	14,450,000	1,641,628	2,884,274	4,525,901	9,924,099
Contingency	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Total expenditures	<u>14,512,100</u>	<u>16,462,100</u>	<u>1,707,487</u>	<u>2,996,505</u>	<u>4,703,992</u>	<u>11,758,108</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(9,281,500)</u>	<u>(9,281,500)</u>	<u>(947,166)</u>	<u>2,500,207</u>	<u>1,553,042</u>	<u>(10,834,542)</u>
OTHER FINANCING SOURCES (USES)						
Loan Proceeds	8,500,000	8,500,000	1,570,139	-	1,570,139	6,929,861
Transfers out	<u>(45,100)</u>	<u>(45,100)</u>	<u>(22,203)</u>	<u>(22,763)</u>	<u>(44,966)</u>	<u>(134)</u>
Total other financing sources (uses)	<u>8,454,900</u>	<u>8,454,900</u>	<u>1,547,936</u>	<u>(22,763)</u>	<u>1,525,173</u>	<u>6,929,727</u>
NET CHANGE IN FUND BALANCE	(826,600)	(826,600)	600,770	2,477,444	3,078,215	(3,904,815)
FUND BALANCE, beginning of year	<u>10,710,600</u>	<u>10,710,600</u>	<u>12,726,593</u>	<u>13,327,363</u>	<u>13,327,363</u>	<u>(2,616,763)</u>
FUND BALANCE, end of year	<u>\$ 9,884,000</u>	<u>\$ 9,884,000</u>	<u>\$ 13,327,363</u>	15,804,807	<u>\$ 15,804,807</u>	<u>\$ (5,920,807)</u>
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(304,741)		
TOTAL GAAP BASIS FUND BALANCE, end of year				<u>\$ 15,500,066</u>		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Greenway Construction Fund - 650**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Investment earnings	\$ -	\$ -	\$ 9	\$ 30	\$ 39	\$ (39)
Total revenues	<u>-</u>	<u>-</u>	<u>9</u>	<u>30</u>	<u>39</u>	<u>(39)</u>
EXPENDITURES						
Contingency	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(2,000)</u>	<u>(2,000)</u>	<u>9</u>	<u>30</u>	<u>39</u>	<u>(2,039)</u>
NET CHANGE IN FUND BALANCE	(2,000)	(2,000)	9	30	39	(2,039)
FUND BALANCE, beginning of year	<u>2,000</u>	<u>2,000</u>	<u>1,990</u>	<u>1,999</u>	<u>1,999</u>	<u>1</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999</u>	2,029	<u>\$ 2,029</u>	<u>\$ (2,029)</u>
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(39)		
TOTAL GAAP BASIS FUND BALANCE, end of year				<u>\$ 1,990</u>		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Special Sidewalk Fund - 531**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Investment earnings	\$ 6,400	\$ 6,400	\$ 3,046	\$ 9,928	\$ 12,974	\$ (6,574)
Total revenues	6,400	6,400	3,046	9,928	12,974	(6,574)
EXPENDITURES						
Capital outlay	663,000	663,000	-	-	-	663,000
Total expenditures	663,000	663,000	-	-	-	663,000
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(656,600)	(656,600)	3,046	9,928	12,974	(669,574)
OTHER FINANCING SOURCES (USES)						
Transfers out	(200)	(200)	(30)	(31)	(61)	(139)
Total other financing sources (uses)	(200)	(200)	(30)	(31)	(61)	(139)
NET CHANGE IN FUND BALANCE	(656,800)	(656,800)	3,016	9,897	12,913	(669,712)
FUND BALANCE, beginning of year	657,300	657,300	653,286	656,302	656,302	998
FUND BALANCE, end of year	\$ 500	\$ 500	\$ 656,302	666,199	\$ 666,199	\$ (665,699)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(11,953)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 654,246		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Fire Apparatus Reserve - 370**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Other revenue	\$ -	\$ -	\$ 18,000	\$ -	\$ 18,000	\$ (18,000)
Investment earnings	700	700	110	2,866	2,975	(2,275)
Total revenues	700	700	18,110	2,866	20,975	(20,275)
EXPENDITURES						
Public Safety	1,200,000	1,200,000	986,634	142,125	1,128,758	71,242
Total expenditures	1,200,000	1,200,000	986,634	142,125	1,128,758	71,242
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,199,300)	(1,199,300)	(968,524)	(139,259)	(1,107,783)	(91,517)
OTHER FINANCING SOURCES (USES)						
Transfers in	900,000	900,000	600,000	300,000	900,000	-
Total other financing sources (uses)	900,000	900,000	600,000	300,000	900,000	-
NET CHANGE IN FUND BALANCE	(299,300)	(299,300)	(368,524)	160,741	(207,783)	(91,517)
FUND BALANCE, beginning of year	382,000	382,000	381,153	12,629	12,629	369,371
FUND BALANCE, end of year	\$ 82,700	\$ 82,700	\$ 12,629	173,370	\$ 173,370	\$ (90,670)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(908)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 172,462		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Aquatic Facilities Reserve - 671**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Investment earnings	\$ -	\$ -	\$ 8	\$ 27	\$ 35	\$ (35)
NET CHANGE IN FUND BALANCE	-	-	8	27	35	(35)
FUND BALANCE, beginning of year	-	-	1,692	1,700	1,700	(1,700)
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,700	1,727	\$ 1,727	\$ (1,727)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(31)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 1,696		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Park Southeast Area SDC Fund - 621**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Charges for services	\$ 300,000	\$ 300,000	\$ 199,646	\$ 141,300	\$ 340,946	\$ (40,946)
Investment earnings	2,100	2,100	2,772	6,157	8,929	(6,829)
Other revenue	-	-	48,424	-	48,424	(48,424)
Total revenues	302,100	302,100	250,842	147,457	398,299	(96,199)
EXPENDITURES						
Capital outlay	385,400	-	-	-	-	-
Contingency	122,700	122,700	-	-	-	122,700
Total expenditures	508,100	122,700	-	-	-	122,700
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(206,000)	179,400	250,842	147,457	398,299	(218,899)
OTHER FINANCING SOURCES (USES)						
Transfers out	-	(385,400)	(385,400)	-	(385,400)	-
Total other financing sources (uses)	-	(385,400)	(385,400)	-	(385,400)	-
NET CHANGE IN FUND BALANCE	(206,000)	(206,000)	(134,558)	147,457	12,899	(218,899)
FUND BALANCE, beginning of year	213,400	213,400	465,120	330,562	330,562	(117,162)
FUND BALANCE, end of year	\$ 7,400	\$ 7,400	\$ 330,562	478,019	\$ 478,019	\$ (470,619)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(11,788)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 466,231		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Park Improvement Fund - 630**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Variance With	
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Car rental tax	\$ 2,450,000	\$ 2,852,900	\$ 2,959,498	\$ 3,412,137	\$ 6,371,635	\$ (3,518,735)
Lodging tax	3,060,000	3,060,000	2,223,394	2,158,248	4,381,641	(1,321,641)
Grants and contracts	-	-	-	21,481	21,481	(21,481)
Investment earnings	39,200	39,200	22,730	60,048	82,778	(43,578)
Other revenue	-	-	464	-	464	(464)
Total revenues	5,549,200	5,952,100	5,206,086	5,651,913	10,857,999	(4,905,899)
EXPENDITURES						
Parks and recreations	650,600	650,600	290,939	246,072	537,010	113,590
Capital outlay	2,400,000	2,097,600	1,143,164	587,819	1,730,982	366,618
Contingency	282,200	282,200	-	-	-	282,200
Total expenditures	3,332,800	3,030,400	1,434,102	833,890	2,267,993	762,407
EXCESS REVENUES OVER (UNDER) EXPENDITURES	2,216,400	2,921,700	3,771,984	4,818,023	8,590,006	(5,668,306)
OTHER FINANCING SOURCES (USES)						
Transfers in	156,400	156,400	156,400	-	156,400	-
Transfers out	(4,421,100)	(7,448,500)	(5,240,925)	(2,207,448)	(7,448,373)	(127)
Total other financing sources (uses)	(4,264,700)	(7,292,100)	(5,084,525)	(2,207,448)	(7,291,973)	(127)
NET CHANGE IN FUND BALANCE	(2,048,300)	(4,370,400)	(1,312,541)	2,610,575	1,298,033	(5,668,433)
FUND BALANCE, beginning of year	2,048,300	4,370,400	4,334,462	3,021,921	3,021,921	1,348,479
FUND BALANCE, end of year	\$ -	\$ -	\$ 3,021,921	5,632,496	\$ 5,632,496	\$ (5,632,496)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(107,138)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 5,525,358		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**MURA Capital Projects Fund - 901**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Variance With	
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Investment earnings	\$ 60,000	\$ 431,585	\$ 75,016	\$ 521,985	\$ 597,002	\$ (165,417)
Other revenue	-	283,165	213,072	73,575	286,647	(3,482)
Total revenues	60,000	714,750	288,089	595,560	883,649	(168,899)
EXPENDITURES						
Community development	1,398,700	3,722,450	1,121,992	1,513,077	2,635,069	1,087,381
Capital outlay	3,430,000	1,936,000	38,060	1,611,069	1,649,130	286,870
Contingency	7,506,100	7,331,100	-	-	-	7,331,100
Total expenditures	12,334,800	12,989,550	1,160,052	3,124,146	4,284,199	8,705,351
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(12,274,800)	(12,274,800)	(871,963)	(2,528,586)	(3,400,550)	(8,874,250)
OTHER FINANCING SOURCES (USES)						
Transfers in	15,982,000	15,982,000	7,842,000	8,140,000	15,982,000	-
Transfers out	(7,991,000)	(7,991,000)	(3,921,000)	(4,070,000)	(7,991,000)	-
Total other financing sources (uses)	7,991,000	7,991,000	3,921,000	4,070,000	7,991,000	-
NET CHANGE IN FUND BALANCE	(4,283,800)	(4,283,800)	3,049,037	1,541,414	4,590,450	(8,874,250)
FUND BALANCE, beginning of year	4,283,800	4,283,800	3,702,850	6,751,887	6,751,887	(2,468,087)
FUND BALANCE, end of year	\$ -	\$ -	\$ 6,751,887	8,293,301	\$ 8,293,301	\$ (8,293,301)
RECONCILIATION TO GAAP BASIS						
GASB 87 Lease Receivable				192,204		
GASB 87 Deferred Inflow of Resources				(191,693)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 8,293,812		

**City of Medford  
Enterprise Funds  
June 30, 2023**

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

**Storm Drain System Development Charge Fund** – Accounts for service development charges that are used to expand and/or improve storm drain infrastructures.

**Storm Drain Utility Fund** – Accounts for storm drain utility operations, improvements and maintenance.

**Sewage Treatment Fund** – Accounts for Regional Waste Water Treatment Plant operation and maintenance.

**Sewer Collection System Development Charge Fund** – Accounts for service development charges used to maintain the sewer collection infrastructure.

**Sanitary Sewer Maintenance Fund** – Accounts for sanitary sewer user fees to be expended on the sewer operation and maintenance.

**Sewage Treatment System Development Charge Fund** – Accounts for service development charges for improvements and expansion of capacity of Regional Waste Water Treatment Plant.

**Parking Facilities Fund** – Accounts for the maintenance, operation, improvement, and expansion of the City's off-street parking facilities.

**City of Medford  
Combining Balance Sheet  
Enterprise Fund - Sewer Utility Fund  
June 30, 2023**

	Storm Drain SDC Fund - 522	Storm Drain Utility Fund - 501	Sewage Treatment Fund - 503	Sewer Collection System SDC Fund - 521	Sanitary Sewer Maintenance Fund - 502	Sewage Treatment SDC Fund - 523	Total
<b>ASSETS</b>							
Current assets							
Cash and investments	\$ 2,265,330	\$ 18,296,437	\$ 7,173,873	\$ 3,076,636	\$ 8,076,462	\$ 11,735,110	\$ 50,623,848
Receivables	30,958	503,688	593,375	42,497	544,697	205,302	1,920,517
Prepaid expense	-	-	499	-	-	-	499
Inventories	-	-	420,969	-	-	-	420,969
Total current assets	2,296,288	18,800,125	8,188,716	3,119,133	8,621,159	11,940,412	52,965,833
Noncurrent assets							
Capital assets							
Land and construction in progress	-	262,699	438,194	-	1,253,921	-	1,954,814
Right-to-use, net	-	-	1,490	-	-	-	1,490
Capital assets, net	-	38,307,719	24,978,145	-	22,357,622	-	85,643,486
Net OPEB asset	-	-	119,991	-	-	-	119,991
Total noncurrent assets	-	38,570,418	25,537,820	-	23,611,543	-	87,719,781
Total assets	2,296,288	57,370,543	33,726,536	3,119,133	32,232,702	11,940,412	140,685,614
DEFERRED OUTFLOWS OF RESOURCES							
OPEB related items	-	-	49,314	-	-	-	49,314
Pension related items	-	-	1,992,475	-	-	-	1,992,475
Total deferred outflows of resources	-	-	2,041,789	-	-	-	2,041,789
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,296,288	\$ 57,370,543	\$ 35,768,325	\$ 3,119,133	\$ 32,232,702	\$ 11,940,412	\$ 142,727,403
<b>LIABILITIES</b>							
Current liabilities							
Accounts payable	\$ -	\$ 1,116,260	\$ 406,033	\$ 3,518	\$ 1,405,124	\$ 13,918	\$ 2,944,853
Payroll and related accounts	10,030	114,145	133,955	-	92,190	-	350,320
Retainage payable	-	56,634	-	4,158	72,316	-	133,108
Unearned revenue	32,829	-	-	42,497	-	90,993	166,319
Compensated absences, due within one year	-	23,745	47,149	-	25,364	-	96,258
Total current liabilities	42,859	1,310,784	587,137	50,173	1,594,994	104,911	3,690,858
Noncurrent liabilities							
Compensated absences, due in more than one year	-	94,981	188,598	-	101,454	-	385,033
Lease liability	-	-	1,593	-	-	-	1,593
Total OPEB liability	-	-	545,453	-	-	-	545,453
Net pension liability	-	-	5,248,375	-	-	-	5,248,375
Total noncurrent liabilities	-	94,981	5,984,019	-	101,454	-	6,180,454
Total liabilities	42,859	1,405,765	6,571,156	50,173	1,696,448	104,911	9,871,312
DEFERRED INFLOWS OF RESOURCES							
Pension related items	-	-	1,799,613	-	-	-	1,799,613
OPEB related items	-	-	144,789	-	-	-	144,789
Total deferred inflows of resources	-	-	1,944,402	-	-	-	1,944,402
NET POSITION							
Net investment in capital assets	-	38,570,418	25,416,236	-	23,611,543	-	87,598,197
Future system development	2,253,429	-	-	3,068,960	-	11,835,501	17,157,890
Unrestricted	-	17,394,360	1,836,531	-	6,924,711	-	26,155,602
Total net position	2,253,429	55,964,778	27,252,767	3,068,960	30,536,254	11,835,501	130,911,689
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 2,296,288	\$ 57,370,543	\$ 35,768,325	\$ 3,119,133	\$ 32,232,702	\$ 11,940,412	\$ 142,727,403

**City of Medford**  
**Combining Schedule of Revenues, Expenditures, and**  
**Changes in Fund Net Position**  
**Enterprise Fund - Sewer Utility Fund**  
**For the Year Ended June 30, 2023**

	Storm Drain SDC Fund - 522	Storm Drain Utility Fund - 501	Sewage Treatment Fund - 503	Sewer Collection System SDC Fund - 521	Sanitary Sewer Maintenance Fund - 502	Sewage Treatment SDC Fund - 523	Total
OPERATING REVENUES							
Charges for services	\$ 345,422	\$ 6,047,258	\$ 7,651,677	\$ 368,652	\$ 6,534,770	\$ 1,369,958	\$ 22,317,737
Miscellaneous income	-	24,439	48,574	-	3,202	-	76,215
Total operating revenues	345,422	6,071,697	7,700,251	368,652	6,537,972	1,369,958	22,393,952
OPERATING EXPENSES							
Salaries and fringe benefits	177,135	2,484,376	2,644,203	4,250	2,070,158	-	7,380,122
Operating supplies	68,400	391,338	261,316	171,754	47,673	652,614	1,593,095
Professional services	-	178,743	764,586	-	473,566	-	1,416,895
Repairs and maintenance	-	558,375	188,171	-	496,414	-	1,242,960
Premiums and claims	1,700	68,000	77,300	200	55,811	-	203,011
Utilities	-	21,718	469,438	-	37,835	-	528,991
General, administrative, and engineering	-	61,287	716,311	-	50,506	-	828,104
Depreciation and amortization	-	1,462,075	1,586,624	-	965,478	-	4,026,177
Total operating expenses	247,235	5,225,912	6,719,949	176,204	4,197,441	652,614	17,219,355
OPERATING INCOME	98,187	845,785	980,302	192,448	2,340,531	717,344	5,174,597
NONOPERATING REVENUE							
Investment earnings	23,926	198,682	73,192	31,961	90,609	123,540	541,910
Total nonoperating revenue	23,926	198,682	73,192	31,961	90,609	123,540	541,910
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	122,113	1,044,467	1,053,494	224,409	2,431,140	840,884	5,716,507
CONTRIBUTIONS AND TRANSFERS							
Contributions	-	1,263,051	-	-	374,176	-	1,637,227
Transfers out	(18,315)	(1,034,731)	(407,844)	(62)	(1,003,474)	-	(2,464,426)
Total contributions and transfers	(18,315)	228,320	(407,844)	(62)	(629,298)	-	(827,199)
CHANGE IN NET POSITION	103,798	1,272,787	645,650	224,347	1,801,842	840,884	4,889,308
NET POSITION, beginning of year	2,149,631	54,691,991	26,607,117	2,844,613	26,734,412	10,994,617	126,022,381
NET POSITION, end of year	\$ 2,253,429	\$ 55,964,778	\$ 27,252,767	\$ 3,068,960	\$ 30,536,254	\$ 11,835,501	\$ 130,911,689

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Storm Drain SDC Fund - 522**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Variance With	
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Contributions	\$ 633,200	\$ 633,200	\$ 203,640	\$ 345,421	\$ 549,061	\$ 84,139
Investment earnings	21,300	21,300	10,512	33,516	44,027	(22,727)
Total revenues	654,500	654,500	214,152	378,936	593,088	61,412
EXPENDITURES						
Sewer system maintenance and construction	580,700	580,700	133,357	178,833	312,190	268,510
Capital outlay	1,180,000	1,180,000	121,974	68,400	190,374	989,626
Contingency	200,000	200,000	-	-	-	200,000
Total expenditures	1,960,700	1,960,700	255,331	247,233	502,564	1,458,136
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,306,200)	(1,306,200)	(41,179)	131,703	90,524	(1,396,724)
OTHER FINANCING SOURCES (USES)						
Transfers out	(36,300)	(36,300)	(17,821)	(18,315)	(36,136)	(164)
Total other financing sources (uses)	(36,300)	(36,300)	(17,821)	(18,315)	(36,136)	(164)
NET CHANGE IN FUND BALANCE	(1,342,500)	(1,342,500)	(59,000)	113,388	54,388	(1,396,888)
FUND BALANCE, beginning of year	2,299,300	2,299,300	2,240,038	2,181,038	2,181,038	118,262
FUND BALANCE, end of year	\$ 956,800	\$ 956,800	\$ 2,181,038	2,294,426	\$ 2,294,426	\$ (1,337,626)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(40,997)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 2,253,429		



**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Storm Drain Utility Fund - 501**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Charges for services	\$ 11,920,800	\$ 11,920,800	\$ 6,019,229	\$ 6,047,259	\$ 12,066,488	\$ (145,688)
Investment earnings	180,600	180,600	83,255	277,905	361,161	(180,561)
Other revenue	-	-	8,771	24,439	33,210	(33,210)
Total revenues	12,101,400	12,101,400	6,111,255	6,349,603	12,460,859	(359,459)
EXPENDITURES						
Storm drain system development	9,422,600	9,415,100	3,919,541	3,822,385	7,741,926	1,673,174
Capital outlay	4,692,500	4,692,500	319,400	1,941,700	2,261,100	2,431,400
Contingency	5,500,000	5,500,000	-	-	-	5,500,000
Total expenditures	19,615,100	19,607,600	4,238,941	5,764,085	10,003,026	9,604,574
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(7,513,700)	(7,506,200)	1,872,314	585,518	2,457,833	(9,964,033)
OTHER FINANCING SOURCES (USES)						
Transfers out	(2,172,400)	(2,172,400)	(1,003,015)	(1,034,731)	(2,037,746)	(134,654)
Total other financing sources (uses)	(2,172,400)	(2,172,400)	(1,003,015)	(1,034,731)	(2,037,746)	(134,654)
NET CHANGE IN FUND BALANCE	(9,686,100)	(9,678,600)	869,299	(449,213)	420,087	(10,098,687)
FUND BALANCE, beginning of year	17,061,300	17,061,300	17,433,422	18,302,721	18,302,721	(1,241,421)
FUND BALANCE, end of year	\$ 7,375,200	\$ 7,382,700	\$ 18,302,721	17,853,508	\$ 17,853,508	\$ (10,470,808)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(340,421)		
Capital assets, net				38,570,417		
Compensated absences				(118,726)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 55,964,778		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Sewage Treatment Fund - 503**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With Final Budget
	Original	Final				
REVENUES						
Charges for services	\$ 13,586,600	\$ 13,586,600	\$ 6,748,805	\$ 7,651,677	\$ 14,400,482	\$ (813,882)
Investment earnings	34,300	34,300	24,080	103,017	127,097	(92,797)
Other revenue	40,000	40,000	79,188	48,574	127,762	(87,762)
Total revenues	13,660,900	13,660,900	6,852,074	7,803,267	14,655,341	(994,441)
EXPENDITURES						
Sewer treatment maintenance	9,922,300	11,033,600	4,739,778	5,562,004	10,301,783	731,817
Capital outlay	2,430,000	2,067,800	199,123	618,559	817,681	1,250,119
Contingency	2,500,000	1,750,900	-	-	-	1,750,900
Total expenditures	14,852,300	14,852,300	4,938,901	6,180,563	11,119,464	3,732,836
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,191,400)	(1,191,400)	1,913,173	1,622,704	3,535,877	(4,727,277)
OTHER FINANCING SOURCES (USES)						
Transfers out	(804,600)	(804,600)	(396,665)	(407,844)	(804,509)	(91)
Total other financing sources (uses)	(804,600)	(804,600)	(396,665)	(407,844)	(804,509)	(91)
NET CHANGE IN FUND BALANCE	(1,996,000)	(1,996,000)	1,516,508	1,214,860	2,731,368	(4,727,368)
FUND BALANCE, beginning of year	3,996,400	3,996,400	4,614,191	6,130,699	6,130,699	(2,134,299)
FUND BALANCE, end of year	\$ 2,000,400	\$ 2,000,400	\$ 6,130,699	7,345,559	\$ 7,345,559	\$ (5,345,159)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(117,802)		
Inventory				420,969		
Capital assets, net				25,416,341		
Right to use asset, net				1,490		
Compensated absences				(235,747)		
Lease liability				(1,593)		
Net OPEB liability / asset				(425,462)		
Net pension liability				(5,248,375)		
Deferred outflow of resources				2,041,789		
Deferred onflow of resources				(1,944,402)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 27,252,767		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Sewer Collection System SDC Fund - 521**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Charges for services	\$ 535,500	\$ 535,500	\$ 586,932	\$ 368,652	\$ 955,584	\$ (420,084)
Investment earnings	17,500	17,500	12,212	44,914	57,126	(39,626)
Total revenues	553,000	553,000	599,144	413,566	1,012,710	(459,710)
EXPENDITURES						
Sewer collection system development	400	400	200	4,450	4,650	(4,250)
Capital outlay	1,322,500	1,322,500	4,325	171,753	176,078	1,146,422
Contingency	275,000	275,000	-	-	-	275,000
Total expenditures	1,597,900	1,597,900	4,525	176,203	180,728	1,417,172
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,044,900)	(1,044,900)	594,619	237,363	831,982	(1,876,882)
OTHER FINANCING SOURCES (USES)						
Transfers out	(200)	(200)	(61)	(62)	(123)	(77)
Total other financing sources (uses)	(200)	(200)	(61)	(62)	(123)	(77)
NET CHANGE IN FUND BALANCE	(1,045,100)	(1,045,100)	594,558	237,301	831,859	(1,876,959)
FUND BALANCE, beginning of year	2,051,100	2,051,100	2,291,478	2,886,036	2,886,036	(834,936)
FUND BALANCE, end of year	\$ 1,006,000	\$ 1,006,000	\$ 2,886,036	3,123,337	\$ 3,123,337	\$ (2,117,337)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(54,377)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 3,068,960		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Sanitary Sewer Maintenance Fund - 502**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Final Budget	
REVENUES						
Charges for services	\$ 13,185,000	\$ 13,185,000	\$ 6,528,694	\$ 6,523,272	\$ 13,051,967	\$ 133,033
Investment earnings	53,700	53,700	34,837	126,842	161,680	(107,980)
Other revenue	-	-	6,804	14,699	21,504	(21,504)
Total revenues	13,238,700	13,238,700	6,570,336	6,664,814	13,235,150	3,550
EXPENDITURES						
Sewer system maintenance and construction	8,494,300	8,603,900	3,359,592	3,935,994	7,295,586	1,308,314
Capital outlay	4,067,500	3,967,500	1,047,129	2,356,374	3,403,503	563,997
Contingency	2,100,000	2,082,900	-	-	-	2,082,900
Total expenditures	14,661,800	14,654,300	4,406,721	6,292,368	10,699,089	3,955,211
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,423,100)	(1,415,600)	2,163,615	372,446	2,536,061	(3,951,661)
OTHER FINANCING SOURCES (USES)						
Transfers out	(2,110,700)	(2,110,700)	(972,641)	(1,003,474)	(1,976,115)	(134,585)
Total other financing sources (uses)	(2,110,700)	(2,110,700)	(972,641)	(1,003,474)	(1,976,115)	(134,585)
NET CHANGE IN FUND BALANCE	(3,533,800)	(3,526,300)	1,190,974	(631,028)	559,946	(4,086,246)
FUND BALANCE, beginning of year	6,179,500	6,179,500	6,652,619	7,843,593	7,843,593	(1,664,093)
FUND BALANCE, end of year	\$ 2,645,700	\$ 2,653,200	\$ 7,843,593	7,212,565	\$ 7,212,565	\$ (4,559,365)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(161,037)		
Capital assets, net				23,611,544		
Compensated absences				(126,818)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 30,536,254		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Sewage Treatment SDC Fund - 523**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Charges for services	\$ 2,420,800	\$ 2,420,800	\$ 1,652,515	\$ 1,369,959	\$ 3,022,475	\$ (601,675)
Investment earnings	78,400	78,400	49,613	172,935	222,548	(144,148)
Total revenues	2,499,200	2,499,200	1,702,128	1,542,894	3,245,023	(745,823)
EXPENDITURES						
Capital outlay	1,000,000	1,485,000	491,099	652,615	1,143,714	341,286
Contingency	10,000,000	9,515,000	-	-	-	9,515,000
Total expenditures	11,000,000	11,000,000	491,099	652,615	1,143,714	9,856,286
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(8,500,800)	(8,500,800)	1,211,029	890,279	2,101,309	(10,602,108)
NET CHANGE IN FUND BALANCE	(8,500,800)	(8,500,800)	1,211,029	890,279	2,101,309	(10,602,108)
FUND BALANCE, beginning of year	9,407,400	9,407,400	9,943,523	11,154,552	11,154,552	(1,747,152)
FUND BALANCE, end of year	\$ 906,600	\$ 906,600	\$ 11,154,552	12,044,831	\$ 12,044,831	\$ (11,138,231)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(209,330)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 11,835,501		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Parking Facilities Fund - 701**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Total Actual	Variance With
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Charges for services	\$ 908,400	\$ 908,400	\$ 356,113	\$ 524,581	\$ 880,694	\$ 27,706
Investment earnings	13,600	13,600	4,189	12,537	16,725	(3,125)
Other revenue	-	-	920	-	920	(920)
Total revenues	922,000	922,000	361,221	537,118	898,339	23,661
EXPENDITURES						
Parking facilities maintenance and construction	1,124,900	1,124,900	476,168	482,446	958,614	166,286
Total expenditures	1,124,900	1,124,900	476,168	482,446	958,614	166,286
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(202,900)	(202,900)	(114,947)	54,672	(60,275)	(142,625)
OTHER FINANCING SOURCES (USES)						
Transfers out	(118,700)	(118,700)	(60,180)	(58,346)	(118,525)	(175)
Total other financing sources (uses)	(118,700)	(118,700)	(60,180)	(58,346)	(118,525)	(175)
NET CHANGE IN FUND BALANCE	(321,600)	(321,600)	(175,127)	(3,674)	(178,800)	(142,800)
FUND BALANCE, beginning of year	736,800	736,800	1,006,599	831,472	831,472	(94,672)
FUND BALANCE, end of year	\$ 415,200	\$ 415,200	\$ 831,472	827,798	\$ 827,798	\$ (412,598)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(14,622)		
Lease receivable				45,239		
Capital assets, net				1,660,873		
Net OPEB liability				(7,629)		
Net pension liability				(88,654)		
Deferred outflow of resources				34,539		
Deferred inflow of resources				(77,780)		
Compensated absences				(2,866)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 2,376,898		

**City of Medford**  
**Internal Service Funds**  
**June 30, 2023**

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**  
**Combining Balance Sheet**  
**Internal Service Funds**  
**June 30, 2023**

	Risk Management Fund - 700	Fleet Maintenance Fund - 540	Total
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 3,439,445	\$ (86,150)	\$ 3,353,295
Receivables	5,226	123,351	128,577
Prepaid expense	840,174	-	840,174
Inventories	-	1,251,088	1,251,088
Total current assets	4,284,845	1,288,289	5,573,134
Noncurrent assets			
Restricted cash and investments	121,426	-	121,426
Land and construction in progress	-	7,280	7,280
Right-to-use subscription, net	29,947	-	29,947
Right-to-use, net	513	-	513
Capital assets, net	-	188,694	188,694
Net OPEB asset	4,686	15,399	20,085
Total noncurrent assets	156,572	211,373	367,945
Total assets	4,441,417	1,499,662	5,941,079
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related items	1,926	6,329	8,255
Pension related items	69,067	226,992	296,059
Total deferred outflows of resources	70,993	233,321	304,314
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,512,410</b>	<b>\$ 1,732,983</b>	<b>\$ 6,245,393</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 40,182	\$ 93,484	\$ 133,666
Payroll and related accounts	134,681	38,452	173,133
Advances from other funds	-	450,000	450,000
Compensated absences, due within one year	4,518	8,128	12,646
Claims payable	1,609,161	-	1,609,161
Total current liabilities	1,788,542	590,064	2,378,606
Noncurrent liabilities			
Compensated absences, due in more than one year	18,071	32,513	50,584
Subscription liability	30,183	-	30,183
Lease liability	552	-	552
Total OPEB liability	21,300	70,002	91,302
Net pension liability	181,930	597,923	779,853
Total noncurrent liabilities	252,036	700,438	952,474
Total liabilities	2,040,578	1,290,502	3,331,080
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	62,383	205,022	267,405
OPEB related items	5,654	18,581	24,235
Total deferred inflows of resources	68,037	223,603	291,640
<b>NET POSITION</b>			
Net investment in capital assets	(275)	195,974	195,699
Employee section 125 plan	121,426	-	121,426
Unrestricted	2,282,644	22,904	2,305,548
Total net position	2,403,795	218,878	2,622,673
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 4,512,410</b>	<b>\$ 1,732,983</b>	<b>\$ 6,245,393</b>

**City of Medford**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2023**

	Risk Management Fund - 700	Fleet Maintenance Fund - 540	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,214,157	\$ 1,893,993	\$ 4,108,150
Other revenue	77,396	903	78,299
Total operating revenues	<u>2,291,553</u>	<u>1,894,896</u>	<u>4,186,449</u>
<b>OPERATING EXPENSES</b>			
Salaries and fringe benefits	276,560	983,323	1,259,883
Operating supplies	1,650	852,569	854,219
Professional services	43,748	10,007	53,755
Repairs and maintenance	-	23,650	23,650
Premiums and claims	1,279,236	23,100	1,302,336
Utilities	-	3,501	3,501
General, administrative, and engineering	67,335	19,186	86,521
Depreciation and amortization	5,987	28,679	34,666
Total operating expenses	<u>1,674,516</u>	<u>1,944,015</u>	<u>3,618,531</u>
<b>OPERATING INCOME (LOSS)</b>	<u>617,037</u>	<u>(49,119)</u>	<u>567,918</u>
<b>NONOPERATING EXPENSES</b>			
Investment earnings	36,813	(5,699)	31,114
Total nonoperating expenses	<u>36,813</u>	<u>(5,699)</u>	<u>31,114</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>653,850</u>	<u>(54,818)</u>	<u>599,032</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Transfers out	(131,971)	(152,458)	(284,429)
Total contributions and transfers	<u>(131,971)</u>	<u>(152,458)</u>	<u>(284,429)</u>
<b>NET CHANGE IN NET POSITION</b>	<u>521,879</u>	<u>(207,276)</u>	<u>314,603</u>
<b>NET POSITION, beginning of year</b>	<u>1,881,916</u>	<u>426,154</u>	<u>2,308,070</u>
<b>NET POSITION, end of year</b>	<u>\$ 2,403,795</u>	<u>\$ 218,878</u>	<u>\$ 2,622,673</u>

**City of Medford**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2023**

	Risk Management Fund - 700	Fleet Maintenance Fund - 540	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ -	\$ 768,943	\$ 768,943
Receipt from interfund services provided	2,286,634	1,099,552	3,386,186
Payments to suppliers	(2,624,060)	(907,525)	(3,531,585)
Payments to employees	(283,558)	(950,196)	(1,233,754)
Net cash provided (used) by operating activities	<u>(620,984)</u>	<u>10,774</u>	<u>(610,210)</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	(131,971)	(152,458)	(284,429)
Proceeds from interfund loan	-	450,000	450,000
Net cash provided (used) by noncapital financing activities	<u>(131,971)</u>	<u>297,542</u>	<u>(284,429)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(5,769)	(7,281)	(13,050)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	36,813	(5,699)	31,114
Net cash provided (used) by investing activities	<u>36,813</u>	<u>(5,699)</u>	<u>31,114</u>
<b>INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<u>(721,911)</u>	<u>295,336</u>	<u>(426,575)</u>
<b>CASH AND INVESTMENTS, beginning of year</b>	<u>4,282,782</u>	<u>(381,486)</u>	<u>3,901,296</u>
<b>CASH AND INVESTMENTS, end of year</b>	<u>\$ 3,560,871</u>	<u>\$ (86,150)</u>	<u>\$ 3,474,721</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 617,037	\$ (49,119)	\$ 567,918
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	5,987	28,679	34,666
Pension and OPEB expense	(5,106)	39,722	34,616
(Increase) decrease in accounts receivable	(4,919)	(26,401)	(31,320)
(Increase) decrease in prepaids expenses	(840,174)	-	(840,174)
(Increase) decrease in inventory	-	(19,023)	(19,023)
Increase (decrease) in accounts payable	31,307	43,511	74,818
Increase (decrease) in compensated absences	6,775	(4,853)	1,922
Increase (decrease) in accrued payroll and related expenses	(8,667)	(1,742)	(10,409)
Increase (decrease) in claims payable	(423,224)	-	(423,224)
Total adjustments	<u>(1,238,021)</u>	<u>59,893</u>	<u>(1,178,128)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (620,984)</u>	<u>\$ 10,774</u>	<u>\$ (610,210)</u>

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Risk Management Fund - 700**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Variance With	
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Charges for services	\$ 4,140,000	\$ 4,397,315	\$ 2,435,960	\$ 2,291,553	\$ 4,727,514	\$ (330,199)
Investment earnings	43,400	53,400	19,510	53,873	73,383	(19,983)
Total revenues	4,183,400	4,450,715	2,455,470	2,345,426	4,800,897	(350,182)
EXPENDITURES						
Risk management	3,856,400	4,123,715	1,920,845	2,096,088	4,016,933	106,782
Contingency	500,000	500,000	-	-	-	500,000
Total expenditures	4,356,400	4,623,715	1,920,845	2,096,088	4,016,933	606,782
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(173,000)	(173,000)	534,625	249,338	783,964	(956,964)
OTHER FINANCING SOURCES (USES)						
Transfers out	(261,600)	(261,600)	(129,545)	(131,971)	(261,516)	(84)
Total other financing sources (uses)	(261,600)	(261,600)	(129,545)	(131,971)	(261,516)	(84)
NET CHANGE IN FUND BALANCE	(434,600)	(434,600)	405,080	117,367	522,448	(957,048)
FUND BALANCE, beginning of year	3,533,900	3,533,900	3,779,795	4,184,875	4,184,875	(650,975)
FUND BALANCE, end of year	\$ 3,099,300	\$ 3,099,300	\$ 4,184,875	4,302,242	\$ 4,302,242	\$ (1,202,942)
RECONCILIATION TO GAAP BASIS						
GASB 72 adjustment				(71,070)		
Right to use asset, net				513		
Lease liability				(552)		
Claims payable				(1,609,161)		
Net OPEB liability / asset				(16,614)		
Net pension liability				(181,930)		
Deferred outflow of resources				70,993		
Deferred inflow of resources				(68,037)		
Compensated absences				(22,589)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 2,403,795		

**City of Medford**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Budgetary Basis)**  
**Fleet Maintenance Fund - 540**  
**For the Year Ended June 30, 2023**

	Biennium Budget		First Year	Second Year	Variance With	
	Original	Final	Actual	Actual	Total Actual	Final Budget
REVENUES						
Charges for services	\$ 3,989,000	\$ 3,989,000	\$ 1,881,633	\$ 1,893,993	\$ 3,775,626	\$ 213,374
Investment earnings	1,400	1,400	(1,305)	(5,699)	(7,004)	8,404
Other revenue	-	-	1,720	903	2,623	(2,623)
Total revenues	3,990,400	3,990,400	1,882,048	1,889,198	3,771,246	219,154
EXPENDITURES						
Storm drain system development	3,286,100	3,838,800	1,811,441	1,880,471	3,691,912	146,888
Capital outlay	110,000	7,300	-	7,280	7,280	20
Contingency	200,000	200,000	-	-	-	200,000
Total expenditures	3,596,100	4,046,100	1,811,441	1,887,751	3,699,192	346,908
EXCESS REVENUES OVER (UNDER) EXPENDITURES	394,300	(55,700)	70,607	1,447	72,054	(127,753)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	450,000	-	450,000	450,000	-
Transfers out	(301,200)	(301,200)	(148,614)	(152,458)	(301,072)	(128)
Total other financing sources (uses)	(301,200)	148,800	(148,614)	297,542	148,928	(128)
NET CHANGE IN FUND BALANCE	93,100	93,100	(78,007)	298,989	220,982	(127,881)
FUND BALANCE, beginning of year	452,100	452,100	935,370	857,363	857,363	(405,263)
FUND BALANCE, end of year	\$ 545,200	\$ 545,200	\$ 857,363	1,156,352	\$ 1,156,352	\$ (611,152)
RECONCILIATION TO GAAP BASIS						
Advances from other funds				(450,000)		
Capital assets, net				195,975		
Net OPEB liability / asset				(54,603)		
Net pension liability				(597,923)		
Deferred outflow of resources				233,321		
Compensated absences				(40,641)		
Deferred inflow of resources				(223,603)		
TOTAL GAAP BASIS FUND BALANCE, end of year				\$ 218,878		

## Other Financial Schedules

### City of Medford Budget and Actual Schedule of Expenditures by Division For the Year Ended June 30, 2023

	Biennium Budget		First Year Actual	Second Year Actual	Total Actual	Variance With Final Budget
	Original	Final				
EXPENDITURES						
Mayor and council	\$ 1,397,800	\$ 1,455,000	\$ 508,615	485,197	\$ 993,812	\$ 461,188
City manager	2,797,000	2,897,000	1,123,305	1,360,979	2,484,284	412,716
City attorney	4,047,100	4,059,600	1,872,283	2,014,000	3,886,283	173,317
Human resources	3,043,300	3,439,415	1,528,597	1,779,352	3,307,949	131,466
Finance	27,043,300	27,023,300	12,313,656	13,891,181	26,204,837	818,463
Municipal court	3,491,400	3,765,400	1,645,461	1,959,283	3,604,744	160,656
Innovation & technology	6,206,200	6,290,000	2,700,192	2,847,990	5,548,182	741,818
Planning	4,466,900	5,613,602	2,107,955	2,478,383	4,586,338	1,027,264
Facilities	7,383,300	7,101,700	3,057,886	3,114,665	6,172,551	929,149
Police	56,910,300	59,391,431	28,236,335	29,410,678	57,647,013	1,744,418
Fire	36,238,900	37,264,627	18,241,327	18,135,771	36,377,098	887,529
Building safety	4,313,400	4,320,595	1,826,267	2,098,974	3,925,241	395,354
Public works	38,887,700	39,607,700	16,742,582	19,309,623	36,052,205	3,555,495
Regional water reclamation	13,334,000	14,568,100	5,396,639	6,786,200	12,182,839	2,385,261
Engineering & development	55,203,800	57,973,900	11,093,198	11,214,779	22,307,977	35,665,923
Parks & recreation	74,246,400	89,834,013	21,567,036	49,623,127	71,190,163	18,643,850
Community promotion & grants	5,143,200	35,115,767	8,031,859	11,105,813	19,137,672	15,978,095
Parking Management	659,400	659,400	240,584	271,791	512,375	147,025
Community & social services	-	75,000	-	10,000	10,000	65,000
Contingency	60,899,400	34,936,765	-	-	-	34,936,765
Total expenditures	405,712,800	435,392,315	138,233,777	177,897,786	316,131,563	119,260,752
OTHER FINANCING SOURCES						
Interfund transfers and loans	54,079,400	62,471,410	28,917,233	23,691,346	52,608,579	9,862,831
Total other financing sources	54,079,400	62,471,410	28,917,233	23,691,346	52,608,579	9,862,831
TOTAL APPROPRIATIONS	<u>\$ 459,792,200</u>	<u>\$ 497,863,725</u>	<u>\$ 167,151,010</u>	<u>\$ 201,589,132</u>	<u>\$ 368,740,142</u>	<u>\$ 129,123,583</u>

**City of Medford, Oregon**  
**Introduction to the Statistical Section**  
**(Unaudited)**

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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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<b>Operating Information</b>	
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Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	



**City of Medford, Oregon**  
**Schedule 1 - Net Position by Component**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**Accrual Basis of Accounting**  
**June 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 233,292,847	\$ 230,039,491	\$ 265,499,121	\$ 235,720,103	\$ 245,269,283	\$ 250,699,201	\$ 249,539,148	\$ 281,930,796	\$ 296,045,941	\$ 306,000,990
Restricted										
Public safety	1,122,688	1,368,286	1,401,309	1,488,800	1,906,792	2,032,934	1,746,318	1,935,539	1,392,550	1,763,664
Employee section 125 plan	-	100,793	-	-	-	-	-	-	-	-
Highways and streets	18,475,789	22,705,617	15,079,266	16,100,310	41,318,842	43,640,737	58,405,314	57,812,979	45,288,141	60,811,073
Culture and recreation	8,119,399	4,948,229	6,746,706	8,575,469	6,479,986	5,503,652	6,617,633	6,146,938	61,356,241	27,260,300
Community development	6,208,364	3,046,548	3,701,166	4,654,293	5,065,787	5,069,357	5,635,594	10,450,742	14,113,916	17,446,037
Debt service	192,619	232,034	273,483	241,508	249,367	3,415,192	4,456,048	1,316,525	1,201,529	1,117,091
Unrestricted	18,345,502	5,592,837	(29,259,072)	(429,335)	(30,023,621)	(30,522,902)	(35,377,855)	(33,918,683)	(62,650,862)	(23,985,874)
Total governmental activities	285,757,208	268,033,835	263,441,979	266,351,148	270,266,436	279,838,171	291,022,100	325,674,836	356,747,456	390,413,281
<b>Business-type activities</b>										
Net investment in capital assets	82,026,363	82,234,047	82,627,772	81,772,691	83,314,311	86,847,143	85,693,826	87,022,742	85,871,489	89,259,070
Restricted	6,811,138	7,498,708	9,326,458	10,753,119	11,298,926	10,410,666	12,066,060	12,257,535	15,988,861	17,157,890
Future system development	14,626,227	13,637,545	14,613,099	16,566,948	18,568,810	20,521,614	23,389,683	25,750,825	26,571,958	26,871,627
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities	103,463,728	103,370,300	106,567,329	109,092,758	113,182,047	117,779,423	121,149,569	125,031,102	128,432,308	133,288,587
Total activities	\$ 389,220,936	\$ 371,404,135	\$ 370,009,308	\$ 375,443,906	\$ 383,448,483	\$ 397,617,594	\$ 412,171,669	\$ 450,705,938	\$ 485,179,764	\$ 523,701,868
<b>Primary Government</b>										
Net investment in capital assets	\$ 315,319,210	\$ 312,273,538	\$ 348,126,893	\$ 317,492,794	\$ 328,583,594	\$ 337,546,344	\$ 335,232,974	\$ 368,953,538	\$ 381,917,430	\$ 395,260,060
Restricted	6,811,138	7,498,708	9,326,458	10,753,119	11,298,926	10,410,666	12,066,060	12,257,535	15,988,861	17,157,890
Future system development	1,122,688	1,368,286	1,401,309	1,488,800	1,906,792	2,032,934	1,746,318	1,935,539	1,392,550	1,763,664
Employee section 125 plan	-	100,793	-	-	-	-	-	-	-	-
Highways and streets	18,475,789	22,705,617	15,079,266	16,100,310	41,318,842	43,640,737	58,405,314	57,812,979	45,288,141	60,811,073
Culture and recreation	8,119,399	4,948,229	6,746,706	8,575,469	6,479,986	5,503,652	6,617,633	6,146,938	61,356,241	27,260,300
Community development	6,208,364	3,046,548	3,701,166	4,654,293	5,065,787	5,069,357	5,635,594	10,450,742	14,113,916	17,446,037
Debt service	192,619	232,034	273,483	241,508	249,367	3,415,192	4,456,048	1,316,525	1,201,529	1,117,091
Unrestricted	32,971,729	19,230,382	(14,645,973)	16,137,613	(11,454,811)	(10,001,288)	(11,988,272)	(8,167,858)	(36,078,904)	2,885,753
Total primary government	\$ 389,220,936	\$ 371,404,135	\$ 370,009,308	\$ 375,443,906	\$ 383,448,483	\$ 397,617,594	\$ 412,171,669	\$ 450,705,938	\$ 485,179,764	\$ 523,701,868

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**City of Medford, Oregon**  
**Schedule 2 - Changes in Net Position**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**Accrual Basis of Accounting**  
**June 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 9,147,201	\$ 7,228,471	\$ 9,172,301	\$ 10,144,563	\$ 11,109,819	\$ 9,490,305	\$ 14,013,746	\$ 15,841,518	\$ 9,264,931	\$ 12,010,614
Public safety	34,509,062	30,837,168	44,619,287	41,444,039	43,996,831	45,008,775	48,459,147	51,411,828	44,486,593	48,420,926
Highways and streets	15,947,096	10,934,221	16,731,000	14,076,169	15,166,454	17,713,304	16,894,003	15,574,968	9,667,856	16,837,259
Culture and recreation	8,589,430	10,682,389	11,741,062	9,830,669	13,165,281	11,965,388	13,737,843	11,099,679	12,141,770	13,512,123
Community development	6,161,258	5,923,238	7,926,878	7,829,634	5,206,836	7,933,411	6,270,370	9,581,961	12,802,727	13,798,648
Interest on long-term debt	4,444,205	5,934,341	5,010,100	4,846,700	4,216,335	3,487,880	3,211,424	2,571,666	3,818,869	4,119,002
Total governmental activities expenses	78,698,252	71,539,828	95,200,628	88,171,774	92,861,556	95,599,063	102,586,533	106,081,618	92,182,546	108,698,572
Business-type activities										
Sewer services	11,184,462	12,013,563	15,734,500	15,279,007	14,633,336	16,587,237	16,675,878	16,577,810	15,976,635	17,219,355
Parking services	388,584	454,410	563,198	600,176	615,381	650,646	518,839	669,165	472,084	598,786
Total business-type activities expenses	11,573,046	12,467,973	16,297,698	15,888,183	15,248,717	17,237,883	17,194,717	17,246,975	16,448,729	17,828,151
TOTAL PRIMARY				\$						
GOVERNMENT EXPENSES	\$ 90,271,298	\$ 84,007,801	\$ 111,498,326	\$ 104,059,957	\$ 108,110,273	\$ 112,836,946	\$ 119,781,250	\$ 123,328,593	\$ 108,631,275	\$ 126,426,723
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
General government	\$ 5,761,672	\$ 4,557,513	\$ 9,729,778	\$ 3,538,171	\$ 2,536,443	\$ 2,892,728	\$ 2,557,088	\$ 2,823,718	\$ 3,534,747	\$ 4,066,617
Public safety	3,523,187	3,830,132	4,972,018	6,531,071	5,377,194	5,831,015	6,757,738	6,958,857	7,144,453	6,730,463
Highways and streets	9,468,041	13,453,393	8,919,538	7,472,221	7,892,045	8,671,653	8,705,504	8,699,384	9,270,833	8,868,176
Culture and recreation	2,851,023	3,266,037	3,465,813	2,166,861	1,596,283	1,680,673	1,584,882	309,807	2,928,444	2,983,790
Community development	1,847,670	850,765	977,437	993,442	2,033,871	2,250,546	2,586,336	5,175,983	3,333,203	3,379,199
Operating grants and contributions										
General government	4,429,715	2,845,401	4,866,568	4,568,469	6,364,348	6,653,679	7,911,618	7,217,328	9,276,781	9,379,227
Public safety	-	474,873	265,504	16,326	39,354	21,714	25,480	85,658	721,524	1,104,862
Highways and streets	4,342,965	1,762,886	37,468	5,308,119	5,595,574	6,427,123	13,613,329	6,645,762	7,209,336	12,172,535
Culture and recreation	-	-	-	1,388,829	834,389	999,175	940,653	2,772,685	1,315,844	4,474,861
Community development	-	729,640	500,854	509,726	964,441	1,298,110	1,586,393	2,535,408	2,780,751	5,194,478
Capital grants and contributions										
Highways and streets	2,115,707	1,788,691	5,129,041	2,542,567	5,481,747	8,097,759	4,034,874	34,373,174	7,424,592	8,230,673
Culture and recreation	1,177,600	1,035,203	1,372,090	1,572,584	540,000	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenue	35,517,580	34,594,524	40,236,409	36,608,786	39,257,689	44,824,175	50,303,895	77,597,764	54,940,508	66,584,671
Business-type activities										
Sewer Services										
Charges for services	13,405,162	12,961,499	14,421,187	15,652,898	17,085,810	18,245,373	19,217,996	21,876,728	21,829,859	22,391,781
Operating grants and contributions	4,624	19,899	-	-	-	-	-	-	6,725	2,000
Capital grants and contributions	1,272,724	1,107,321	3,464,088	2,732,852	2,484,548	3,341,253	2,443,079	2,157,141	687,978	1,637,227
Parking services	517,155	598,685	663,726	714,739	760,500	738,817	616,264	318,976	357,033	523,111
Charges for services	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	15,199,665	14,687,404	18,549,001	19,100,489	20,330,858	22,325,443	22,277,339	24,352,845	22,881,595	24,554,119
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 50,717,245	\$ 49,281,928	\$ 58,785,410	\$ 55,709,275	\$ 59,588,547	\$ 67,149,618	\$ 72,581,234	\$ 101,950,609	\$ 77,822,103	\$ 91,138,790
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	\$ (43,180,672)	\$ (36,945,304)	\$ (54,964,219)	\$ (51,562,988)	\$ (53,603,867)	\$ (50,774,888)	\$ (52,282,638)	\$ (28,483,854)	\$ (37,242,038)	\$ (42,113,901)
Business-type activities	3,626,619	2,219,431	2,251,303	3,212,306	5,082,141	5,087,560	5,082,622	7,105,870	6,432,866	6,825,968
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (39,554,053)	\$ (34,725,873)	\$ (52,712,916)	\$ (48,350,682)	\$ (48,521,726)	\$ (45,687,328)	\$ (47,200,016)	\$ (21,377,984)	\$ (30,809,172)	\$ (35,287,933)

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**City of Medford, Oregon**  
**Schedule 2 - Changes in Net Position (Continued)**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**Accrual Basis of Accounting**  
**June 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Property taxes	\$ 36,009,226	\$ 38,410,779	\$ 39,659,600	\$ 41,421,349	\$ 39,245,039	\$ 42,030,584	\$ 43,574,555	\$ 43,601,755	\$ 47,426,199	\$ 48,886,418
Other taxes	9,847,977	10,374,157	10,684,603	11,041,994	15,239,513	15,498,001	14,499,364	16,040,767	19,974,618	20,937,292
Unrestricted investment earnings	675,501	643,510	743,326	844,262	1,184,690	1,720,663	2,679,977	817,608	(1,536,542)	3,433,244
Gain (loss) on disposal of capital assets	(190,062)	-	46,227	197,066	-	-	-	259,268	-	-
Transfers	722,390	895,300	(761,393)	967,486	1,049,775	1,097,375	2,712,671	2,418,192	2,450,383	2,522,772
Total governmental activities	47,065,032	50,323,746	50,372,363	54,472,157	56,719,017	60,346,623	63,466,567	63,136,590	68,314,658	75,779,726
Business-type activities										
Investment earnings	110,179	133,831	184,498	280,609	444,107	607,191	1,000,195	26,906	(581,277)	553,083
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	(833,051)	-	-
Transfers	(722,390)	(895,300)	761,393	(967,486)	(1,049,775)	(1,097,375)	(2,712,671)	(2,418,192)	(2,450,383)	(2,522,772)
Total business-type activities	(612,211)	(761,469)	945,891	(686,877)	(605,668)	(490,184)	(1,712,476)	(3,224,337)	(3,031,660)	(1,969,689)
TOTAL PRIMARY GOVERNMENT										
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	\$ 46,452,821	\$ 49,562,277	\$ 51,318,254	\$ 53,785,280	\$ 56,113,349	\$ 59,856,439	\$ 61,754,091	\$ 59,912,253	\$ 65,282,998	\$ 73,810,037
CHANGES IN NET POSITION										
Governmental activities	\$ 3,884,360	\$ 13,378,442	\$ (4,591,856)	\$ 2,909,169	\$ 3,115,150	\$ 9,571,735	\$ 11,183,929	\$ 34,652,736	\$ 31,072,620	\$ 33,665,825
Business-type activities	3,014,408	1,457,962	3,197,194	2,525,429	4,476,473	4,597,376	3,370,146	3,881,533	3,401,206	4,856,279
TOTAL PRIMARY GOVERNMENT										
CHANGES IN NET POSITION	\$ 6,898,768	\$ 14,836,404	\$ (1,394,662)	\$ 5,434,598	\$ 7,591,623	\$ 14,169,111	\$ 14,554,075	\$ 38,534,269	\$ 34,473,826	\$ 38,522,104

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**City of Medford, Oregon**  
**Schedule 3 - Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**Modified Accrual Basis of Accounting**  
**June 30, 2023**

	2014 <sup>1</sup>	2015 <sup>1</sup>	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>	2019 <sup>1</sup>	2020	2021	2022	2023
GENERAL FUND										
Nonspendable										
Inventory	\$ 53,840	\$ 43,194	\$ 44,418	\$ 44,103	\$ 40,549	\$ 43,480	\$ 50,034	\$ 48,303	\$ 44,493	\$ 46,334
Prepaid items	-	-	-	-	-	-	-	-	-	269,133
Advances to other funds	18,355,000	16,985,000	15,575,000	4,400,000	3,651,519	1,735,331	-	-	-	450,000
Unassigned	18,097,582	1,739,021	538,182	252,888	(68,283)	2,516,829	6,289,971	12,754,326	16,886,378	5,072,510
Assigned										
Future Budget	-	16,615,670	16,615,670	17,411,900	17,411,900	17,630,300	17,630,300	19,365,100	19,365,100	36,018,400
Committed for PERS debt	3,028,488	3,441,896	3,767,201	4,104,713	4,156,965	4,328,596	4,328,596	443,125	4,146,198	3,940,228
TOTAL GENERAL FUND	\$ 39,534,910	\$ 38,824,781	\$ 36,540,471	\$ 26,213,604	\$ 25,192,650	\$ 26,254,536	\$ 28,298,901	\$ 32,610,854	\$ 40,442,169	\$ 45,796,605
ALL OTHER GOVERNMENT FUNDS										
Nonspendable										
Advances to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 666,000	\$ 333,000	\$ -	\$ 45,000
Prepaid items	-	-	-	-	-	-	-	-	-	20,000
Restricted for										
Public safety	1,122,668	1,368,286	1,401,309	1,488,800	1,906,792	2,032,934	1,746,318	1,805,929	1,392,550	1,763,664
Highways and streets	18,475,790	22,705,617	14,839,822	16,100,310	41,318,842	43,640,737	58,405,314	57,812,979	46,160,999	60,811,073
Culture and recreation	8,119,399	4,948,229	6,746,706	8,575,469	6,479,986	5,503,652	6,617,633	69,127,334	59,392,029	27,260,300
Community development	6,208,364	3,046,548	3,884,406	4,654,293	5,065,787	5,069,357	5,635,594	10,450,742	15,205,270	17,446,037
Debt service	192,619	232,034	273,483	241,508	249,367	3,415,192	4,456,048	1,316,525	1,201,529	1,117,091
Committed for										
Public safety	34,456,786	30,138,696	12,216,832	3,445,154	408,691	458,033	938,107	1,725,800	1,544,979	1,826,612
Highways and streets	5,399,629	6,249,318	19,942,838	22,920,738	-	-	-	-	12,462,704	-
Culture and recreation	528,012	523,437	507,026	593,891	1,218,416	1,941,082	739,558	1,454,147	1,430,948	1,830,114
Community development	-	-	-	-	-	-	1,080,957	2,103,288	2,143,678	1,717,686
Unassigned	(12,837,550)	(12,691,861)	(7,159,903)	(1,399,165)	(1,234,009)	(1,626)	-	-	-	-
TOTAL ALL OTHER GOVERNMENT FUNDS	\$ 61,665,717	\$ 56,520,304	\$ 52,452,519	\$ 56,620,998	\$ 55,413,872	\$ 62,059,361	\$ 80,285,529	\$ 146,129,744	\$ 140,934,686	\$ 113,837,577

**Note**

<sup>1</sup> The 2011C series bonds were issued to enable the City to loan funds to the Medford Urban Renewal Agency. This appears as a negative unassigned balance due to the interfund loan. The balance due as of 6/30/20 was \$0.

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**City of Medford, Oregon**  
**Schedule 4 - Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**June 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUES</b>										
Taxes										
Property	\$ 34,685,616	\$ 36,499,226	\$ 38,140,648	\$ 40,094,803	\$ 41,430,063	\$ 42,256,346	\$ 43,825,762	\$ 44,697,922	\$ 47,208,714	\$ 48,719,342
Franchise	8,135,229	8,383,706	8,716,866	8,772,600	9,108,862	11,790,585	11,864,767	13,276,840	14,540,849	10,436,611
Lodging <sup>1</sup>	2,645,582	2,928,540	3,314,578	3,824,002	3,866,262	3,301,685	1,452,016	2,263,627	1,634,847	6,347,786
State gas tax	4,122,907	4,328,786	4,409,077	4,591,902	4,674,310	5,865,207	5,540,497	6,131,951	6,859,200	6,909,316
Marijuana	-	-	-	-	-	-	-	-	839,424	740,758
Car rental tax <sup>2</sup>	408,345	702,932	1,085,049	1,165,994	1,203,386	405,731	1,182,581	2,000,300	2,959,498	3,412,137
Special assessments	33,955	6,534	4,094	-	-	-	-	-	-	-
System development charges	2,589,940	3,293,306	2,824,164	5,323,344	-	-	-	-	-	-
Charges for services	1,567,208	1,744,325	1,773,929	1,894,652	1,736,139	2,261,490	1,645,460	5,031,187	3,254,313	5,976,020
Fines and penalties	1,448,684	1,348,188	1,294,691	1,246,507	1,236,599	2,091,059	1,880,587	1,854,023	2,348,701	2,092,145
Intergovernmental	4,003,532	3,740,102	7,408,139	4,337,855	4,329,680	6,192,334	11,587,669	5,505,220	6,501,290	9,404,956
License and permits	12,145,376	13,525,857	14,392,673	15,230,779	14,930,016	15,445,465	16,509,099	16,541,322	17,873,588	15,693,584
Investment earnings	493,331	675,501	643,510	737,260	906,818	1,720,666	2,679,977	687,644	(1,490,777)	3,377,981
Grants and contributions	1,865,169	2,583,446	2,578,882	2,752,293	5,640,343	5,201,193	8,763,282	9,577,634	9,722,469	17,846,767
Miscellaneous	1,949,911	2,870,925	1,072,814	1,438,394	2,083,145	1,484,770	2,117,555	1,595,581	2,960,943	1,722,732
<b>TOTAL REVENUES</b>	<b>76,094,785</b>	<b>82,631,374</b>	<b>87,659,114</b>	<b>91,410,385</b>	<b>91,145,623</b>	<b>98,016,531</b>	<b>109,049,252</b>	<b>109,163,251</b>	<b>115,213,059</b>	<b>132,680,135</b>
<b>EXPENDITURES</b>										
General government	7,761,943	7,098,188	7,836,743	7,518,464	8,355,723	8,996,264	10,443,415	10,443,237	10,702,160	11,935,901
Public safety	31,418,003	32,927,779	34,957,250	37,505,671	36,179,527	38,764,997	41,368,338	42,252,863	44,306,953	46,757,394
Highways and streets	8,104,918	7,867,330	7,972,227	8,631,470	7,706,527	8,317,157	6,375,000	6,849,190	6,485,401	9,157,236
Culture and recreation	5,806,654	6,062,980	6,346,620	8,139,941	7,311,031	8,284,234	8,508,500	7,911,324	8,636,228	9,609,623
Community development	5,687,988	4,695,190	4,706,126	4,589,668	4,158,153	6,337,476	6,076,887	7,463,094	8,891,874	12,528,006
Capital outlay	12,744,837	15,846,426	18,583,618	23,457,818	15,903,642	12,248,047	14,057,415	17,487,292	33,019,126	57,012,383
Debt service										
Principal	4,120,801	4,430,000	8,134,000	3,958,000	13,965,000	5,144,340	6,691,128	3,439,941	4,976,874	6,611,176
Interest	4,551,366	4,201,307	6,078,671	5,274,848	5,020,692	3,696,525	3,433,405	3,585,861	3,856,867	3,663,290
<b>TOTAL EXPENDITURES</b>	<b>80,196,510</b>	<b>83,129,200</b>	<b>94,615,255</b>	<b>99,075,880</b>	<b>98,600,295</b>	<b>91,789,040</b>	<b>96,954,088</b>	<b>99,432,802</b>	<b>120,875,483</b>	<b>157,275,009</b>

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**City of Medford, Oregon**  
**Schedule 4 - Changes in Fund Balances, Governmental Funds (Continued)**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**June 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (4,101,725)</b>	<b>\$ (497,826)</b>	<b>\$ (6,956,141)</b>	<b>\$ (7,665,495)</b>	<b>\$ (7,454,672)</b>	<b>\$ 6,227,491</b>	<b>\$ 12,095,164</b>	<b>\$ 9,730,449</b>	<b>\$ (5,662,424)</b>	<b>\$ (24,594,874)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	16,283,175	11,302,403	10,453,945	12,025,891	24,825,388	14,323,417	33,070,289	85,990,224	36,176,233	31,176,348
Transfers out	(15,787,335)	(10,748,880)	(9,535,002)	(10,925,291)	(23,735,447)	(12,843,533)	(30,092,335)	(83,304,183)	(33,447,691)	(28,369,147)
Issuance of debt (bonds)	27,649,094	-	39,592,143	-	-	-	3,842,698	103,180,598	-	-
Issuance of notes payable	-	-	-	-	-	-	1,354,717	63,387	1,570,139	-
Land purchase contract	-	-	-	-	-	-	-	-	-	-
Bonds defeasement and issuance costs	-	-	-	-	-	-	-	(43,004,308)	-	-
Sale of capital assets	123,482	10,889	-	-	206,342	-	-	1,500,000	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>28,268,416</b>	<b>564,412</b>	<b>40,511,086</b>	<b>1,100,600</b>	<b>1,296,283</b>	<b>1,479,884</b>	<b>8,175,369</b>	<b>64,425,718</b>	<b>4,298,681</b>	<b>2,807,201</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 24,166,691</b>	<b>\$ 66,586</b>	<b>\$ 33,554,945</b>	<b>\$ (6,564,895)</b>	<b>\$ (6,158,389)</b>	<b>\$ 7,707,375</b>	<b>\$ 20,270,533</b>	<b>\$ 74,156,167</b>	<b>\$ (1,363,743)</b>	<b>\$ (21,787,673)</b>
<b>DEBT SERVICE AS % OF NONCAPITAL EXPENDITURES <sup>3</sup></b>	<b>12.86%</b>	<b>12.83%</b>	<b>18.69%</b>	<b>12.21%</b>	<b>22.96%</b>	<b>11.11%</b>	<b>12.21%</b>	<b>8.57%</b>	<b>8.34%</b>	<b>10.25%</b>

**Note**

<sup>1</sup> Transient lodging tax is 11%

<sup>2</sup> The car rental tax was implemented in August 2005. As of 11/1/13, the tax went from 5% to 12.5% per council bill 2013-137 in order to repay bonds sold to finish phase 4 of the sports park. Effective 08/01/2020, the tax was expanded to include non-airport rentals.

<sup>3</sup> The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is the reconciling item for capital outlay in the reconciliation between the government wide statement of activities and the statement of revenues, expenditures, and changes in fund balance on page 18.

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**City of Medford, Oregon**  
**Schedule 5 - Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**June 30, 2023**

Fiscal Year Ending June 30,	Real Property		Personal Property		Other		Less	Total Taxable Assessed Value	Total Direct Tax Rate	(M5) Estimated Actual Value (RMV)	Tax District totals RMV	Taxable Assessed Value as a Percentage of Estimated Actual Value
	Real Property	Real Manufactured Structures	Personal Manufactured Structures	Personal Properties	Utilities	Non Profit	UR Excess					
2014	5,648,610,371	-	23,765,676	215,788,310	186,000,500	10,413,330	(206,805,088)	5,877,773,099	5.19	6,999,431,817	7,039,970,253	83.98%
2015	5,976,625,494	-	24,754,412	222,653,360	220,821,781	10,621,750	(227,154,169)	6,228,322,628	5.18	7,805,391,223	7,818,942,393	79.80%
2016	6,230,295,131	-	24,174,838	221,639,250	242,941,600	10,782,000	(242,241,543)	6,487,781,276	5.18	8,290,018,484	8,303,569,654	78.26%
2017	6,459,722,797	-	23,948,147	235,777,110	261,869,100	10,841,090	(250,117,121)	6,742,041,123	5.16	8,722,636,821	8,751,952,318	77.29%
2018	6,748,358,649	-	24,880,218	255,906,880	288,227,916	11,217,720	(71,950,000)	7,257,639,383	5.30	9,496,133,536	9,543,729,915	76.43%
2019	7,064,693,734	-	26,877,332	271,762,460	332,279,700	11,554,240	(279,844,456)	7,427,323,010	5.16	10,587,280,947	10,591,489,262	70.15%
2020	7,341,926,296	-	35,923,670	271,794,910	370,252,400	11,900,860	(283,334,426)	7,748,463,710	5.16	11,136,255,069	11,186,093,800	69.58%
2021	7,652,855,439	-	37,762,233	239,101,640	362,986,930	12,189,480	(18,635,299)	8,286,260,423	5.34	11,511,577,791	11,561,697,460	71.98%
2022	8,009,155,900	-	39,293,288	223,678,215	362,351,800	12,555,140	(292,638,914)	8,354,395,429	5.12	13,092,628,372	13,149,466,411	63.81%
2023	8,360,509,132	-	43,126,404	219,866,397	404,686,600	12,931,780	(311,927,062)	8,729,193,251	5.11	15,411,100,240	15,507,028,518	56.64%

Data Source: Jackson County Assessor

**Note**

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

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**City of Medford, Oregon**  
**Schedule 6 - Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years - Unaudited**  
**June 30, 2023**

Fiscal Year Ended June 30,	City of Medford				Overlapping Rates										Total Direct & Overlapping Rates
	General Fund	Special Revenue Funds	Debt Service Fund	Total Direct Rate	Jackson County	Education Service District	Medford School District	Library District	Transportation District	Rogue Community College	4H Agric. Extension	Vector Control	Jackson County Soil Water	Urban Renewal District	
2014	5.11	-	0.08	5.19	2.12	0.34	6.20	-	0.17	0.61	-	0.04	0.05	0.91	15.62
2015	5.11	-	0.07	5.18	2.16	0.34	6.10	0.50	0.17	0.60	-	0.04	0.05	0.92	16.07
2016	5.10	-	0.07	5.18	2.10	0.34	5.92	0.50	0.17	0.60	0.04	0.04	0.05	0.95	15.88
2017	5.11	-	0.06	5.16	2.10	0.34	5.92	0.50	0.30	0.65	0.04	0.04	0.05	0.94	16.04
2018	5.24	-	0.06	5.30	2.14	0.35	5.93	0.51	0.31	0.66	0.04	0.04	0.05	0.14	15.47
2019	5.10	-	0.06	5.16	2.06	0.34	5.67	0.50	0.30	0.63	0.04	0.04	0.05	0.51	15.30
2020	5.11	-	0.06	5.16	2.05	0.34	5.62	0.50	0.30	0.64	0.04	0.04	0.05	0.49	15.25
2021	5.28	-	0.05	5.34	2.09	0.35	5.73	0.52	0.31	0.66	0.04	0.04	0.05	0.03	15.16
2022	5.12	-	-	5.12	2.02	0.34	5.52	0.50	0.30	0.63	0.04	0.04	0.05	0.47	15.04
2023	5.11	-	-	5.11	2.02	0.34	5.46	0.50	0.30	0.64	0.04	0.04	0.05	0.48	14.98

Data source: Jackson County

**Note**

The 2022-23 taxable assessed value to compute the tax rate code area of 4901 is \$7,681,517,495 which is 88% of the total 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 FY 1997-1998, 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 year's requirements.

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

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**City of Medford, Oregon**  
**Schedule 7 - Principal Property Tax Payers (City of Medford)**  
**Current Year and Nine Years Ago - Amounts in Dollars**  
**June 30, 2023**

Taxpayer	Type of Business	2023 Top 10 All Roll Taxpayers for City of Medford				2014 Top Tax Payers			
		2023 Current Taxes Imposed	2022-23 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	6/30/2014 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
Rogue Valley Manor	Retirement Housing	\$ 1,751,951	\$ 118,254,390	1	1.35%	\$ 86,405,760	1	1.47%	
Charter Communications	Television	1,291,900	86,653,500	2	0.99%	52,313,300	2	0.89%	
Pacificorp (PP&L)	Electric Utility	1,150,338	77,166,000	3	0.88%	37,650,000	4	0.64%	
Avista Corp DBA Washington	Gas Utility	1,088,148	73,004,000	4	0.84%	34,256,000	5	0.58%	
Deluca Ronald L Trustee Et Al	Housing	947,263	63,209,230	5	0.72%				
Lithia Real Estate, Inc	Auto Dealerships	684,720	45,687,120	6	0.52%	33,424,230	6	0.57%	
Skywest Airlines	Aviation	544,047	36,302,000	7	0.42%				
Charles Point 2015 LLC	Apartments	542,423	36,226,280	8	0.42%				
Asante	Healthcare	524,718	35,008,630	9	0.40%	21,248,320	10	0.36%	
Wal-Mart Real Estate Business	Shopping Center	505,940	33,848,840	10	0.39%	24,997,860	9	0.43%	
Brixton Rogue LLC	Shopping Center	447,264	30,000,000		0.34%				
Deluca Revocable Trust Et Al	Housing	438,214	29,241,720		0.33%				
Lumen Technologies Inc	Internet Utility	422,557	28,344,000		0.32%				
Hunter Communications Inc	Internet Utility	400,240	26,715,760		0.31%				
Rogue Federal Credit Union	Banking	382,668	25,535,330		0.29%				
Bear Creek Partners LLC	Housing	356,137	23,763,520		0.27%				
FM Medford F LLC	Housing	310,690	20,731,080		0.24%				
Fred Meyer Stores, Inc	Shopping Center	305,620	20,392,740		0.23%				
Alba Village Phase II LLC	Housing	284,410	18,977,470		0.22%				
Orchard Glen Estates LLC	Housing	280,814	18,737,520		0.21%				
Total		\$ 12,660,062	\$ 847,799,130		9.69%	\$ 290,295,470		4.94%	

**Note**

The 2022-23 taxable assessed valuation for the City of Medford is \$ 8,729,193,251  
The taxable assessed valuation for the year ended 6/30/2014 was \$ 5,877,773,099  
This schedule includes the ten largest tax payers of the City of Medford, unless fewer are required to reach 50% of the revenue base.

Data Source: Jackson County Assessor's Office

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**City of Medford, Oregon**  
**Schedule 7a - Principal Property Tax Payers (Jackson County)**  
**Current Year and Nine Years Ago - Amounts in Dollars**  
**June 30, 2023**

Taxpayer	Type of Business	2023 Top 10 All Roll Taxpayers for Jackson County				2014 Top Tax Payers			
		2023 Current Taxes Imposed	2022-23 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	6/30/2014 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
Pacificorp	Electric Utility	\$ 5,287,580	\$ 464,456,000	1	1.88%	\$ 247,906,000	1	1.47%	
Avista Corp DBA Avista Utilities	Gas Utility	2,804,855	201,733,000	2	0.82%	82,699,000	3	0.49%	
Rogue Valley Manor	Retirement Housing	1,881,383	128,888,220	3	0.52%	86,405,760	2	0.51%	
Charter Communications	Television	1,800,958	122,504,500	4	0.50%	73,825,600	4	0.44%	
Deluca Ronald L Trustee Et Al	Housing	1,639,895	106,513,940	5	0.43%				
Lumen Technologies Inc	Internet Utility	1,063,406	79,897,150	6	0.32%	55,428,400	8	0.33%	
Boise Cascade Wood Products	Timber Products	1,055,004	78,812,698	7	0.32%	60,468,693	6	0.36%	
Harry & David Operations Inc	Food Production	880,700	72,944,867	8	0.30%	68,625,631	9	0.41%	
Amy's Kitchen	Food Production	860,230	59,584,290	9	0.24%	24,964,040	16	0.15%	
Carestream Health Inc	Manufacturing	709,235	48,098,400	10	0.19%	63,339,900	5	0.37%	
Deluca Revocable Trust Et Al	Housing	692,650	46,758,530		0.19%				
Wal-Mart Real Estate Business	Shopping Center	686,173	46,676,480		0.19%				
Lithia Real Estate Inc.	Automobile Dealership	684,720	45,687,120		0.19%				
Roseburg Forest Products Co	Timber Products	662,273	53,877,640		0.22%				
Linde LLC	Industrial Gases	582,374	40,338,430		0.16%				
Skywest Airlines	Aviation	544,047	36,302,000		0.15%				
Charles Point 2015 LLC	Apartments	542,423	36,226,280		0.15%				
Asante	Healthcare	540,201	35,984,060		0.15%				
Siskiyou Timberlands LLC	Forest Management	488,164	24,234,509		0.10%				
Costco Wholesale Corporation	Shopping Center	477,305	27,737,390		0.11%				
Total		\$ 23,883,576	\$ 1,757,255,504		7.13%	\$ 763,663,024		4.53%	

Note: The 2022-23 Taxable Assessed Valuation for Jackson County is: \$ 24,666,914,843  
The Taxable Assessed Valuation for year ended 6/30/2014 was: \$ 16,916,458,811  
This schedule includes the ten largest tax payers of Jackson County, unless fewer are required to reach 50% of the revenue base.

Data Source: Jackson County Assessor's Office

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**City of Medford, Oregon**  
**Schedule 8 - Property Tax Levies and Collections**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**June 30, 2023**

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					
2014	\$ 37,142,598	\$ 34,898,432	94.0%	\$ 1,398,966	\$ 36,297,398	97.724%	\$ 2,506,525	6.7%
2015	39,335,111	37,246,678	94.7%	893,970	38,140,648	96.963%	2,510,933	6.4%
2016	41,120,671	39,171,211	95.3%	923,592	40,094,803	97.505%	2,646,653	6.4%
2017	42,561,713	40,357,090	94.8%	1,072,973	41,430,063	97.341%	2,728,936	6.4%
2018 <sup>1</sup>	39,886,508	37,579,703	94.2%	922,596	38,502,299	96.530%	3,183,033	8.0%
2019	43,684,665	39,786,268	91.1%	2,792,617	42,578,885	97.469%	2,742,143	6.3%
2020	45,316,690	41,485,940	91.5%	2,396,633	43,882,573	96.835%	2,670,446	5.9%
2021 <sup>2</sup>	44,687,010	42,471,272	95.0%	1,713,253	44,184,525	98.876%	1,624,130	3.6%
2022	48,165,627	46,714,316	97.0%	716,637	47,430,953	98.475%	1,659,716	3.4%
2023	50,435,415	48,040,668	95.3%	695,534	48,736,202	96.631%	1,891,405	3.8%

Data source: Jackson County Assessor's Office

**Note**

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

<sup>1</sup> The combined City and MURA tax levy was reduced in FY 2017-2018 due to a reduction in MURA levies.

<sup>2</sup> The combined City and MURA tax levy was reduced in FY 2020-2021 due to a reduction in MURA levies.

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**City of Medford, Oregon**  
**Schedule 9 - Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**June 30, 2023**

Fiscal Year Ended June 30,	Governmental Activities					Total Primary Government	Per Capita <sup>1</sup>	Percentage Per Capita <sup>1</sup>	Percentage of Personal Income
	General Obligation Bonds	GO Supported Revenue Bonds	Contract/ Loan	Medford Urban Renewal Agency (Mura) Bonds	Contract/Loan (Mura)				
2014	\$ 48,845,000	\$ 55,265,000	\$ -	\$ 4,463,000	\$ -	\$ 108,573,000	\$ 1,430	0.07%	1.45%
2015	46,520,000	53,919,000	-	-	-	100,439,000	2,725	0.08%	1.31%
2016	43,980,000	52,501,000	-	-	-	96,481,000	2,563	0.08%	1.22%
2017	31,485,000	51,031,000	-	-	-	82,516,000	1,972	0.10%	0.91%
2018	37,374,005	38,941,000	-	-	-	76,315,005	1,720	0.11%	0.79%
2019	33,268,738	39,507,042	-	-	-	72,775,780	1,562	0.11%	0.71%
2020	32,122,265	36,200,000	1,354,717	-	-	69,676,982	1,443	0.12%	0.65%
2021	23,172,757	102,445,000	1,418,104	-	-	127,035,861	2,451	0.07%	1.10%
2022	20,703,002	100,985,000	2,025,389	-	-	123,713,391	2,176	0.07%	0.97%
2023	18,079,146	98,060,000	963,069	-	-	117,102,215	2,035	0.08%	0.92%

Data sources: City Finance Department and Medford Urban Renewal Agency

**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

<sup>1</sup> See the demographic and economic schedule 14 for population and personal income data

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**City of Medford, Oregon**  
**Schedule 10 - Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**As of June 30, 2023**

Fiscal Year Ending June 30,	General Obligation Bonds	GO Supported Revenue Bonds	Medford Urban Renewal Agency (MURA) Bonds	Total Bonds	Less Amounts Available in Debt Service Fund <sup>3</sup>	Net General Bonded Debt Total	Percentage of Estimated Actual Taxable Value of Property <sup>2</sup>	Per Capita <sup>1</sup>
2014	\$ 48,845,000	\$ 55,265,000	\$ 4,463,000	\$ 108,573,000	\$ 5,735,102	\$ 102,837,898	1.75%	\$ 1,354.56
2015	46,520,000	53,919,000	-	100,439,000	4,525,174	95,913,826	1.54%	1,251.32
2016	43,980,000	52,501,000	-	96,481,000	8,688,581	87,792,419	1.35%	1,130.54
2017	31,485,000	51,031,000	-	82,516,000	3,242,415	79,273,585	1.18%	996.02
2018	37,374,005	38,941,000	-	76,315,005	2,700,402	73,614,603	1.01%	915.89
2019	33,268,738	39,507,042	-	72,775,780	3,415,192	69,360,588	0.93%	851.42
2020	32,122,265	36,200,000	-	68,322,265	4,456,048	63,866,217	0.82%	741.57
2021	23,172,757	102,445,000	-	125,617,757	1,316,525	124,301,232	1.50%	1,422.98
2022	20,703,002	100,985,000	-	121,688,002	1,045,770	120,642,232	1.44%	1,374.04
2023	18,079,146	98,060,000	-	116,139,146	1,117,090	115,022,056	1.32%	1,276.85

**Note**

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

<sup>1</sup> Population data can be found in the demographic and economic schedule 14

<sup>2</sup> Details regarding the City's estimated actual taxable value of property can be found in schedule 5

<sup>3</sup> This column reflects amounts available in both the City and Medford Urban Renewal Agency

**City of Medford, Oregon**  
**Schedule 11 - Direct and Overlapping Governmental Activities Debt**  
**Paid by Property Taxes**  
**Amounts in Dollars**  
**As of June 30, 2023**

GOVERNMENTAL UNIT	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Net Overlapping Debt
<b>DEBT REPAYED WITH PROPERTY TAXES</b>			
Jackson County	\$ 21,475,000	35.66%	\$ 7,656,954
Jackson County Housing Authority	6,848,673	35.66%	977,778
JC School District #4 (Phoenix-Talent)	68,308,685	35.62%	24,332,373
JC School District #549C (Medford)	132,580,000	75.12%	99,595,687
JC School District #6 (Central Point)	80,450,087	1.48%	1,193,799
Rogue Community College	56,010,000	26.31%	11,957,852
Rogue Community College (Jackson Cty Bond)	4,355,000	35.30%	1,537,524
Rogue Valley Transit District	152,978	47.30%	72,351
Subtotal Overlapping Debt	\$ 370,180,423		\$ 147,324,318
<b>CITY DIRECT DEBT</b>			
City Gross Property Tax Backed Direct Debt	18,079,146		4,224,146
	<u>\$ 388,259,569</u>		<u>\$ 151,548,464</u>

Sources: Oregon State Treasury, Debt Management Information System

**Note**

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

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

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

"Gross Property-tax backed debt" includes all general obligation (GO) bonds and full faith & credit bonds. "Net property tax backed debt" is gross property tax backed debt less self-supporting unlimited tax GO and less self-supporting full faith & credit debt. The following obligations are NOT included in property-tax backed calculations: appropriation credits, conduit revenue bonds, dedicated niche obligations, revenue bonds, obligations issued for less than 13 months (e.g. bond anticipation notes, tax anticipation notes, lease purchase agreements, loans, lines of credit or other non-publicly offered financial obligations).



**City of Medford, Oregon**  
**Schedule 12 - Legal Debt Margin Information**  
**Last Ten Fiscal Years - Unaudited - Amounts in Dollars**  
**June 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 211,199,108	\$ 234,568,272	\$ 249,107,090	\$ 261,679,105	\$ 284,884,006	\$ 317,818,428	\$ 334,087,652	\$ 345,347,334	\$ 392,778,851	\$ 462,333,007
Total net debt applicable to limit	25,834,379	41,994,826	35,291,420	28,242,657	25,749,558	29,858,652	29,118,438	18,289,122	19,657,232	16,962,056
Legal debt margin	185,364,729	192,573,446	213,815,670	233,436,448	259,134,408	287,959,776	304,969,214	327,058,212	373,121,620	445,370,952
Total net debt applicable to the limit as a percentage of debt limit	13.94%	21.81%	16.51%	12.10%	9.94%	10.38%	9.55%	5.59%	5.27%	3.81%
LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2023										
Real Market Value	\$ 15,411,100,240									
Add Back: exempt real property	-									
Total Real Market Value (RMV)	15,411,100,240									
Debt Limit (3% of total RMV Value)	462,333,007									
Amount of debt applicable to debt limit	116,139,146									
Deductions:										
Assets in debt service funds available for payment of principal	305,095									
Special assessment bonds (Urban Renewal)	811,995									
Revenue bonds	98,060,000									
Total deductions	99,177,090									
Total net debt applicable to limit	16,962,056									
LEGAL DEBT MARGIN	\$ 445,370,951									
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	3.81%									

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

**Note 1**  
 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 2**  
 Total bonded debt includes Medford Urban Renewal Agency (as of 6/30/23 MURA had no bonded debt)

**City of Medford, Oregon**  
**Schedule 13 - Pledged Revenue Coverage**  
**Last Ten Fiscal Years - Unaudited Amounts in Dollars**  
**June 30, 2023**

Parks Revenue Bonds						
Fiscal Year			Net Revenue	Total Parks Bonds		Coverage
Ended	Gross	Operating	Available for	Paid During Year		Actual
June 30,	Revenues <sup>1</sup>	Expenses	Debt Service	Principal	Interest	Debt Service
2014	\$ 4,045,678	\$ 317,608	\$ 3,728,070	\$ 1,124,000	\$ 705,905	2.04
2015	4,315,628	360,458	3,955,170	1,346,000	961,398	1.71
2016	5,036,069	359,278	4,676,791	1,213,000	619,245	2.55
2017	3,973,220	385,286	3,587,933	1,470,000	838,406	1.55
2018 <sup>2</sup>	4,043,931	520,065	3,523,866	13,165,965	473,438	0.26
2019	5,468,230	184,793	5,283,437	1,814,340	501,288	2.28
2020	6,145,520	372,346	5,773,174	2,696,128	436,722	1.84
2021 <sup>3</sup>	9,264,491	1,422,104	7,842,387	250,000	1,207,258	5.38
2022	10,400,852	583,365	9,817,487	379,600	1,791,046	4.52
2023	8,282,543	752,484	7,530,059	2,925,000	2,517,535	1.38

Source: City of Medford Finance Department

**Note**  
 Details regarding the City's outstanding debt can be found in the financial statements.

<sup>1</sup> Parks revenue comes from a portion of the transient lodging tax (34%), car rental tax, and a parks utility fee

<sup>2</sup> The parks limited series 2007 bond was paid off in FY18

<sup>3</sup> The gross revenues do not include bond proceeds of \$67,514,427 for FY21

**City of Medford, Oregon**  
**Schedule 14 - Demographic and Economic Statistics**  
**Last Ten Fiscal Years - Unaudited**  
**June 30, 2023**

SIGNIFICANT DATES/FORMS 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 <sup>1</sup>	School Enrollment <sup>2</sup>	Number of Schools <sup>2</sup>	Unemployment Rate <sup>4</sup>	Labor Force <sup>4</sup>	Personal Income (Millions of Dollars) <sup>3</sup>	Per Capita Personal Income (Dollars) <sup>3</sup>	Commercial Construction <sup>5</sup> Number of Units	Commercial Construction <sup>5</sup> Value (in thousands)	Residential Construction <sup>5</sup> Number of Units	Residential Construction <sup>5</sup> Value (in thousands)
2014	75,920	12,705	19	8.0	95,500	\$ 7,490	\$ 36,289	650	\$ 249,864	267	\$ 70,937
2015	76,650	13,628	14	7.1	95,900	7,687	36,861	680	266,182	246	59,738
2016	77,655	13,836	24	6.3	97,648	7,914	37,637	638	199,162	249	59,079
2017	79,590	14,081	24	4.6	82,180	9,062	41,852	594	151,776	341	78,627
2018	80,375	14,271	24	4.8	98,993	9,547	44,360	497	150,360	281	67,854
2019	81,465	14,392	24	4.8	104,763	10,232	46,603	323	89,827	310	78,548
2020	86,123	14,468	24	4.4	103,451	10,670	48,291	309	76,171	268	69,853
2021	87,353	13,940	25	7.8	105,147	11,497	51,824	337	314,539	315	85,136
2022	87,801	14,135	25	5.4	107,706	12,717	56,842	245	153,962	312	94,575
2023	90,083	13,849	25	4.7	106,841	12,756	57,552	258	56,849	233	70,103

**Note**

<sup>1</sup> Portland State University

<sup>2</sup> Oregon Department of Education (for Medford SD549C)

<sup>3</sup> Per Bureau of Economic Analysis (Regional Economic Accounts) (www.bea.gov/) (Jackson County)

<sup>4</sup> U.S. Department of Labor, Bureau of Labor Statistics Data (www.bls.gov)

<sup>5</sup> City Building Department

**City of Medford, Oregon**  
**Schedule 15 - Largest Employers for Jackson County**  
**2022 and Nine Years Prior**  
**June 30, 2023**

Employer	Type of Business	2022		Percentage of Total City Employment	2013		Percentage of Total City Employment
		Employees <sup>1</sup>	Rank		Employees	Rank	
Asante (RV Medical)	Health Care	4,231	1	3.96%	4,231	1	4.34%
Lithia Motors	Auto Dealership	3,000	2	2.81%	697	5	0.71%
Harry & David Operations	Gourmet Fruit & Gifts	2,000	3	1.87%	2,000	2	2.05%
Rogue Valley Medical Center	Health Care	1,638	4	1.53%			
Allegiant Air	Commercial Airline	1,500	5	1.40%			
Medford School District 549C <sup>2</sup>	Schools	1,393	6	1.30%			
Providence Medical Center	Health Care	1,300	7	1.22%	1,100	3	1.13%
Wal-Mart Stores	Department Stores	930	8	0.87%			
Jackson County <sup>2</sup>	County Government	894	9	0.84%			
Boise	Plywood Mills	875	10	0.82%	745	4	0.76%

**Note**

<sup>1</sup> Information for private businesses is not currently tracked by any entity, this data was last available 1/29/18 via the Chamber of Commerce Website.

<sup>2</sup> 2022 Information for public employers (government) was provided by OR Employment Dept 10/06/23

**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**

**June 30, 2023**

	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
City Manager	9.0	10.2	8.0	8.0	7.9	7.4	7.9	6.4	6.2	7.0
Facilities Management			12.9	18.1	18.7	18.7	15.4	15.8	16.9	17.7
Innovation & Technology	12.0	10.0	10.0	11.0	10.9	11.1	10.6	8.5	9.0	10.4
Human Resources	5.4	6.0	7.0	7.3	7.9	6.6	6.4	5.7	5.0	5.9
Finance	10.2	11.2	10.3	9.2	10.1	21.3	24.4	20.7	20.7	21.3
Planning	17.0	17.0	14.4	17.1	17.4	17.8	17.3	14.2	14.8	15.3
Building Inspection	9.0	11.0	11.1	11.2	12.7	13.3	13.7	12.8	15.2	13.6
Business Licenses			2.0	2.0	2.0	1.5	1.5	1.5		
Public Works										
Engineering	34.2	34.6	38.5	39.6	43.4	34.6	33.8	30.5	33.6	32.2
Maintenance	56.0	58.4	56.1	58.4	65.0	71.3	69.6	61.6	60.5	61.5
WRD	25.0	24.3	23.1	24.2	27.4	26.5	25.2	26.1	24.8	24.6
City Attorney	4.0	4.0	4.5	4.0	5.0	6.3	5.6	5.5	5.7	5.9
Municipal Court	7.6	8.0	7.4	7.2	7.9	9.6	7.9	7.5	7.2	8.3
Police										
Sworn Officers	103.0	100.3	98.9	103.0	113.6	134.5	126.4	127.1	126.6	127.9
Civilians	39.1	36.4	40.3	40.0	41.7	62.4	40.1	26.1	26.2	27.9
Fire										
Firefighters/officers	74.0	72.0	72.0	71.0	98.7	114.9	97.0	95.0	99.4	103.0
Civilians	3.5	7.1	7.1	10.1	9.1	11.4	11.0	9.8	8.7	7.5
Parks & Recreation	54.1	44.0	42.7	38.6	54.6	64.7	57.8	49.2	49.9	51.8
Urban Renewal	-	-	-	-	-	-	-	-	-	-
TOTAL	463.1	454.5	466.3	480.0	554.0	633.9	571.6	524.0	530.4	541.8

**Source:** City Finance Department

**Note**

Full-time equivalent employment is calculated by dividing total labor hours by 2080.

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

Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021 <sup>1</sup>	2022	2023
<b>FUNCTION</b>										
<b>Police</b>										
Group A Offenses <sup>2</sup>	6,892	6,291	6,805	7,608	6,544	5,905	5,577	-	7,533	6,832
Group B Offenses <sup>2</sup>	17,529	17,615	19,626	22,386	19,152	16,973	15,615	-	3,371	4,088
Total Group A & B	24,421	23,906	26,431	29,994	25,696	22,878	21,192	-	10,904	10,920
Clearance Rate Group A & B	76.40%	74.40%	75.20%	72.70%	76.29%	71.66%	68.46%	-	40.00%	61.00%
Cases Cleared Group A & B	17,474	16,890	18,562	20,681	19,604	16,394	14,509	-	4,361	6,661
# of Juvenile Charges Group A & B	986	1,161	881	648	631	513	524	-	328	415
# of Adult Arrest Charges Group A & B	16,353	15,838	18,325	21,285	18,886	17,235	14,671	-	6,428	7,209
Traffic Accidents - Fatal	2	5	3	4	9	3	2	-	6	N/A <sup>3</sup>
Traffic Accidents - Injury	387	433	528	532	505	521	442	-	332	N/A <sup>3</sup>
Traffic Accidents - Prop Damage	1,063	1,242	1,370	1,372	1,296	1,271	1,125	-	1,130	N/A <sup>3</sup>
Total Accidents	1,452	1,680	1,901	1,908	1,810	1,795	1,569	-	1,468	1,390
<b>Fire</b>										
Number of Fires	320	475	320	372	336	431	376	436	339	408
Overpressure, heat, explosion	13	29	13	6	15	15	17	23	18	14
EMS, Rescue, MVA	6,819	6,544	6,819	7,388	7,243	7,567	6,813	6,986	8,637	8,516
Hazardous Conditions	117	1	117	221	8	-	160	161	188	211
Service Call	374	361	374	658	554	858	948	988	1,164	961
Good Intent Calls	1,456	1,180	1,456	1,959	1,960	2,643	2825	3,542	2,811	2,760
False Alarm	504	420	504	484	407	506	500	516	568	608
Severe Weather	5	4	5	8	3	2	10	9	-	4
Special Incident	15	294	15	10	122	48	15	11	10	11
Uncategorized	7	0	7	0	0	0	0	0	0	0
Total Incident Responses	9,630	9,308	9,630	11,106	10,648	12,070	11,664	12,692	13,735	13,493
Total City only	8,410	8,254	8,410	N/A	9,836	10,551	10,001	11,190	12,326	12,106
Total Rural Only	656	651	656	N/A	824	869	2,248	738	711	716
Out of District Responses	564	403	564	N/A	N/A	650	581	764	698	671
Mutual Aid Received	N/A	N/A	N/A	N/A	631	852	629	534	574	528
Mutual Aid Given	N/A	N/A	N/A	N/A	580	640	581	764	698	671

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

Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021 <sup>1</sup>	2022	2023
<b>Highways and streets</b>										
Miles of Streets Added	3	1	2	2	2	3	5.3	3.38	4.24	3.06
Streetslights added	276	83	152	171	152	210	192	178	82	67
<b>Culture and recreation</b>										
Aquatics	22,000	22,000	22,000	20,000	11,000	14,400	9,270	250	6,400	6,400
Youth & Adult Sports	10,000	10,000	10,000	12,000	12,000	16,000	11,000	11,000	12,000	13,000
Youth Programs/Day Camps	2,000	2,000	2,000	3,000	3,600	3,100	4,000	3,000	3,000	3,000
Community Recreation	15,000	15,000	15,000	16,000	16,000	15,000	12,000	4,500	5,000	4,000
Special Interest Classes	2,000	2,000	2,000	2,200	2,200	1,900	1,800	300	800	700
<b>Wastewater</b>										
Miles of Sanitary Sewers Added	1	1	1	1	1	2	0.33	2.38	0.93	2.08
Miles of Storm Sewers Added	2	-	3	2	2	3	1.38	4.64	1.74	3.92
Average Daily Million Gallons Treated	18.1	16.5	17.5	18.8	20.3	15.6	17.7	15.8	15.5	15.2
<b>Building/Planning/Engineering</b>										
Total Permits	6,515	6,074	5,815	6,331	5,846	5,789	5,682	4,161	4059	3,245
Commercial Building Permits Issued	650	680	638	594	497	323	309	299	245	258
Value Commercial Construction	229,864,567	266,181,937	199,162,002	151,775,643	150,359,928	89,827,017	76,171,297	272,887,510	153,962,208	56,849,479
Single Family Residence Issued	267	246	249	341	281	310	268	362	312	233
Value Residential	70,936,549	59,738,022	59,078,945	78,626,552	67,853,914	78,547,794	69,853,053	88,957,066	194,575,140	70,103,071
Square miles Added to City	-	-	-	-	-	0.0026	-	-	-	-

**Source:** Various City departments

**Notes**

- <sup>1</sup> Police Data for 2021 was unavailable due to a change in systems during the year  
<sup>2</sup> Crime Reporting methodology changed to NIBRS in Dec. 2020. Group A & B offenses were reported as Part I & II offenses in years prior to 2021. Group A & B offense categories are not totally comparable to Part I & II. Many offenses formerly reported as Part II are no longer reported.  
<sup>3</sup> Traffic Accident data by type was unavailable in 2023 due to the way the accidents were entered into the new system.

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**City of Medford, Oregon**  
**Schedule 18 - Capital Asset Statistics by Function**  
**Last Ten Fiscal Years - Unaudited**  
**June 30, 2023**

Fiscal Year Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>PUBLIC SAFETY</b>										
Fire Protection <sup>2</sup>										
Number of Stations	5	5	5	5	5	5	5	5	5	5
Police Protection <sup>3</sup>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Sewers <sup>1</sup>										
Miles of Sanitary Sewers	261	262	263	265	265	267.67	268	270	271	273
Miles of Storm Sewers	173	173	176	179	181	183.97	185.35	189.99	191.73	195.65
Public Works <sup>1</sup>										
Area -- Square Miles	25.73	25.73	25.73	25.73	25.75	25.78	26.59	27.50	28.11	28.69
Miles of Streets	265.34	266.42	268.51	270.45	272.41	275.34	280.64	284.02	288.26	291.32
Number of Street Lights	6,452	6,535	6,687	6,858	7,010	7,485	7,516	7846	7940	8007
Culture and recreation <sup>4</sup>										
Number of Parks <sup>5</sup>	36	36	36	36	38	36	36	36	36	36
Total Park Acreage	2,396	2,396	2,396	2,396	2,437	2,437	2,437	2,437	2,223 <sup>6</sup>	2,225
Number of Libraries	1	1	1	1	1	1	1	1	1	1

**Sources**

<sup>1</sup> City Public Works Department

<sup>2</sup> City Fire Chief

<sup>3</sup> City Police Department

<sup>4</sup> City Parks Department

**Notes**

<sup>5</sup> The number of parks includes 5 community parks, 17 neighborhood/school parks, 11 special use/facility areas, and 3 natural areas.

<sup>6</sup> Prior year acreage included path systems of Larson & Lazy creek which are maintained by the City

**City of Medford, Oregon**  
**Other Schedules**  
**Continuing Disclosure**

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

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

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

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

**City of Medford, Oregon**  
**Table 1 - Outstanding Obligations**  
**Continuing Disclosures for the Following: Series 2006 Sidewalk Bonds Table 12**  
**Unaudited**  
**June 30, 2023**

	Issue Date	Maturity Date	Amount Issued	Amount Outstanding as of 6/30/2023
FULL FAITH & CREDIT OBLIGATIONS OR LIMITED TAX BONDS PAID FROM TAX SOURCE (not subject to annual appropriations)				
2020 full faith credit, series 2020	6/23/2020	10/1/2035	\$ 3,842,698	\$ 3,104,146
Pension obligations, series (2004)(taxable) <sup>1</sup>	5/27/2004	6/1/2028	29,205,000	14,975,000
Total FF&C obligations and limited tax bonds			33,047,698	\$ 18,079,146
TOTAL NET DIRECT DEBT (including pension obligations) <sup>2</sup>			33,047,698	\$ 18,079,146
TOTAL NET DIRECT DEBT (excluding pension obligations) <sup>2</sup>			3,842,698	3,104,146
REVENUE OBLIGATIONS (self-supporting, not included in net direct debt)				
Parks, police, fire 2013	12/18/2013	7/1/2043	\$ 38,155,000	\$ 1,120,000
2020A, Limited tax revenue and refunding bonds			63,110,000	61,710,000
2020B, Limited tax revenue and refunding bonds			36,140,000	35,230,000
Total self-supporting revenue obligations			\$ 137,405,000	\$ 98,060,000
TOTAL GROSS DIRECT DEBT (including pension obligations) <sup>3</sup>			\$ 170,452,698	\$ 116,139,146
TOTAL GROSS DIRECT DEBT (excluding pension obligations) <sup>3</sup>			\$ 141,247,698	\$ 101,164,146

**Source:** City of Medford

<sup>1</sup> This debt was issued as part of a \$126,260,000 pooled pension obligation financing involving multiple Oregon cities and counties

<sup>2</sup> Net direct debt is gross direct debt less obligations or leases paid from non-tax sources

<sup>3</sup> 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.

## City of Medford, Oregon

### Table 2 - Debt Ratios

#### Continuing Disclosures for the Following: Series 2006 Sidewalk Bonds Table 11

#### Unaudited

June 30, 2023

	Including Pension Obligations			Excluding Pension Obligations		
	Values	Per Capita	Percent RMV	Values	Per Capita	Percent RMV
2023 Population	90,083			90,083		
2023 Real Market Value	\$ 15,411,100,240	\$ 171,077		\$ 15,411,100,240	\$ 171,077	
Gross Direct Debt <sup>1</sup>	117,102,215	1,300	0.76%	102,127,215	1,134	0.66%
Net Direct Debt <sup>2</sup>	98,060,000	1,089	0.64%	98,060,000	1,089	0.64%
Net Overlapping Debt	147,324,318	1,635	0.96%	147,324,318	1,635	0.96%
Net Direct & Overlapping Debt	245,384,318	2,724	1.59%	245,384,318	2,724	1.59%

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

<sup>1</sup> 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.

<sup>2</sup> Net direct debt is gross direct debt less self-supporting unlimited tax general obligation and self-supporting limited tax debt

#### 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, not 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

2023 Real market value	15,411,100,240
Debt limitation (3% of RMV)	462,333,007
Total applicable bonded debt	16,962,056
Debt margin	445,370,951
Percent of limit issued	3.81%

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

#### Future Debt Plans

The City of Medford executed a loan with the State of Oregon (ODOT) for \$10,000,000 to widen Foothill Road from Hillcrest to McAndrews. The City will have a matching obligation of \$3,000,000. As of June 30, 2023, the project was in progress and the City had drawn down \$3,088,243 and had repaid \$2,125,173 in principal.

## City of Medford, Oregon

### Table 3 - Overlapping Debt

#### Continuing Disclosures for the Following: Series 2006 Sidewalk Bonds Table 14

#### Unaudited

June 30, 2023

The following table outlines the outstanding debt of overlapping entities.

Overlapping District	Overlapping District Real Market Value	Percent Overlapping	Gross Direct Debt	Net Direct Debt
Jackson County	\$ 36,720,091,812	35.66%	\$ 21,475,000	\$ 7,656,954
Jackson County Housing Authority	36,720,091,812	35.66%	6,848,673	977,778
JC School District #4 (Phoenix-Talent)	3,751,310,035	35.62%	68,308,685	24,332,373
JC School District #549C (Medford)	15,553,792,485	75.12%	132,580,000	99,595,687
JC School District #6 (Central Point)	4,864,207,716	1.48%	80,450,087	1,193,799
Rogue Community College	49,757,593,309	26.31%	56,010,000	11,957,852
Rogue Community College (Jackson Cty Bond)	37,084,540,766	35.30%	4,355,000	1,537,524
Rogue Valley Transit District	27,682,768,042	47.30%	152,978	72,351
	<u>\$ 212,134,395,977</u>		<u>\$ 370,180,423</u>	<u>\$ 147,324,318</u>

Sources: State of Oregon, Debt Management Information System

##### Note

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 obligations (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

## Table 4 - Future Debt Service for Obligations Guaranteed to be Paid from the General Fund

### Continuing Disclosures

#### Unaudited

June 30, 2023

Year of Maturity	Full faith and credit LED lighting, Series 2020		PERS 2004		Limited tax revenue and refunding, 2020A		Limited tax revenue and refunding, 2020B		Police, Fire, Parks Series 2013		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023-24	\$ 201,164	\$ 54,982	\$ 2,745,000	\$ 912,726	\$ 1,470,000	\$ 1,601,688	\$ 470,000	\$ 753,923	\$ 1,120,000	\$ 28,000	\$ 6,006,164	\$ 3,351,319
2024-25	208,659	51,328	3,095,000	745,419	1,545,000	1,528,188	1,635,000	732,873	-	-	6,483,659	3,057,808
2025-26	216,349	47,537	3,475,000	556,778	1,620,000	1,450,938	1,670,000	699,823	-	-	6,981,349	2,755,076
2026-27	224,237	43,608	3,880,000	344,977	1,700,000	1,369,938	1,705,000	666,073	-	-	7,509,237	2,424,596
2027-28	232,328	39,536	1,780,000	108,491	1,785,000	1,284,938	1,735,000	631,673	-	-	5,532,328	2,064,638
2028-29	240,624	35,317	-	-	1,875,000	1,195,688	1,770,000	596,623	-	-	3,885,624	1,827,628
2029-30	249,132	30,947	-	-	1,895,000	1,172,250	1,810,000	560,823	-	-	3,954,132	1,764,020
2030-31	257,856	26,424	-	-	1,990,000	1,077,500	1,845,000	524,273	-	-	4,092,856	1,628,197
2031-32	266,802	21,743	-	-	2,090,000	978,000	1,880,000	487,023	-	-	4,236,802	1,486,766
2032-33	275,974	16,899	-	-	2,135,000	938,200	1,920,000	449,023	-	-	4,330,974	1,402,122
2033-34	285,376	11,890	-	-	2,175,000	893,500	1,965,000	410,173	-	-	4,425,376	1,315,563
2034-35	295,015	6,710	-	-	2,220,000	850,000	1,515,000	375,373	-	-	4,030,015	1,232,083
2035-36	150,630	1,356	-	-	2,265,000	805,600	1,545,000	344,000	-	-	3,960,630	1,150,956
2036-37	-	-	-	-	2,310,000	760,300	1,585,000	310,343	-	-	3,895,000	1,070,643
2037-38	-	-	-	-	2,355,000	714,100	1,620,000	274,683	-	-	3,875,000	968,783
2038-39	-	-	-	-	2,405,000	667,000	1,655,000	237,425	-	-	4,060,000	904,425
2039-40	-	-	-	-	2,450,000	618,900	1,695,000	198,476	-	-	4,145,000	817,376
2040-41	-	-	-	-	2,500,000	569,900	1,735,000	157,740	-	-	4,235,000	727,640
2041-42	-	-	-	-	2,550,000	519,900	1,780,000	115,115	-	-	4,330,000	635,015
2042-43	-	-	-	-	2,600,000	468,900	1,825,000	70,498	-	-	4,425,000	539,398
2043-44	-	-	-	-	2,655,000	416,900	1,870,000	23,843	-	-	4,525,000	440,743
2044-45	-	-	-	-	2,705,000	363,800	-	-	-	-	2,705,000	363,800
2045-46	-	-	-	-	2,765,000	306,319	-	-	-	-	2,765,000	306,319
2046-47	-	-	-	-	2,820,000	247,563	-	-	-	-	2,820,000	247,563
2047-48	-	-	-	-	2,880,000	187,638	-	-	-	-	2,880,000	187,638
2048-49	-	-	-	-	2,945,000	126,438	-	-	-	-	2,945,000	126,438
2049-50	-	-	-	-	3,005,000	63,856	-	-	-	-	3,005,000	63,856
	<u>\$ 3,104,146</u>	<u>\$ 388,277</u>	<u>\$ 14,975,000</u>	<u>\$ 2,668,391</u>	<u>\$ 61,710,000</u>	<u>\$ 21,175,942</u>	<u>\$ 35,230,000</u>	<u>\$ 8,619,799</u>	<u>\$ 1,120,000</u>	<u>\$ 28,000</u>	<u>\$ 116,139,146</u>	<u>\$ 32,880,409</u>

#### Note

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



## City of Medford, Oregon

### Table 5 - Real Market Value of Taxable Property, Tax Collection, Record, and Impact of Tax Limitation on the City

#### Continuing Disclosures for the Following: Series 2006 Sidewalk Bonds

#### Table 16, 17, and 18

#### Unaudited

#### June 30, 2023

#### Real Market Value of Taxable Property

#### Continuing Disclosure for the Following: Series 2006 Sidewalk Bonds Table 16

Fiscal Year Ended June 30,	Real Market Value (RMV)	Percent Change	Total Assessed Value (AV)	Percent Change	AV as a Percent of RMV
2014	\$ 6,999,431,817	-2.13%	\$ 5,877,773,099	3.19%	83.98%
2015	7,805,391,223	11.51%	6,228,322,628	5.96%	79.80%
2016	8,290,018,484	6.21%	6,487,781,276	4.17%	78.26%
2017	8,722,636,821	5.22%	6,742,041,123	3.92%	77.29%
2018	9,496,133,536	8.87%	7,257,639,383	7.65%	76.43%
2019	10,587,280,947	11.49%	7,427,323,010	2.34%	70.15%
2020	11,136,255,069	5.19%	7,748,463,710	4.32%	69.58%
2021	11,511,577,791	3.37%	8,286,260,423	6.94%	71.98%
2022	13,092,628,372	13.73%	8,354,395,429	0.82%	63.81%
2023	15,411,100,240	17.71%	8,729,193,251	4.49%	56.64%

Source: Jackson County Assessor and financial statements of the City

<sup>1</sup> 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.

#### Tax Collection Record

#### Continuing Disclosure for the Following: Series 2006 Sidewalk Bonds Table 17

Fiscal Year Ended June 30,	Total Assessed Valuation	Percent Change	Operating Levy <sup>1</sup>	Bond Levy	Total Levy per County	Tax Rate/ \$1,000	% Collected Year of Levy	% Collected as of June 30, 2023
2014	\$ 5,877,773,099	3.19%	\$ 32,993,860	\$ 474,656	\$ 33,468,516	5.2953	97%	99.98%
2015	6,228,322,628	5.96%	33,468,516	474,656	33,943,172	5.2953	97%	99.95%
2016	6,487,781,276	4.17%	40,645,586	475,085	41,120,671	5.2953	97%	99.96%
2017	6,742,041,123	3.92%	35,726,980	400,233	36,127,213	5.2953	97%	99.96%
2018	7,257,639,383	7.65%	38,464,587	449,683	38,914,270	5.2953	98%	99.95%
2019	7,427,323,010	2.34%	39,336,868	449,400	39,786,268	5.2953	98%	99.90%
2020	7,748,463,710	4.32%	41,036,097	449,843	41,485,940	5.2953	99%	99.79%
2021	8,286,260,423	6.94%	44,011,711	430,662	44,442,373	5.2953	98%	99.58%
2022	8,354,395,429	0.82%	44,244,537	-	44,244,537	5.2953	98%	99.23%
2023	8,729,193,251	4.49%	46,255,552	-	46,255,552	5.2953	98%	98.07%

Source: Jackson County Assessor and financial statements of the City

<sup>1</sup> Operating levy per Jackson County Assessor (table 4A) does not include levy for bonds (does not include MURA)

#### Impact of Tax Limitation on the City

#### Continuing Disclosure for the Following: Series 2006 Sidewalk Bonds Table 18

Historical impact of the \$10/\$1,000 tax limitation on City property tax revenues

Fiscal Year Ended June 30,	Levy Used to Compute Rate	Loss Due to Tax Limitation	Percent Loss
2014	\$ 30,162,396	79.48	0.00026%
2015	32,980,912	119.97	0.00036%
2016	34,355,304	116.44	0.00034%
2017	35,701,130	340.71	0.00095%
2018	38,431,378	218.11	0.00057%
2019	39,329,904	232.66	0.00059%
2020	41,030,440	193.23	0.00047%
2021	43,878,917	350.44	0.00080%
2022	44,239,030	163.63	0.00037%
2023	46,223,697	29.66	0.00000%

## City of Medford, Oregon

### Table 6 - Representative Consolidated Tax Rates for Levy Code Area 49-01

#### Continuing Disclosures for the Following: Series 2006 Sidewalk Bonds Table 20

#### Unaudited

#### Period Ending June 30, 2023

Area - Within the City of Medford	Tax Rate For Operations	Tax Rate For Bonds	Tax Rate Total
SCHOOLS			
School District 549C	\$ 4.2422	\$ 1.2163	\$ 5.4585
Education Service District	0.3403	-	0.3403
Rogue Community College	0.4952	0.1491	0.6443
Total Education	\$ 5.0777	\$ 1.3654	\$ 6.4431
LOCAL GOVERNMENT			
Jackson County	\$ 1.9406	\$ 0.0759	\$ 2.0165
Library District	0.5021	-	0.5021
City of Medford	5.1127	-	5.1127
Medford Urban Renewal Agency	0.4800	-	0.4800
Vector	0.0415	-	0.0415
4H Ag/Ext	0.0412	-	0.0412
Jackson County Soil Water	0.0483	-	0.0483
Rogue Valley Transit District	0.1711	0.1300	0.3011
Total Local Government	\$ 8.3375	\$ 0.2059	\$ 8.5434
	\$ 13.4152	\$ 1.5713	\$ 14.9865

Source: Jackson County, Department of Assessment

<sup>1</sup> The 2022-23 taxable assessed value to compute the tax rate code of 49-01 is \$7,681,517,495, which is 85.1% of the total assessed value of the City.



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

### **Compliance Section**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States: the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Medford, Oregon (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Medford, Oregon's basic financial statements, and have issued our report thereon dated December 21, 2023.

#### **Compliance**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. 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:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Highway funds
- Investments
- Public contracts and purchasing

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 grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

### Internal Control Over Financial Reporting

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

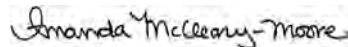
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination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

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

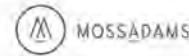
### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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



Amanda McCleary-Moore, Partner for  
Moss Adams LLP  
Medford, Oregon  
December 21, 2023



## Report of Independent Auditors 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

The Mayor and City Council Members  
City of Medford, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Medford, Oregon (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Medford, Oregon's basic financial statements, and have issued our report thereon dated December 21, 2023. Our report includes a reference to other auditors who audited the financial statements of Medford Water Commission, a discretely presented component unit, as described in our report on the City's financial statements. The financial statements of Medford Water Commission, the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Medford Water Commission or that those reported on separately by those auditors who audited the financial statements of Medford Water Commission.

### Report on Internal Control Over Financial Reporting

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

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

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

#### **Report on Compliance and Other Matters**

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

#### **Purpose of this Report**

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



Medford, Oregon  
December 21, 2023



### **Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Required by the Uniform Guidance**

The Mayor and City Council Members  
City of Medford, Oregon

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

##### ***Opinion on Each Major Federal Program***

We have audited City of Medford, Oregon's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. 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.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

#### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses or significant deficiencies in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Medford, Oregon's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of Medford, Oregon's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Medford, Oregon  
December 21, 2023

**City of Medford, Oregon**  
**Schedule of Findings and Questioned Costs**  
**For the Year June 30, 2023**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>Federal Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Unmodified
14.218	CDBG – Entitlement Grants Cluster	Unmodified
20.205	Highway Planning and Construction	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

**Section II – Financial Statement Findings**

None reported.

**City of Medford, Oregon**  
**Schedule of Findings and Questioned Costs**  
**For the Year June 30, 2023**

**Section III – Federal Award Findings and Questioned Costs**

**2023-001 Reporting (Significant Deficiency in Internal Controls over Compliance)**

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program</i>	<i>Award Number</i>	<i>Award Year</i>
14.218	CDBG – Entitlement Grants Cluster	Multiple	Multiple

<b>Transactions Tested</b>	<b>Subaward not</b>	<b>Report not timely</b>	<b>Subaward amount</b>	<b>Subaward missing</b>
6	6	6	0	0
<b>Dollar Amount of</b>	<b>Subaward not</b>	<b>Report not timely</b>	<b>Subaward amount</b>	<b>Subaward missing</b>
\$ 480,738	\$ 480,738	\$ 480,738	\$ -	\$ -

**Condition:** Reports required to be submitted under the Federal Funding Accountability and Transparency Act (FFATA) were not submitted during the year ended June 30, 2023.

**Criteria:** Under the requirements of FFATA (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, the City is required to submit reports to the Federal Funding Accountability and Transparency Act Subaward Reporting System for any subawards of \$30,000 or more. Reports are due by the end of the month following the month in which the prime awardee awards any sub-award equal to or greater than \$30,000.

**Context:** FFATA reports were not submitted for the programs.

**Cause:** The City has not implemented the proper controls to ensure all required FFATA reports are submitted to the federal agency timely.

**Effect:** FFATA reports were not submitted by their due dates.

**Questioned Costs:** None

**Repeat Finding:** No.

**Recommendation:** We recommend that the City ensure that adequate controls are in place to ensure that report due dates are met.

**Views of Responsible Officials:** FFATA reports for subawards awarded during the year ending June 30, 2023 were submitted on December 11, 2023. The Housing and Community Development Division will also submit FFATA reports for all subaward expenditures from prior program years included on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2023. This process has been added to the Division’s checklist for processing funding agreements with subrecipients to avoid recurrence in the future. In addition, this task has been added to monthly tracking.

**Responsible Person:** Sheila Giorgetti, Grants Manager.

**City of Medford, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster-Title	Federal Assistance Listing Number (ALN)	Award number / Pass-Through Entity Identifying Number	Passed Through to Sub-recipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Direct Federal Award:				
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-41-0005	\$ 6,127	\$ 14,193
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-41-0005	101,701	105,253
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-41-0005	108,838	129,008
Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-41-0005	18,802	127,879
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-41-0005	74,733	99,288
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-41-0005	20,495	94,814
Community Development Block Grants/Entitlement Grants Program Income	14.218	n/a	278,960	315,975
Total CDBG - Entitlement Grants Cluster			609,656	886,410
Lead Hazard Control and Healthy Homes Grant	14.905	ORLH0767-21	18,839	31,599
<b>Total U.S. Department of Housing and Urban Development</b>			628,495	918,009
<b>U.S. Department of Justice (DOJ)</b>				
Direct Federal Award:				
Edward Byrne Memorial Justice Assistance Program 2020	16.738	2020-DJ-BX-0721	-	41,644
Edward Byrne Memorial Justice Assistance Program 2021	16.738	2021-DJ-BX-0721	-	45,608
Edward Byrne Memorial Justice Assistance Program 2022	16.738	2022-DJ-BX-0721	-	17,050
Total ALN 16.738			-	104,302
Direct Federal Award:				
Equitable Sharing Program	16.922	Direct	-	63,856
<b>Total U.S. Department of Justice (DOJ)</b>			-	168,158
<b>U.S. Department of Transportation</b>				
Passed Through Oregon Department of Transportation:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	73000-00002967	-	1,888,616
Total ALN 20.205			-	1,888,616
Passed Through Oregon Parks and Recreation Department:				
Recreation Trails Program	20.219	41RT18011	-	26,535
Total ALN 20.219			-	26,535
Passed Through Oregon Department of Transportation:				
Oregon Impact DUII Grant 2022	20.608	n/a	-	5,295
Oregon Impact DUII Grant 2023	20.608	n/a	-	2,494
Total ALN 20.608			-	7,789
Passed Through Oregon Department of Transportation:				
State and Community Highway Safety (Safety Belt Overtime Enforcement Grant)	20.616	M1HVE-19-46-03	-	2,615
State and Community Highway Safety (Speed Enforcement Grant)	20.600	SE-20-35-05AAN	-	6,071
Oregon Impact Distracted Driving 2021	20.600	n/a	-	1,116
Oregon Impact Distracted Driving 2022	20.600	n/a	-	2,441
Pedestrian Safety Enforcement Grant 2021	20.600	n/a	-	3,295
Pedestrian Safety Enforcement Grant 2022	20.600	n/a	-	2,981
Total Highway Safety Cluster			-	18,499
<b>Total U.S. Department of Transportation</b>			-	1,941,439
<b>U.S. Department of Treasury</b>				
Direct Federal Award:				
Equitable Sharing Program	21.016	Direct	-	455,437
SLOT Reimbursements	21.016	Direct	-	1,284
Total ALN 21.016			-	456,721
Direct Federal Award:				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027		-	2,473,118
Total ALN 21.027			-	2,473,118
<b>Total U.S. Department of Treasury</b>			-	2,929,839
<b>Executive Office of the President, Office of National Drug Control Policy</b>				
Passed Through Oregon Department of Public Safety Standards & Training:				
High Intensity Drug Trafficking Areas (HIDTA) Programs 2021	95.001	n/a	-	182,887
High Intensity Drug Trafficking Areas (HIDTA) Programs 2022	95.001	n/a	-	90,332
Total ALN 95.001			-	273,219
<b>Total Executive Office of the President Office of National Drug Control Policy</b>			-	273,219
<b>Total Expenditures of Federal Awards</b>			\$ 628,495	\$ 6,230,664

See notes to schedule of expenditures of federal awards.

**City of Medford, Oregon**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

**Note 1 – Basis of Presentation**

The accompanying Schedule of expenditures of federal awards includes the federal grant activity of the City of Medford (the City) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flow of the City.

**Note 2 – Summary of Significant Accounting Policies**

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

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



**Finding Reference Number:** 2023-001

**Description of Finding:** The City has not implemented the proper controls to ensure all required Federal Funding Accountability and Transparency Act (FFATA) reports are submitted to the federal agency timely.

**Statement of Concurrence or Nonconcurrence:** The City concurs with this finding.

**Corrective Action:** FFATA reports for subawards awarded during the year ending June 30, 2023 were submitted on 12/11/2023. The Housing and Community Development Division will also submit FFATA reports for all subaward expenditures from prior program years included on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2023.

This process has been added to the Division's checklist for processing funding agreements with subrecipients to avoid recurrence in the future. In addition, this task has been added to monthly tracking.

**Projected Completion Date:** January 16, 2024

**Name of Contact Person:** Sheila Giorgetti, Grants Manager, Housing & Community Services Division



# Appendix C

## Book Entry Only System

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**SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed

by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

# **Appendix D**

**Form of Continuing Disclosure Certificate**

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## CONTINUING DISCLOSURE CERTIFICATE

\$ \_\_\_\_\_  
**CITY OF MEDFORD, OREGON**  
**LIMITED TAX REVENUE BONDS**  
**SERIES 2024**

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Medford, Oregon (the “City”) in connection with the execution and delivery of the City’s Limited Tax Revenue Bonds, Series 2024 (the “Bonds”). The Bonds are being executed and delivered pursuant to Resolution No. 2024-57 adopted by the City’s City Council (the “City Council”) on June 20, 2024 (the “Resolution”), and a Bond Declaration dated September \_\_, 2024. The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission (“S.E.C.”) Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the Official Statement, dated September \_\_, 2024, prepared and distributed in connection with the initial sale of the Bonds.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the City’s fiscal year, commencing with the report for the City’s fiscal year ending June 30, 2024, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the City) file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The City’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the City for the preceding fiscal year, prepared in accordance with generally accepted accounting principles and the laws of the State of Oregon. If the City’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the



financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the City and for the same period as such audited financial statements, the Annual Report shall also include the financial information of the type contained in the tables under the following headings in the Official Statement, for the most recently ended Fiscal Year:

Bonded Indebtedness:

- Outstanding Long-Term Debt

Property Tax Information:

- Total real market value and total assessed value of property within the City's boundaries (as indicated in the records of the county assessor), or other statement of property valuation that reflects the current Oregon statutes pertaining to property valuations;
- The amount or rate of property taxes levied by the City for the fiscal year, and the amount of property taxes the City received during the fiscal year; and
- The major taxpayers for Jackson County as presented in the Official Statement.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been made available to the public on the MSRB's website. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

(1) Principal and interest payment delinquencies;

(2) Unscheduled draws on debt service reserves reflecting financial difficulties;

(3) Unscheduled draws on credit enhancements reflecting financial difficulties;

(4) Substitution of credit or liquidity providers, or their failure to perform;

(5) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(6) Tender offers;

(7) Defeasances;

(8) Rating changes;

(9) Bankruptcy, insolvency, receivership or similar event of the City; or

(10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(1) Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(2) Modifications to rights of Bond holders;

(3) Optional, unscheduled or contingent Bond calls;

(4) Release, substitution, or sale of property securing repayment of the Bonds;

(5) Non-payment related defaults;

(6) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(7) Appointment of a successor or additional trustee or the change of name of a trustee; or

(8) Incurrence of a Financial Obligation of the City, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders.

(c) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the City determines would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Section 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

(d) The City intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the S.E.C. in Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect the amendments to the Rule effected by the 2018 Release.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the City.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking

into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in Jackson County Circuit Court or if a federal forum is required, in the federal courts of the State of Oregon. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, if any, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

[SIGNATURE PAGE FOLLOWS]

Date: September \_\_, 2024

CITY OF MEDFORD, OREGON

By: \_\_\_\_\_  
Brian Sjothun  
City Manager

**CONTINUING DISCLOSURE EXHIBIT A**

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of City: CITY OF MEDFORD, OREGON

Name of Issue: \$\_\_\_\_\_ City of Medford, Oregon Limited Tax Revenue  
Bonds, Series 2024

Date of Issuance: September \_\_, 2024

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the City, dated the Date of Issuance. [The City anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated:\_\_\_\_\_

CITY OF MEDFORD, OREGON

By \_\_\_\_ [to be signed only if filed]\_\_\_\_\_  
Title \_\_\_\_\_

# Appendix E

## Form of Declaration

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**BOND DECLARATION**

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*by the*

**City of Medford, Oregon**

---

*Relating to*

\$ \_\_\_\_\_  
City of Medford, Oregon  
Limited Tax Revenue Bonds  
Series 2024

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Dated September \_\_, 2024

---

**Orrick, Herrington & Sutcliffe LLP**

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APPENDIX A	FORM OF BOND

THIS BOND DECLARATION, dated September \_\_, 2024, is executed on behalf of the City of Medford, Oregon (the “City”), by its Chief Financial Officer/Deputy City Manager, acting as an “Authorized Representative” pursuant to Resolution No. 2024-57 adopted by the City’s City Council (the “City Council”) on June 20, 2024 (the “Resolution”). The Resolution authorizes the Authorized Representative to execute a certificate, document or agreement which contains the terms of the City’s Limited Tax Revenue Bonds, Series 2024 (the “Bonds”) and the covenants of the City relating to those Bonds.

## **SECTION 1**

### **DEFINITIONS**

Unless the context clearly requires otherwise, the following terms shall have the following meanings:

“Authorized Denominations” means denominations of \$5,000 and any integral multiple thereof within a single maturity date.

“Authorized Representative” means the City Manager, the Chief Financial Officer, or their designee to act on behalf of the City pursuant to the Resolution.

“Beneficial Owner” means any Person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Bonds (including any Person holding Bonds through nominees, depositories or other intermediaries).

“BEO” means “book-entry-only” and refers to a system for clearance and settlement of securities transactions through electronic book-entry changes, which eliminates the need for physical movement of securities.

“Blanket Issuer Letter of Representations” means the City’s Blanket Issuer Letter of Representations dated September 19, 2020, as filed with The Depository Trust Company in New York City, New York.

“Bond Declaration” means this bond declaration, including any amendments made in accordance with Section 8 of this Bond Declaration.

“Bond Register” means the records kept for the registration of Bonds by the Registrar pursuant to Section 7.2 herein.

“Bonds” means, together, the City’s Limited Tax Revenue Bonds, Series 2024, described in Section 2 of this Bond Declaration.

“Business Day” means any day except a Saturday, a Sunday, a legal holiday, a day on which the Paying Agent or offices of banks in Oregon or New York are authorized or required by law or executive order to remain closed, or a day on which the New York Stock Exchange is closed.

“City” means the City of Medford, Oregon located in Jackson County, Oregon.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations whether final, temporary or proposed under the Code or such successor law.

“Delivery Date” means September \_\_, 2024.

“DTC” means The Depository Trust Company and any successor to it or any nominee of it.

“DTC Participants” means those financial institutions for whom DTC effects book-entry transfers and pledges of securities deposited with DTC, as such listing of DTC Participants exists at the time of such reference.

“Event of Default” refers to an Event of Default listed in Section 9.1 of this Bond Declaration.

“Government Obligations” means direct noncallable obligations of the United States, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States.

“Interest Payment Date” means, June 1 and December 1 of each year, commencing December 1, 2024.

“Outstanding” refers to all Bonds authorized and delivered pursuant to this Bond Declaration except Bonds that have been paid, canceled, or defeased, pursuant to Section 10 of this Bond Declaration, and Bonds that have matured but have not been presented for payment for the payment of which adequate money has been transferred to the Paying Agent.

“Owner” or “Bondowner” means the person shown on the Bond Register maintained by the Paying Agent as the registered owner of a Bond. While the Bonds are in BEO form, principal and interest payments shall be made payable to the order of “Cede & Co.” as nominee of DTC or its registered assigns, in same-day funds on each payment date.

“Paying Agent” or “Registrar” means, respectively, the paying agent and the registrar for the Bonds, which, at the time of execution of this Bond Declaration, is U.S. Bank National Association, in Portland, Oregon.

“Person” shall mean any natural person, firm, joint venture, association, partnership, business, trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

“Record Date” means the close of business on the 15th day of the calendar month preceding an applicable Interest Payment Date, for the Bonds.

“Resolution” means, collectively, Resolution No. 2024-57 adopted by the City Council on June 20, 2024, which authorizes the issuance, sale, execution and delivery of the Bonds and the execution and delivery of this Bond Declaration.

## SECTION 2

### BOND ISSUANCE; APPLICATION OF PROCEEDS; FUNDS AND ACCOUNTS

**2.1 Bond Issuance.** Pursuant to the Resolution, the City hereby issues, executes and delivers its City of Medford, Oregon Limited Tax Revenue Bonds, Series 2024, in an aggregate principal amount of \$[\_\_\_\_\_].

The Bonds shall be dated the Delivery Date, shall bear interest at the following rates per annum payable on June 1 and December 1 of each year, commencing December 1, 2024, and shall mature on the following dates in the following principal amounts:

#### 2024 Bonds

PRINCIPAL AMOUNT	INTEREST RATE	MATURITY	CUSIP NO. (584288)
		DATE (June 1)	
\$	%		

The Bonds shall be issued initially only as fully registered bonds without coupons in Authorized Denominations. Interest on the Bonds shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America in same-day funds and shall be payable by the Paying Agent upon presentation and surrender of the Bonds as they become due at the corporate trust operations office of the Paying Agent. Interest on the Bonds shall be payable by the Paying Agent to the registered Owners thereof by check or draft mailed on the Interest Payment Date (or the next Business Day if the payment date is not a Business Day) to such registered Owners at their addresses as they appear on the Bond Register on the Record Date. If payment is so mailed, neither the City nor the Paying Agent shall have any further liability to any party for such payment. The principal of, premium, if any, and interest payable to any person holding Bonds in the aggregate principal amount of \$1,000,000 or more will be payable, upon the written request of any such registered Owners in form and substance satisfactory to the Paying Agent, by wire transfer of immediately available funds to an account designated by such registered Owners on or before the Record Date.

**2.2 Application of Bond Proceeds.** Bond proceeds shall be used to: (i) finance the construction and equipping of a new fire station for the City and (ii) pay bond issuance costs incidental thereto.

**2.3 Funds and Accounts.** The City has established special funds of the City designated as the “2024 Limited Tax Revenue Bonds Project Fund” and the “2024 Limited Tax Revenue Bonds Debt Service Fund.”

## **SECTION 3**

### **SECURITY FOR BONDS**

**3.1** The Bonds are not general obligations of the City. The City pledges its full faith and credit and taxing powers as contemplated by Oregon Revised Statutes 287A.315 to the payment of the Bonds. The Bonds shall be secured by and payable from the City's general non-restricted revenues and other funds that are lawfully available for that purpose, including, the proceeds of the Bonds, subject to the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes, if any, levied by the City in accordance with and subject to limitations and restrictions imposed under applicable law or contract, that are not dedicated, restricted or obligated by law or contract to an inconsistent expenditure or use. The owners of the Bonds will not have a lien or security interest on any projects financed or refinanced with the proceeds of the Bonds.

**3.2** This Bond Declaration shall constitute a contract with the Owners.

## **SECTION 4**

### **TAX COVENANTS**

The City covenants with the owners of the Bonds to use the proceeds of the Bonds and to otherwise comply with the provisions of the Code so that interest paid on the Bonds will not be includable in gross income of the Owners for federal income tax purposes.

## **SECTION 5**

### **BOOK ENTRY ONLY SYSTEM**

**5.1** The Bonds shall be issued initially in the form of a separate single fully registered Bond for each maturity of the Bonds and shall be held in BEO form. While the Bonds are in BEO form, no physical Bonds shall be provided to the Beneficial Owners and the registration and transfer of beneficial interests in the Bonds shall be governed by the Blanket Issuer Letter of Representations and the operational procedures of DTC, as in effect from time to time. So long as the Bonds are in BEO form:

(a) DTC shall be treated as the Owner for all purposes, including payment and the giving of notices to Owners of Bonds. Bond payments shall be made, and notices shall be given, to DTC in accordance with the Blanket Issuer Letter of Representations. Any failure of DTC to advise any of its DTC Participants, or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of Bonds called for redemption or of any other action premised on such notice.

(b) The City and the Paying Agent shall have no responsibility or obligation to any DTC Participant or correspondent of DTC or to any Beneficial Owner on behalf of which such DTC Participants or correspondents act as agent for the Beneficial Owner with respect to:

- (1) the accuracy of the records of DTC, the nominee or any participant or correspondent with respect to any Beneficial Owner's interest in the Bonds;
- (2) the delivery to any DTC Participant or correspondent or any other person of the notice with respect to the Bonds, including any notice of redemption;
- (3) the selection by DTC of the beneficial interest in Bonds to be redeemed prior to maturity; or
- (4) the payment to any DTC Participant, correspondent, or any other person other than the registered owner of the Bonds as shown in the Bond Register maintained by the Registrar, of any amount with respect to principal, any premium or interest on the Bonds.

The provisions of this Section 6 may be modified without the consent of the Beneficial Owners in order to conform this Section to the standard practices of DTC or any successor depository for Bonds held in BEO form.

**5.2** The City may discontinue maintaining the Bonds in the BEO form at any time. The City shall discontinue maintaining the Bonds in BEO form if DTC determines not to continue to act as securities depository for the Bonds, or fails to perform satisfactorily as depository, and a satisfactory substitute depository cannot reasonably be found. If the City discontinues maintaining the Bonds in BEO form at any time, the City shall cause the Registrar to authenticate and deliver replacement Bonds in fully registered form in Authorized Denominations in the names of the beneficial owners or their nominees; thereafter the provisions set forth in Section 7, below, regarding registration, transfer and exchange of Bonds shall apply.

Should the BEO system be discontinued, the Bonds shall be issued in the form of fully registered Bonds without coupons in Authorized Denominations. Such Bonds may be exchanged for Bonds of the same aggregate principal amount, but different Authorized Denominations, as provided in Section 7.3 herein.

## **SECTION 6**

### **REDEMPTION OF BONDS**

**6.1 *Optional Redemption.*** The Bonds maturing on or after June 1, 2035 are subject to redemption prior to maturity at the option of the City in whole or in part on June 1, 2034 and on any date thereafter at a price of 100% of the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.

**6.2 *[Mandatory Redemption]*** The Bonds stated to mature on June 1, 20\_\_ are term bonds subject to mandatory sinking fund redemption, in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest, if any, to the date fixed for redemption, on June 1 in the years and in the amounts as set forth below:

#### **2024 Term Bond Maturing on June 1, 20**

<u>Year</u>	<u>Amount</u>
	\$

\*

\*Final Maturity

Upon any partial optional redemption of such term bond, the amount of future mandatory sinking fund redemptions with respect thereto will be reduced, as directed by the City, to take into account such partial optional redemption.]

**6.3 Selection of Bonds for Redemption.** For as long as the Bonds are in book-entry only form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. If the Bonds are no longer held in BEO form, the Registrar shall select the Bonds within such maturity for redemption by lot.

**6.4 Notice of Redemption (Book-Entry).** The City shall give notice of redemption to the Registrar and Paying Agent not less than 45 days before the date fixed for redemption or such shorter time as may be reasonably acceptable to the Registrar and Paying Agent. The Registrar shall give notice of redemption, not less than 20 days and not more than 60 days prior to the date fixed for redemption, to the registered Owners of the Bonds by first class mail, postage paid, at the addresses set forth on the Bond Register or, so long as the Bonds are in BEO form, in such manner provided for in the Blanket Letter of Representations and in the operational procedures of DTC as in effect at such time. Each notice of redemption shall be dated and shall state, without limitation: (1) the date fixed for redemption; (2) the redemption price; (3) if less than all outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed; (4) that on the date fixed for redemption the redemption price will become due and payable upon each such Bond or portion thereof called for redemption; (5) that interest thereon shall cease to accrue from and after the date fixed for redemption; (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Paying Agent; and (7) the assigned CUSIP numbers of all Bonds to be redeemed. So long as the Bonds are in BEO form, the form of notice shall include such additional information as may be required by the Blanket Issuer Letter of Representations and the operational procedures of the DTC, as in effect from time to time.

**6.5 Notice of Redemption (No Book-Entry).** During any period in which the Bonds are not in BEO form, unless waived by any Owner of the Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice in a form generally accepted in the municipal markets by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to the Owners of the Bonds to be redeemed at the address shown on the Bond register or at such other address as is furnished in writing by such Owner to the Paying Agent. Official written notice of redemption will be given by the District to the Paying Agent at least five calendar days prior to the date the notice is scheduled to be sent to Owners of the Bonds.



**6.6 Conditional Notice of Redemption.** Any notice of optional redemption may state that (i) (a) the optional redemption is conditional upon receipt by the Paying Agent on the date fixed for redemption of moneys sufficient to pay the redemption price of the Bonds that are to be redeemed and/or (b) the optional redemption is conditional upon the satisfaction of any other condition, and/or that such notice of redemption may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time prior to the date fixed for redemption if any such condition so specified is not satisfied or if any such other event occurs, and that (ii) such notice shall be of no effect if such moneys are not so deposited or if such notice is so rescinded. The Registrar shall give notice to the affected Owners of the Bonds as promptly as practicable upon of the City's failure to make such funds available or of the rescission of such notice.

**6.7 Effect of Redemption.** Notice of redemption having been duly given as aforesaid, the Bonds or portions thereof so called for redemption (unless, in the case of conditional redemption, such notice is rescinded or any condition to redemption is not satisfied), shall become due and payable, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Paying Agent on the date fixed for redemption designated in such notice, interest on the Bonds so called for redemption shall cease to accrue and said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Bond Declaration (except for payment of particular Bonds for which moneys are being held by the Paying Agent and which money shall be pledged to such payment), and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said principal, premium, if any, and interest accrued to the date fixed for redemption.

If the Paying Agent does not have sufficient funds on the date fixed for redemption to pay the redemption price of all of the Bonds to be optionally redeemed for any reason, then the optional redemption shall be cancelled and any notice thereof shall be void, but such event shall not constitute an Event of Default under this Bond Declaration.

In addition, if the City shall have delivered to the Registrar no later than one (1) business day prior to the date fixed for redemption for any Bonds, written notice of its decision to rescind its prior request for redemption, then the purported optional redemption shall be canceled and any prior notice thereof shall be void.

**6.8 Partial Redemption of Bonds.** Upon surrender of any Bond redeemed in part only, the City shall execute and the Registrar shall authenticate and deliver to the Owner thereof a new Bond or Bonds of Authorized Denominations and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

**6.9 Open Market Purchase.** The City reserves the right to purchase Bonds in the open market.

## **SECTION 7**

### **AUTHENTICATION, REGISTRATION AND TRANSFER**

**7.1** No Bond shall be entitled to any right or benefit under this Bond Declaration unless it shall have been authenticated by an authorized officer of the Registrar. The Registrar

shall authenticate all Bonds to be delivered at closing of the Bonds, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Bond Declaration.

**7.2** The ownership of all Bonds shall be entered in the Bond Register maintained by the Registrar, and the City, the Registrar and the Paying Agent may treat the person listed as owner in the Bond Register as the owner of the Bond for all purposes.

**7.3** Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity that are in different Authorized Denominations, and Bonds may be transferred to other Owners if the Owner submits the following to the Registrar:

- (a) written instructions for exchange or transfer satisfactory to the Registrar, signed by the Owner or attorney in fact and guaranteed or witnessed in a manner satisfactory to the Paying Agent and
- (b) the Bonds to be exchanged or transferred.

**7.4** The Registrar shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following Interest Payment Date; however, such Bonds shall be exchanged or transferred promptly following that Interest Payment Date.

**7.5** The Registrar shall note the date of authentication on each Bond. The date of authentication shall be the date on which the Owner's name is listed on the Bond Register.

**7.6** For purposes of this Section 7, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in Section 7.5, above.

**7.7** In the event any Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Bond of like maturity, interest rate and denomination if the owner of such mutilated, lost, stolen or destroyed Bond provides to the Registrar an affidavit, certificate or other reliable proof that the Registrar reasonably finds protects the City from conflicting claims for payment under the Bonds.

**7.8** The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Owners by first class mail, postage prepaid, at the addresses set forth on the Bond Register. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

## **SECTION 8**

### **AMENDMENT OF BOND DECLARATION**

**8.1** The City may amend this Bond Declaration without the consent of any Owner for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Bond Declaration;

(b) To add to the covenants and agreements of the City in this Bond Declaration other covenants and agreements to be observed by the City that are not contrary to or inconsistent with this Bond Declaration as theretofore in effect;

(c) To confirm, as further assurance, any security interest or pledge created under this Bond Declaration or any supplemental declaration;

(d) To make any change that, in the reasonable judgment of the City, does not materially and adversely affect the rights of the Owners.

**8.2** This Bond Declaration may be amended for any other purpose only upon receipt of the written consent of Owners representing not less than fifty-one percent (51%) in aggregate principal amount of the adversely affected Bonds then Outstanding; provided, however, no amendment shall be valid without the consent of Owners representing not less than one hundred percent (100%) in aggregate principal amount of Bonds then Outstanding, that:

(a) Extends the maturity of any Bonds, reduces the rate of interest upon any Bonds, extends the time of payment of interest on any Bonds, reduces the amount of principal payable on any Bonds, or reduces any premium payable on any Bonds; or

(b) Reduces the percent of Owners required to approve amendments to this Bond Declaration.

## **SECTION 9**

### **DEFAULT AND REMEDIES**

**9.1** The occurrence of one or more of the following shall constitute an Event of Default under this Bond Declaration:

(a) Failure by the City to pay Bond principal, interest or premium, if any, when due (whether at maturity, or upon redemption after a Bond has been properly called for redemption and if conditional notice of optional redemption delivered pursuant to Section 6.5 herein has not been rescinded);

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Bonds, for a period of 60 days after written notice to the City by the Owners of fifty-one percent (51%) or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such 60 day period, it shall not constitute an Event of Default so long as corrective action is instituted by the City within the 60 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this Section 9.1(b); or

(c) The City is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the installment payments.

**9.2** The Owners of fifty-one percent (51%) or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default described in Section 9.1(a).

**9.3** Upon the occurrence and continuance of any Event of Default hereunder, the Owners of fifty-one percent (51%) or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Bond Declaration or in aid of the exercise of any power granted in this Bond Declaration or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by this Bond Declaration or by law. However, the Bonds shall not be subject to acceleration.

**9.4** No remedy in this Bond Declaration conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bond Declaration or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by the Resolution, this Bond Declaration or by law.

## **SECTION 10**

### **DEFEASANCE**

**10.1** The City shall be obligated to pay bonds that are defeased pursuant to this Section solely from money and Government Obligations that are deposited with an escrow agent or a paying agent appointed by the City, and the City shall have no further obligation to pay the defeased Bonds from any source except the amounts deposited in the escrow. Bonds shall be deemed defeased if the City:

(a) irrevocably deposits money or noncallable Government Obligations in escrow with an independent paying agent or escrow agent that are calculated to be sufficient for the payment of Bond principal and interest and premium, if any, to maturity or prior redemption date established for the defeasance of the Bonds; and

(b) files with the escrow agent or paying agent an opinion from an independent, certified public accountant to the effect that the money and the principal and interest to be received from the Government Obligations are calculated to be sufficient without further reinvestment, to pay the principal and interest and premium, if any, on the defeased Bonds when due at maturity or prior redemption.

## **SECTION 11**

### **BOND FORM**

**11.1** The Bonds shall be issued in substantially the form attached to this Bond Declaration as Appendix A, with any changes that are approved by an Authorized Representative of the City. The Bond shall be executed on behalf of the City with the manual or facsimile signature of the Mayor of the City and attested to by the manual or facsimile signature of an Authorized Representative of the City. The Bonds shall be authenticated with the manual signature of the Registrar.

## **SECTION 12**

### **BOND REGISTRAR; PAYING AGENT**

**12.1** U.S. Bank National Association, in Portland, Oregon, is hereby appointed as the initial Bond Registrar for the Bonds.

**12.2** U.S. Bank National Association, in Portland, Oregon, is hereby appointed as the initial Paying Agent for the Bonds.

## **SECTION 13**

### **RULES OF CONSTRUCTION**

**13.1** In determining the meaning of provisions of the Bond Declaration, the following rules shall apply unless the context clearly requires application of a different meaning.

- (a) References to section numbers shall be construed as references to sections of this Bond Declaration.
- (b) References to one gender shall include all genders.
- (c) References to the singular shall include the plural, and references to the plural shall include the singular.

*[SIGNATURE PAGE FOLLOWS]*

DATED this [\_\_\_\_] day of September 2024.

**CITY OF MEDFORD, OREGON**

By: \_\_\_\_\_  
Brian Sjothun  
City Manager

**APPENDIX A  
Form of Bond**

No. R-\_\_

\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF OREGON  
JACKSON COUNTY

**CITY OF MEDFORD, OREGON,  
LIMITED TAX REVENUE BOND  
SERIES 2024**

<b>DATED DATE</b>	<b>INTEREST RATE PER ANNUM</b>	<b>MATURITY DATE</b>	<b>CUSIP NO.</b>
<b>September __, 2024</b>	<b>[____]%</b>	<b>June 1, 20[__]</b>	<b>584288 [__]</b>

REGISTERED OWNER: -- CEDE & CO. --

PRINCIPAL AMOUNT: -- [\_\_\_\_\_] (\$[\_\_\_\_]) --

The CITY OF MEDFORD, OREGON, JACKSON COUNTY, OREGON (the “City”), for value received, acknowledges itself indebted and hereby promises to pay to the registered owner hereof, or registered assigns, the principal amount indicated above on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above, computed on the basis of a 360-day year comprised of twelve 30-day months. Interest is payable semiannually on the first day of June and the first day of December in each year until maturity, commencing December 1, 2024, to the registered owner at the address appearing on the bond register as of the close of business on the fifteenth day of the calendar month preceding the applicable interest payment. The City’s bond registrar and paying agent, which is currently U.S. Bank National Association, in Portland, Oregon (the “Registrar”), will make principal and interest payments to the registered owner. Principal and interest payments, made payable to the order of “Cede & Co.,” shall be received by Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) or its registered assigns, in same-day funds on each payment date.

This Bond is one of a duly authorized series of bonds designated “City of Medford, Limited Tax Revenue Bonds, Series 2024 in the aggregate principal amount of \$[\_\_\_\_\_] (the “Bonds”), issued by the City for the purpose of providing funds to (i) finance the construction and equipping of a new fire station for the City and (ii) pay bond issuance costs incidental thereto. The Bonds are issued pursuant to the City’s authorizing Resolution No. 2024-57 adopted by the City’s City Council on June 20, 2024 (the “Resolution”) and a Bond Declaration dated September \_\_, 2024 (the “Bond Declaration”). Capitalized terms used but not defined herein have the meaning given such terms in the Bond Declaration and in the Resolution. The Bonds are issued in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

***Optional Redemption.*** The Bonds maturing on or after June 1, 2035 are subject to redemption prior to maturity at the option of the City in whole or in part on June 1, 2034 and on any date thereafter at a price of 100% of the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.

***[Mandatory Redemption.*** The Bonds stated to mature on June 1, 20[ ] are term bonds subject to mandatory sinking fund redemption, in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest, if any, to the date fixed for redemption, on June 1 in the years and in the amounts as set forth below:

**Term Bond**  
**Maturing on June 1, 20[ ]**

<u>Year</u>	<u>Amount</u>
20[ ]	\$[ ]
20[ ]*	[ ]

\*Final Maturity

Upon any partial optional redemption of such term bond, the amount of future mandatory sinking fund redemptions with respect thereto will be reduced, as directed by the City, to take into account such partial optional redemptions.]

***Selection of Bonds for Redemption.*** For as long as the Bonds are in BEO form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within such maturity to be redeemed shall be made by DTC in accordance with its operational procedures as then in effect. If the Bonds are no longer held in BEO form, the Registrar shall select the Bonds within such maturity for redemption by lot.

***Notice of Redemption.*** The City shall give notice of redemption to the Registrar and Paying Agent not less than 45 days before the date fixed for redemption or such shorter time as may be reasonably acceptable to the Registrar and Paying Agent. The Registrar shall give notice of redemption, not less than 20 days and not more than 60 days prior to the date fixed for redemption, to the registered Owners of the Bonds by first class mail, postage paid, at the addresses set forth on the Bond Register or, so long as the Bonds are in BEO form, in such manner provided for in the Blanket Letter of Representations and in the operational procedures of DTC as in effect at such time. Each notice of redemption shall be dated and shall state, without limitation: (1) the date fixed for redemption; (2) the redemption price; (3) if less than all outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed; (4) that on the date fixed for redemption the redemption price will become due and payable upon each such Bond or portion thereof called for redemption; (5) that interest thereon shall cease to accrue from and after the date fixed for redemption; (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar and Paying Agent; and (7) the assigned CUSIP numbers of all Bonds to be redeemed. So long as the Bonds are in BEO form, the form of notice shall include such additional information as may be required by the Blanket Issuer Letter of Representations and the operational procedures of the DTC, as in effect from time to time.

***Conditional Notice of Redemption.*** Any notice of optional redemption may state that (i) (a) the optional redemption is conditional upon receipt by the Paying Agent on the date fixed



for redemption of moneys sufficient to pay the redemption price of the Bonds that are to be redeemed and/or (b) the optional redemption is conditional upon the satisfaction of any other condition, and/or that such notice of redemption may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time prior to the date fixed for redemption if any such condition so specified is not satisfied or if any such other event occurs, and that (ii) such notice shall be of no effect if such moneys are not so deposited or if such notice is so rescinded. The Registrar shall give notice to the affected Owners of the Bonds as promptly as practicable upon of the City's failure to make such funds available or of the rescission of such notice.

***Effect of Redemption.*** Notice of redemption having been duly given as aforesaid, the Bonds or portions thereof so called for redemption (unless, in the case of conditional redemption, such notice is rescinded or any condition to redemption is not satisfied), shall become due and payable, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Paying Agent on the date fixed for redemption designated in such notice, interest on the Bonds so called for redemption shall cease to accrue and said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Bond Declaration (except for payment of particular Bonds for which moneys are being held by the Paying Agent and which money shall be pledged to such payment), and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said principal, premium, if any, and interest accrued to the date fixed for redemption.

If the Paying Agent does not have sufficient funds on the date fixed for redemption to pay the redemption price of all of the Bonds to be optionally redeemed for any reason, then the optional redemption shall be cancelled and any notice thereof shall be void, but such event shall not constitute an Event of Default under this Bond Declaration.

In addition, if the City shall have delivered to the Registrar no later than one (1) business day prior to the date fixed for redemption for any Bonds, written notice of its decision to rescind its prior request for redemption, then the purported optional redemption shall be canceled and any prior notice thereof shall be void.

The Bonds are initially issued as a book-entry-only security issue with no certificates provided to the Beneficial Owners. Records of Bond ownership will be maintained by the Registrar and DTC and its participants.

Should the book-entry-only security system be discontinued, the Bonds shall be issued in the form of fully registered Bonds without coupons in Authorized Denominations. Such Bonds may be exchanged for Bonds of the same aggregate principal amount, but different Authorized Denominations, as provided in the Bond Declaration.

Any transfer of this Bond must be registered, as provided in the Bond Declaration, upon the Bond Register kept for that purpose at the principal corporate trust office of the Registrar. Upon registration, a new registered Bond or Bonds, of the same maturity and in the same aggregate principal amount shall be issued to the transferee as provided in the Resolution and the Bond Declaration. The City and the Registrar may treat the person in whose name this Bond is registered as its absolute owner for all purposes, as provided in the Bond Declaration.

The Bondowner may exchange or transfer this Bond only by surrendering it, together with a written instrument of transfer which is satisfactory to the Registrar and duly executed by the registered owner or his duly authorized attorney, at the principal corporate trust office of the Registrar in the manner and subject to the conditions set forth in the Bond Declaration.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the City or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; that the issue of which this Bond is a part, and all other obligations of the City, are within every debt limitation and other limit prescribed by such Constitution and Statutes; and that the City has covenanted to levy annually a direct ad valorem tax upon all of the taxable property within the City without limitation as to rate or amount, and outside of the limitations of Sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing on and the principal maturing on the Bonds promptly when and as they become due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Declaration until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be signed by the facsimile signature of its Mayor and attested to by the facsimile signature of an Authorized Representative of the City as of the date indicated above.

CITY OF MEDFORD, OREGON

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
Authorized Representative

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE REGISTRAR IN THE SPACE INDICATED BELOW.

AUTHENTICATION DATE: September \_\_, 2024.

**CERTIFICATE OF AUTHENTICATION**

This is one of the City of Medford, Limited Tax Revenue Bonds, Series 2024, dated September \_\_, 2024, issued pursuant to the Resolution and Bond Declaration described herein.

U.S. Bank National Association, as Registrar

By: \_\_\_\_\_  
Authorized Officer

*This Bond shall remain in the Registrar's custody subject to the provisions of the Fast Automated Securities Transfer (FAST) agreement currently in effect between Wells Fargo Bank, National Association, as Registrar, and The Depository Trust Company, New York, New York.*

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfer unto:

Name of Transferee: \_\_\_\_\_

Address: \_\_\_\_\_

Tax Identification No. \_\_\_\_\_

the within Bond and hereby irrevocably constitutes and appoints \_\_\_\_\_

\_\_\_\_\_ to transfer said Bond on the books

kept for registration thereof with full power of substitution in the premises.

\_\_\_\_\_  
Registered Owner

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Dated:

SIGNATURE GUARANTEED:

\_\_\_\_\_  
Bank, Trust Company or Member  
Firm of the New York Stock Exchange

\_\_\_\_\_  
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	--	as tenants in common	UNIF TRFS MIN ACT .....
			(Cust) (Minor)
TEN ENT	--	as tenants by the entireties	under Uniform Transfer to Minors Act .....
			(State)
JT TEN	--	as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used although not in the above list.