



Jackson County's Popular Annual Financial Report

Jackson County has prepared this Citizens' Financial Report to inform the communities of the County's financial activity in a simple, easy-to-read format for the fiscal year ended June 30, 2016. This report is based upon the County's Comprehensive Annual Financial Report (CAFR) which is a more inclusive, audited document. This report summarizes the most significant data from the CAFR, and is consistent with generally accepted accounting principles. The County's CAFR is available to view and download at: jacksoncountyor.org/finance/Accounting/Financial-Reports/Comprehensive-Annual-Financial-Reports. Questions, comments, and feedback are always greatly appreciated, so please do not hesitate to contact the Jackson County Finance Department at 541-774-6541.

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Jackson County Facts

Geographic Area

2,801 square miles

Demographics

Population	210,287
Personal Income	\$7,914,576,000
Per Capital Income	\$37,637
School Enrollment	29,513
Unemployment Rate-County	6.20%
Unemployment Rate-State	4.90%
Unemployment Rate-National	4.90%

Principal Employers

Medical	
Asante	4,231
Providence Medical Center	1,300
Government	
Federal	1,757
State of Oregon	1,661
Medford School District	1,227
Jackson County	1,122
Retail	
Harry & David Corp	1,700
Wal-Mart	930
Boise Building Solutions	875
Lithia Motors Inc	628

About Jackson County

Jackson County is one of the most beautiful and livable areas in the country. Located in Southern Oregon, with nearby mountains, ocean, and desert, it offers breathtaking scenery in every direction. The cities of Medford and Ashland are the largest incorporated cities in the County.

Jackson County provides a full range of services including, but not limited to, public safety, health and human services, corrections, parole and probation, airport, exposition park, parks and recreation, public works, development services, and assessment and tax collection for all County taxing districts.

Once known for its timber harvests, the County has diversified into retail and medical, with Asante being the principal employer in the region. The unemployment rate averaged 6.2% in the 2016 fiscal year. This is above both the state-wide and national averages, but below neighboring communities.

The County is governed by three full-time Commissioners elected to staggered four-year terms. The Board of Commissioners is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the County Administrator. The County Administrator is responsible for carrying out policies and ordinances of the Board of Commissioners and overseeing the day-to-day operations of the County. Jackson County also has a County

Counsel, elected Assessor, Clerk, District Attorney, Justice of the Peace, Sheriff, and Surveyor.



Rick Dyer Doug Breidenthal Colleen Roberts

Information on the Board of Commissioners meetings and work sessions, as well as audio and video recording of prior meetings, and live streaming of current regular meetings can be found at:

jacksoncountyor.org/Board-of-Commissioners

Finance Reporting Awards

Jackson County has received the following awards from the Government Finance Officers Association in 2016:

Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report - 33rd consecutive year.

Distinguished Budget Presentation Award - 32nd consecutive year.

Award for Outstanding Achievement in Popular Annual Financial Reporting - 1st year.



Government-wide Financial Statements

Government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, provide readers with a broad overview of the County's finances in a way that is similar to a private sector business. Both of these statements distinguish functions of the County that are principally supported by property taxes and intergovernmental revenues (*governmental activities*) from functions intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). These statements include not only the County itself, but also the legally separate, blended component units: The White City Lighting District, The White City Enhanced Law Enforcement District, and The 4-H, Master Gardener and Agricultural Extension Service District.

Governmental activities are made up of the following functions: General Government, Elections & Records, Culture & Education, Community Justice & Safety, Health & Human Services, Planning, Development & Natural Resources, and Transportation.

Business-type activities include the Airport, Exposition Park, and Parks and Recreation.

The Statement of Net Position presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position.

The Statement of Activities provides information on the County's revenues and expenses, with the difference between the two reported as the change in net position.

Over time, increases and decreases in net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating. Net position is divided into three categories: Net investment in capital assets, Restricted (by third parties or by law), and Unrestricted (available to meet the County's ongoing obligations).

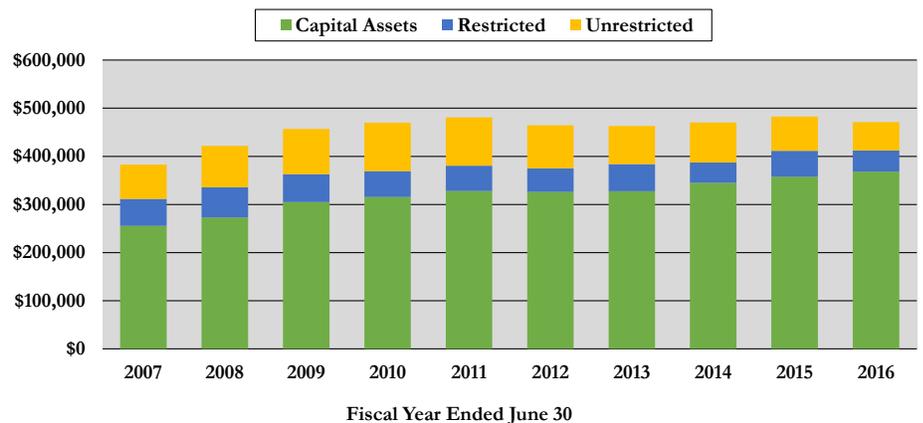
Statement of Net Position as of June 30, 2016 (Amounts in Thousands)

	Governmental activities		Business-type activities		Total	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Total assets	\$ 421,864	\$ 429,441	\$ 149,423	\$ 142,987	\$ 571,287	\$ 572,428
Total deferred outflows of resources	9,384	6,095	350	246	9,734	6,341
Total liabilities	76,642	44,735	23,352	20,637	99,994	65,372
Total deferred inflows of resources	9,108	28,896	881	1,742	9,989	30,638
Total net position	\$ 345,498	\$ 361,905	\$ 125,540	\$ 120,854	\$ 471,038	\$ 482,759

Statement of Activities for the Fiscal Year Ended June 30, 2016 (Amounts in Thousands)

	Governmental activities		Business-type activities		Total	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Total revenues	\$ 153,341	\$ 155,303	\$ 21,746	\$ 22,526	\$ 175,087	\$ 177,829
Total expenses	167,379	118,971	19,429	15,447	186,808	134,418
Excess (deficiency) before transfers	(14,038)	36,332	2,317	7,079	(11,721)	43,411
Transfers	(2,369)	(241)	2,369	241	-	-
Change in net position	\$ (16,407)	\$ 36,091	\$ 4,686	\$ 7,320	\$ (11,721)	\$ 43,411

Net Position Last 10 Fiscal Years (Amounts in Thousands)



Jackson County's Basic Fund Types

Jackson County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County uses twenty-nine individual funds to track county services. Funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds include the general fund, special revenue funds, debt service funds, and capital project funds.

Proprietary funds include enterprise funds, which account for the County's business-type activities and internal service funds.

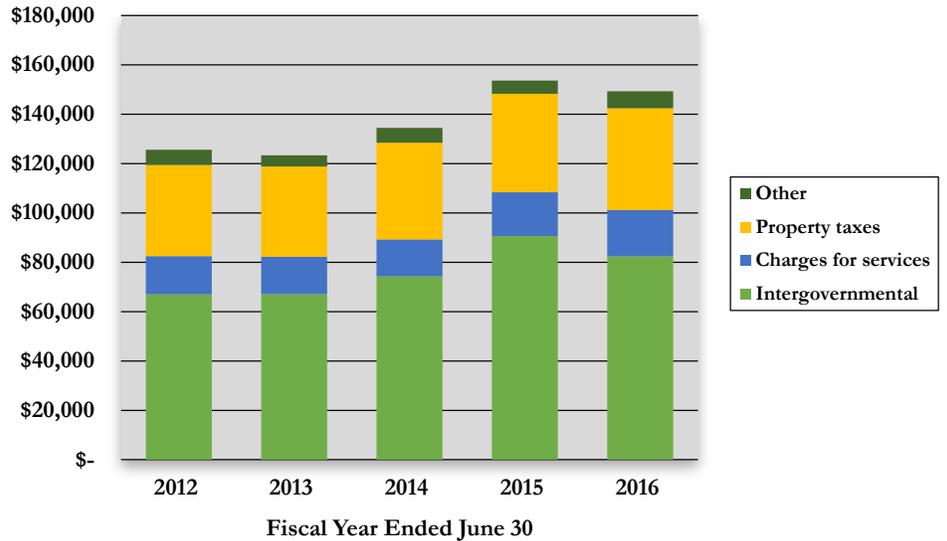
Fiduciary funds account for the resources held for the benefit of parties outside the government.

Governmental Funds Revenues & Expenditures

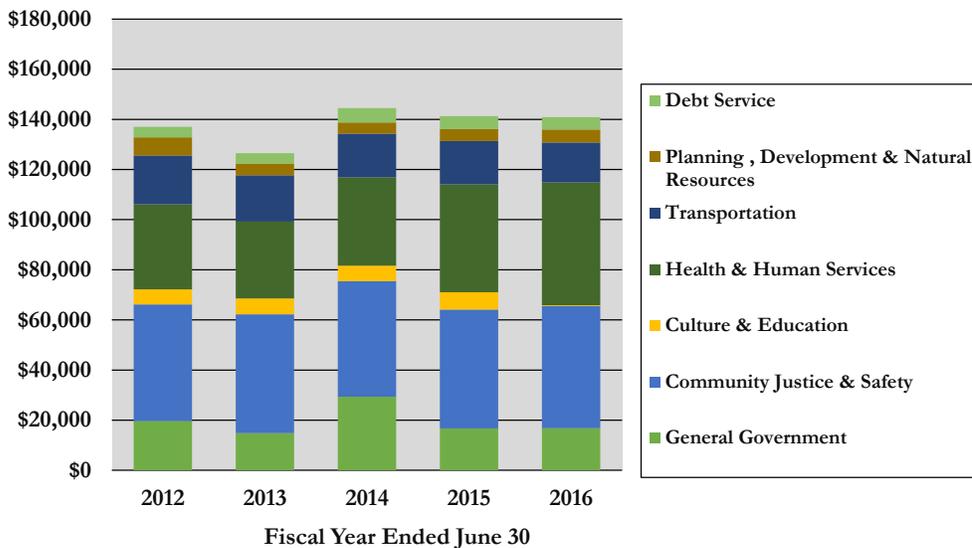
The County's governmental funds revenues (excluding transfers) for 2016 totaled \$149,272,031. This is a decrease of 2.83% from 2015. While charges for services, property taxes and other sources of revenue increased slightly from the prior year, intergovernmental revenue had a noticeable decrease. This decrease was caused, in part, by a large one-time-only receipt of funds in the prior year from the newly formed Library District.

The County's governmental funds expenditures (excluding transfers) for 2016 totaled \$143,120,998. This is a decrease of 0.18% from 2015. An increase in Health & Human Services expenses related to expansion of services, negated the decrease in spending for Culture & Education (elimination of the County's Libraries).

Five Year Revenue Comparison (in Thousands)



Five Year Expenditure Comparison (in Thousands)



Governmental Functions

Debt Service: Cost of financing buildings, streets, and other capital improvements.

Planning, Development & Natural Resources: Services related to planning, code enforcement, building, economic and special development, watermaster, and solid waste.

Transportation: Consists of street, traffic, and engineering services.

Health & Human Services: Services related to public health, mental health, environmental health, and animal control and shelter.

Culture & Education: The County's law library program.

Community Justice & Safety: Operations of the Sheriff's Department, County jail, parole and probation, and district attorney.

General Government: Includes County management, finance, human resources, legal services and other general services.

Elections & Records: Includes services performed by the County Clerk, elections office and surveyor.

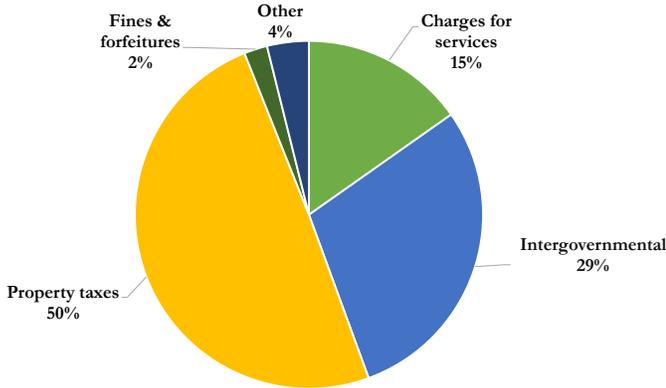
Jackson County's mission is to provide public services that protect and enhance the quality of life in the County, as determined by the people, laws, and available resources.



General Fund Revenue

The County's General Fund is the largest fund and also one of the most vital to the County's operation. The General Fund is the primary fund that accounts for everyday general expenditures like community justice and sheriff, clerk and elections, planning and development, while also supplementing portions of other funds. Like most funds, the General Fund relies on the inflow of cash, shown as revenues. The primary revenue for the General Fund is property taxes. The second largest source of revenue is intergovernmental revenue, which are items such as federal and state aids and grants. For the fiscal year ended June 30, 2016, the General Fund's total revenue was \$72,561,174, which is a 3.86% decrease from the previous year. This decline was caused, in part, by a large, one-time-only receipt of funds in the prior year from the new Library District, which took over operations of the County's library system in fiscal year 2015.

Inflow: Where does the money come from?



(in Thousands)	2015	2016
Property taxes	\$34,466	35,947
Intergovernmental	\$26,711	\$21,188
Charges for services	\$11,058	\$11,047
Fines & forfeitures	\$1,903	\$1,566
Other	\$1,336	\$2,813
Total General Fund Revenue	\$75,474	\$72,561

Dividing Up Your Property Tax Dollar



Your tax dollar is divided into several governmental entities. Jackson County keeps 15.6 cents of every tax dollar for County services. The remaining portions are divided among school districts (45.4 cents), cities (22 cents), and other agencies in the County (17 cents).

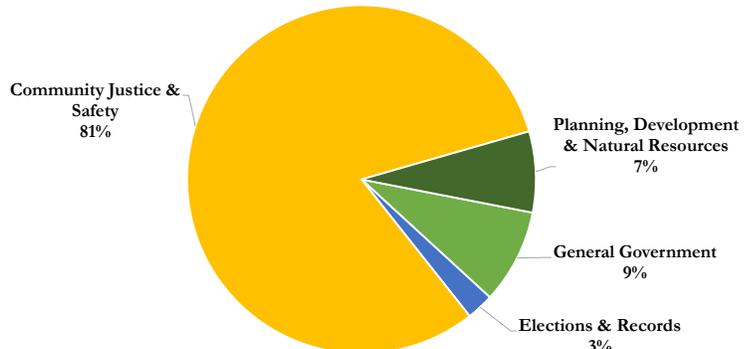
General Fund Expenditures

The County's total General Fund expenditures (outflows of cash) for 2016 were \$57,943,175 which was 11.93% under final budget. Major reasons for this difference includes a budgeted capital outlay transfer that was not recorded as a transfer, but rather as a loan. Also, several Community Justice & Safety programs underspent their personnel services budget due to vacant positions and staff restructuring.

Overall, General Fund expenditures decreased \$4,530,641 from 2015. This was mostly a result of transferring library operations to the newly formed Library District in fiscal year 2015.

(in Thousands)	2015	2016
General Government	\$6,185	\$5,084
Elections & Records	\$1,415	\$1,461
Community Justice & Safety	\$45,934	\$47,050
Culture & Education	\$6,655	\$0
Planning, Development & Natural Resources	\$3,930	\$4,348
Total General Fund Expenditures	\$64,119	\$57,943

Outflow: Where does the money go?

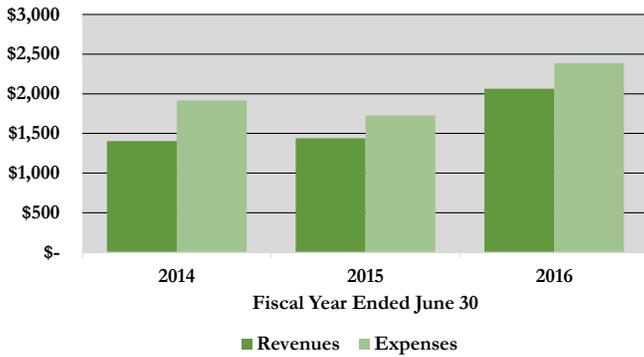


Enterprise Funds

Enterprise funds consist of the Exposition Park, Airport, and Recreation Enterprise funds. These funds are supported by user fees and charges for services. The graphs below are shown using the GAAP basis of accounting, which includes expenses for asset depreciation and other non-cash expenses which reduce their performance from a governmental cash basis.

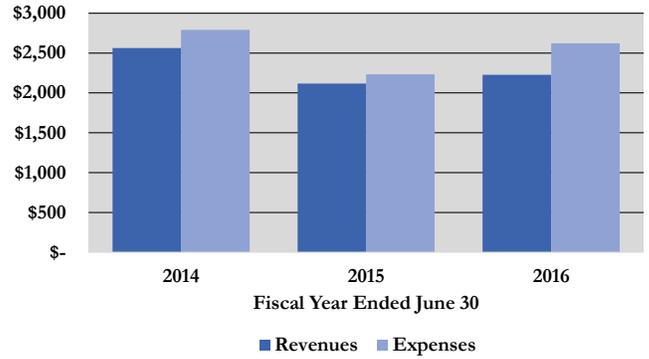
With an improved economy and a change in leadership in 2015, the Exposition Park has seen continued revenue growth.

Exposition Park Three Year Revenue & Expense Comparison
(in Thousands)



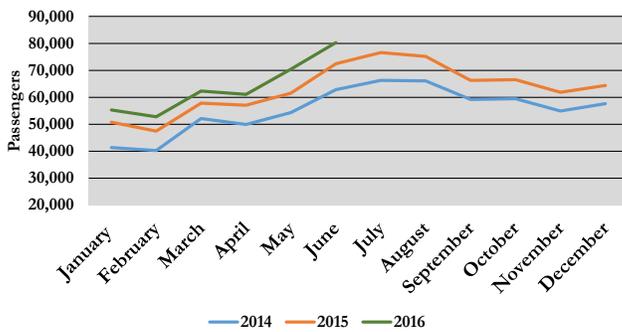
A new RV campground located adjacent to the Exposition Park was completed in 2016, which is expected to boost Parks' revenue.

Recreation Enterprise Three Year Revenue & Expense Comparison
(in Thousands)

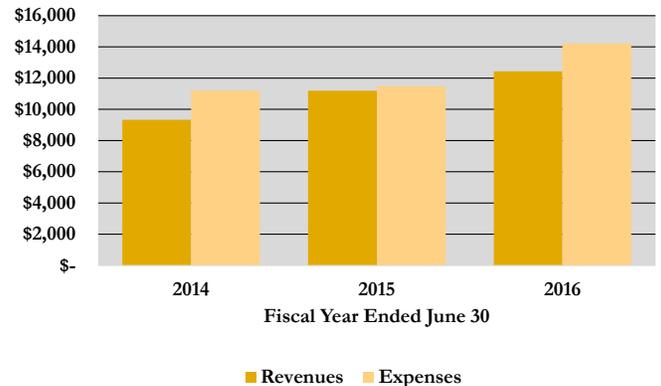


The Airport has continued to set passenger records each month since January 2014, which has resulted in steady revenue growth.

Airport Passenger Totals



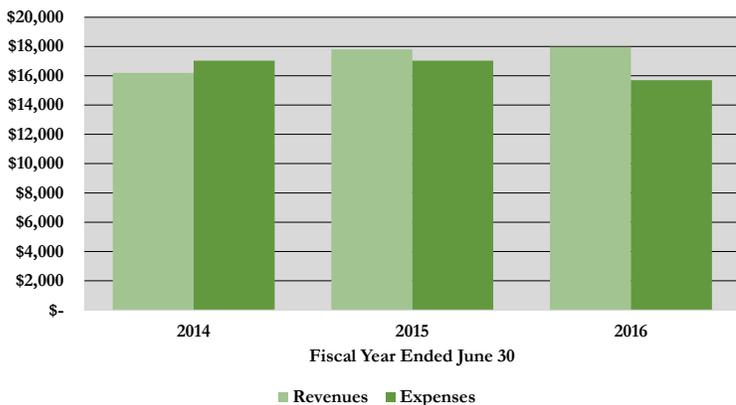
Airport Three Year Revenue & Expense Comparison
(in Thousands)



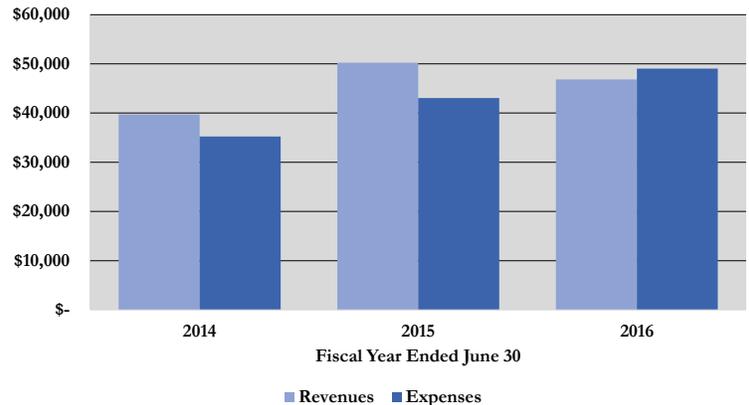
Major Special Revenue Funds

The County's major special revenue funds include the General Road Fund and the Health and Human Services Fund. These funds receive restricted revenues which must be spent for a specific program and/or purpose.

General Road Fund Five Year Revenue & Expense Comparison
(in Thousands)



Health & Human Services Five Year Revenue & Expense Comparison
(in Thousands)



The significant decrease in General Road Fund expenses in 2016 resulted from salaries and benefits of select roads employees being paid directly by the Recreation Enterprise Fund.

Capital Assets

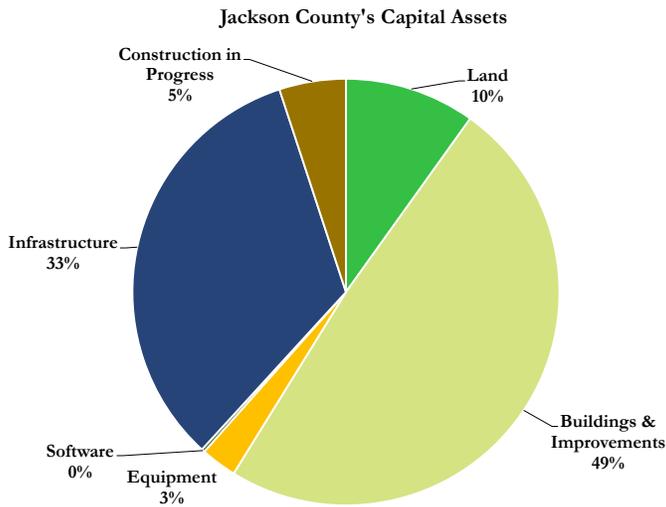
The County's assets totaled \$401,404,745 at June 30, 2016. This investment in capital assets includes land, construction in progress, buildings and improvements, various equipment, software, and infrastructure (e.g roads, bridges, sidewalks, storm drains, street lighting, etc).

Governmental assets are used to help deliver County services such as community justice and safety, and maintain and upgrade streets and other public improvements. Governmental assets are financed with available resources, grants and long-term debt.

Business-type assets, which include the County's airport and parks and recreation activities, make up 31.8% of all of the County's assets. Assets acquired by business-type activities are funded by a mixture of grants, and long-term debt repaid from user charges.

(in Thousands & net of accumulated depreciation)	Governmental	Business-Type	Total
Infrastructure	\$133,110	\$0	\$133,110
Buildings & Improvements	\$102,418	\$93,990	\$196,408
Land	\$19,320	\$20,372	\$39,692
Equipment	\$9,050	\$1,915	\$10,965
Construction in Progress	\$8,750	\$11,504	\$20,254
Software	\$976	\$0	\$976
Total Capital Assets	\$273,624	\$127,781	\$401,405

During fiscal year 2016 the County completed construction on new facilities for the District Attorney's Office and Justice Court, as well as a new RV campground located at the County's Exposition Park. Under state statute, the County is responsible for providing facilities to house State courts and is currently reviewing planning options for appropriate facilities. Statistics shows that, given current caseloads, Jackson County qualifies to have three more judges; however the current facility lacks sufficient space. Also, construction continued on a grant-funded Snow Removal Equipment storage facility at the Airport, which will be completed in fiscal year 2017 (pictured below).



Long-Term Debt

Jackson County maintains an "Aa2" rating from Moody's Investor Service, which indicates the County has a VERY STRONG capacity to meet its financial commitments.

The County issued General Obligation (GO) bonds in 2006 and 2010 to finance construction or remodeling of 14 County libraries. GO bonds are backed by the full faith and credit of the County. These GO bonds are budgeted to be paid in full by 2020.

Two airport revenue bonds series were issued in 2007 to finance construction of a new airport terminal. The first series of bonds were partially refunded in 2013 and the second series was fully refunded in 2016 in order to obtain lower interest rates. The 2016 bond refunding will save the County \$4.8 million over the remaining bond term. The Airport collects passenger facility charges which are used to repay the debt. These bonds are budgeted to be paid in full by 2038.

Full faith and credit obligations were issued in 2013 to help finance construction of a Health and Human Services facility and parking garage. These bonds are budgeted to be paid in full by 2018.

Special assessment are a combination of bonds and loans made on behalf of property owners to finance road improvement projects. Debt service on these debts will be paid using payments received from assessment contracts entered into with property owners who benefited by the improvement projects.

