

**CITY OF
ASHLAND**



STATE OF OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the year ended June 30, 2018

Prepared by the Administrative Services Department
Mark Welch, Administrative Services and Finance Director

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal 9
 City Council Goals 11
 Municipal Audit Commission Report 16
 Certificate of Achievement for Excellence in Financial Reporting 17
 Elected City Officials..... 18
 Appointed City Officials 19
 Organization Chart 20
 Map of City of Ashland 21

FINANCIAL SECTION

Independent Auditors Report 24
 Management’s Discussion and Analysis (required supplementary information) 26

BASIC FINANCIAL STATEMENTS

Government - Wide Financial Statements:

Statement of Net Position 36
 Statement of Activities 38

Fund Financial Statements:

Balance Sheet - Governmental Funds..... 40
 Reconciliation of Balance Sheet of Governmental Funds to Statement of Net Position 41
 Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds 42
 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities 43
 Statement of Net Position - Proprietary Funds 44
 Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds 45
 Statement of Cash Flows - Proprietary Funds..... 46

NOTES TO BASIC FINANCIAL STATEMENTS 50

The notes to the financial statements are an integral part of the basic financial statements

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Other Post Employment Benefits, Liability and Related Ratios Stipend Benefits 84
 Schedule of Changes in Other Post Employment Benefits, Liability and Related Ratios Medical Benefit 85
 Schedule of the Proportionate Share of Net Pension Liability 86
 Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund..... 91
 Schedule of Revenues, Expenditures, Changes in Fund Balance – Budget and Actual – Street Fund..... 92
 Schedule of Revenues, Expenditures, Changes in Fund Balance – Parks and Recreation Fund 93

SUPPLEMENTARY INFORMATION

Combining Balance Sheet - All Non-Major Funds..... 97
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Non-Major Funds..... 98

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:

Housing Fund 99
 CDBG Fund 100
 Airport Fund..... 101
 Capital Improvements Fund 102
 Parks Capital Improvements Fund 103
 Debt Service Fund..... 104

2018 Table of Contents

Cemetery Trust Fund	105
Reserve Fund.....	106

Page

Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual:	
Water Fund.....	107
Wastewater Fund	108
Stormwater Fund.....	109
Electric Fund	110
Telecommunications Fund	111
Consolidating Balance Sheet - Internal Service Fund	112
Consolidating Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	113
Combining Internal Service Fund Statement of Cash Flows	114

Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual:	
Central Services Fund.....	115
Insurance Services Fund.....	116
Health Benefits Fund.....	117
Equipment Fund.....	118

OTHER INFORMATION

Capital Assets Used in the Operation of Governmental Funds by Source	122
Schedule of Assets Used in the Operation of Governmental Funds by Function/Activity	123
Schedule of Bond Principal and Interest Transactions	124
Schedule of Receipts, Disbursements and Balances-Elected Officials	126

STATISTICAL SECTION - TOTAL REPORTING ENTITY (UNAUDITED)

Financial Trends:

Table of Contents	131
Statement of Net Position– Total Primary Government	132
Statement of Net Position - Governmental Activities	134
Statement of Net Position - Business Type Activities	136
Changes in Net Position - Total Primary Government.....	138
Changes in Net Position - Governmental Activities	140
Changes in Net Position - Business Type Activities	142
Fund Balances - Governmental Funds	144
Changes in Fund Balances - Governmental Funds	146
Fund Balance Comparison.....	148

Revenue Capacity:

Assessed and Estimated Actual Value of Taxable Property.....	150
Property Tax Rates- Direct and Overlapping Governments	151
Property Value and New Construction History.....	152
Food and Beverage Tax Revenues by Fund	153
Principal Property Tax Payers.....	154
General Governmental Tax Revenues by Source	156
Property Tax Levies and Collections	157
Electric Utility Usage	158

Debt Capacity:

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	160
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures	162
Pledged Revenue Coverage - Water Fund.....	163
Ratios of Outstanding Debt by Type	165

Legal Debt Margin	166
Computation of Legal Debt Margin.....	168
Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds	169

	<u>Page</u>
<i>Economic and Demographic Information:</i>	
Principal Employers.....	170
Demographic Statistics.....	171

<i>Operating Information:</i>	
Schedule of Major Insurance in Force	172
City Employee by Function/Program.....	173
Operating Indicators by Function/Program	174
Capital Assets and Infrastructure Statistics by Function/Program	176

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Minimum Standards for Audits of Oregon Municipal Corporations	182
Report of Independent Auditors	183

GOVERNMENT AUDITING STANDARD COMPLIANCE REPORTS

Report of Independent Auditors	188
Schedule of Federal Financial Awards	193
Summary of Auditors Results	194
Financial Statement Findings	194
Federal Award Findings and Question Costs.....	195
Notes to the Schedule of Expenditures of Federal Awards	195

INTRODUCTORY SECTION





November 28, 2018

RE: City of Ashland Comprehensive Annual Financial Report

To the Citizens of the City of Ashland:

The City of Ashland is pleased to submit our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. State statutes require the City of Ashland to issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants licensed by the State of Oregon to conduct municipal audits.

This report must be published within six months of the end of each fiscal year. Management holds responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial position and the results of operations of the various funds and component unit of the City of Ashland. All disclosures necessary to enable the reader to gain an understanding of the City of Ashland's activities have been included.

Based upon their audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion and that the City's financial statements for the year ended June 30, 2018, are presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report. It is followed by a Management Discussion and Analysis (MD&A). The reader is encouraged to review the MD&A for a better understanding of the City, its financial condition, and its activities for the year.

The financial reporting entity includes all the funds of the City of Ashland, as well as those of the component unit, the Parks and Recreation Commission. Component units are legally autonomous entities for which the primary government is financially accountable. The City provides a full range of services including police protection, fire protection, building inspection, planning services, economic development, social services, senior program, ambulance, electric, internet access, water, streets, storm drain, wastewater treatment, airport, cemetery, band, parks and recreation activities.

The Parks and Recreation Commission activities are reported as a blended component unit. The blended component unit information is included within the government-wide financial statements emphasizing that it is operated autonomously and accounted for separately from the primary government but significantly relies upon the oversight, policies and financial resources of the primary government.

GOVERNMENTAL STRUCTURE, ECONOMIC CONDITIONS AND OUTLOOK

The City, incorporated in 1874, is located in the southwest part of the state and currently has a land area of 6.52 square miles with a population of 20,700. The government has all powers necessary or convenient for the conduct of its municipal affairs, including the power to levy a property tax on both real and personal property located within its boundaries. The City also has the power, by state statute, to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City operates under the council-administrator form of government. Policymaking and legislative authority

2018 Introductory Section

are vested in the Mayor and City Council. The governing Mayor and Council are responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Administrator and the City Attorney. The City Council consists of a mayor and six-member Council. The Mayor, who presides at the Council meetings, is elected at-large for a four-year term. Six Council members are elected at-large for four-year staggered terms with three Council members elected every two years. Other elected officials are the City Recorder/Treasurer, Municipal Judge, and the five-member Parks and Recreation Commission.

The City Administrator is charged with general oversight of all operational and management functions, with the exception of the Parks Commission. The City Administrator recommends the appointment or dismissal of department heads (Fire Chief, Police Chief, Public Works Director, Community Development Director, Administrative Services/Finance Director, Electric/Information Technology Director). The Mayor, with confirmation of the City Council, appoints the City Administrator, the City Attorney, department heads, and the City boards and commissions with the exception of the Budget Committee, which, by state law is appointed by the full Council. The City Administrator is responsible for carrying out the policies and ordinances of the City Council and overseeing the day-to-day operations of the City.

In addition to the help they receive from their appointed staff and employees, 21 standing advisory boards and commissions and various ad hoc committees assist the City Council. Over 150 Ashland citizens serve on these boards and commissions and make a valuable contribution to the City of Ashland.

The City of Ashland's economic base depends primarily on higher education and tourism. In addition, the U.S. Fish and Wildlife National Forensics Laboratory is located in Ashland. It is the only crime lab in the world dedicated entirely to wildlife and serves both the national and international communities. Ashland's downtown business district has a relatively high occupancy rate with a variety of shops, restaurants, hotels, commercial businesses, and financial institutions. The state has a major economic presence in the area in Southern Oregon University (SOU), which is located on a 175 acre campus within the city limits approximately one mile from the city center.

The local economy continues to increase. The City is experiencing an increase in housing values, increase in the Transient Occupancy Tax and Food and Beverage Tax revenues (for all business activities as presented in tables in the *Statistical* section).

Ashland is home to an educated population, with 96.9% of the population over the age of 25 with a High School Diploma or higher, and 56.9% with a Bachelor's Degree or higher. The Oregon Employment Division reports the larger sectors for payroll in Ashland to be 21% in accommodations & food, 14% in retail trade and 13% in health care services. Government (all sectors) represents approximately 7% of total payroll paid in Ashland.

The City Council has adopted the following strategic planning goals and objectives.

MISSION STATEMENT

To support a resilient, sustainable community that lives within its means and maintains the distinctive quality of life for which it has become known in the face of external change and internal development – via direct delivery of basic services and leveraged enablement of enhanced services. <http://www.ashland.or.us/SIB/files/2015%20Strategic%20Planning%20Goals%20110414.pdf>

City Council Goals
Approved November 4, 2014

GOVERNMENT

1. *Leverage our regional and state relationships to increase effectiveness in relevant policy arenas.*
2. *Promote effective citizen communication and engagement.*
3. *Support and empower our community partners.*

ORGANIZATION

4. *Evaluate real property and facility assets to strategically support city mission and goals.*

PEOPLE

5. *Seek opportunities to enable all citizens to meet basic needs.*
6. *Develop supports to enable citizens to age in Ashland.*
7. *Keep Ashland a family-friendly community.*

ENVIRONMENT

8. *Protect the integrity and safety of the watershed.*
9. *Enhance and expand natural and recreational resources.*
10. *Support local micro-agriculture and food production.*
11. *Prepare the community for natural and human-made disasters.*
12. *Update the Comprehensive Plan.*
13. *Develop and support land use and transportation policies to achieve sustainable development.*
14. *Encourage and/or develop public spaces that build community and promote interaction.*

ECONOMY

15. *Seek opportunities to diversify the economy in coordination with the Economic Development Strategy.*
16. *Nurture emerging new technologies.*
17. *Market and further develop the Ashland Fiber Network.*
18. *Diversify transportation and shipping options.*
19. *Ensure that commercial and industrial areas are available for development.*
20. *Embrace and plan ahead for emerging social trends that might impact the economy and vitality of the community.*

ENERGY AND INFRASTRUCTURE

21. *Be proactive in using best practices in infrastructure management and modernization.*
22. *Prepare for the impact of climate change on the community.*

PUBLIC SAFETY

23. *Support innovative programs that protect the community.*

2018 Introductory Section

FINANCIAL INFORMATION

Management is responsible for establishing and maintaining an internal control structure designed to ensure that assets of the City are protected from loss or theft and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurances that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) management must use its best judgment to value the costs and benefits as it relates to cost of internal control.

The City's system of internal accounting controls is designed to provide reasonable, although not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition.

As a frequent recipient of federal, state and local financial assistance, the City must also have an adequate internal control structure in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and staff.

Tests were made of the government's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. Although this testing was not sufficient to support an opinion on the City's internal control system or its compliance with laws and regulations related to non-major federal financial assistance programs, the audit for the year ended June 30, 2018, disclosed no material internal control weaknesses or material violations of laws and regulations.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the biennium appropriations budget resolution adopted by the City Council. All funds are included in the biennium appropriated budget. The biennium 2017/19 budget was prepared on a fund basis with department, program, and line item detail.

Accounting principles generally accepted in the United States of America require that management provide a discussion and analysis to accompany the financial statements. This letter of transmittal compliments management's discussion and analysis, and should be read in conjunction with it. The City's Management's Discussion and Analysis can be found immediately following the independent auditors report.

Legal level of Budgetary Control:

Management cannot overspend the budget without the approval of the governing body. Management must request change to the appropriation level.

There are three ways in which to change appropriations after the budget is adopted.

1. A transfer of appropriations decreases an appropriation and increases another. This is the simplest budget change allowed under Oregon Budget Law. This does not increase the overall budget. This is approved by a City Council resolution.
2. A supplemental budget of less than 10 percent of total appropriations within an individual fund follows a process similar to the transfer of appropriations. This process includes a notice in a newspaper of record prior to Council taking action.
3. A supplemental budget in excess of 10 percent of total appropriations requires a longer process. This process includes a notice in the paper and a public hearing prior to the Council taking action.

Significant Impacts. The City's investment policy objectives are to preserve capital, maintain liquidity and diversification, and to attain a market rate of return throughout budgetary and economic cycles. Investments are valued at fair value, as required by GASB 31. Changes in the economy and investment market are prompting a review of the City's policy. As of June 30, 2018, the fair market value of the investment in the Local Government Investment Pool was 100 percent of the pool shares, as reported in Oregon Short Term Fund audited financial statements.

The City provides life and health coverage to its employees and their dependents. The City pays 95 percent

of premiums for employees, with management and all five bargaining units paying the remaining five percent. Other optional supplemental insurances are available to employees and are paid entirely by the individuals electing to carry them. There has been a rising cost of employee benefits, especially health care and retirement. During 2012-2013 the City laid the foundation to become “self-insured” for employee health benefits and that was established beginning July 1, 2013. On July 1, 2018 the City dissolved its self-funded health insurance plan to mitigate rising costs and uncertain expenditures. The City agrees to an 18-month plan that provides the same benefits levels at the same premium. After the 18 months the City will then purchase insurance in the open market.

An actuarial review of other post-employment benefit programs was performed during the year, and the results from the study are incorporated in the *Notes to Basic Financial Statements* section.

OTHER INFORMATION

Tax Limitation. Article IX of the Oregon Constitution contains various limitations of property taxes levied by local jurisdictions. The Constitution calls for taxes imposed upon property to be segregated into two categories: one to fund the public school system and community colleges and the other for local governments. The citizens of the State of Oregon approved a property tax limitation, commonly referred to as Measure 5, in November 1991. This constitutional amendment divides property taxes into an education category and an “all other” local government category.

The education category property taxes were limited to \$15.00 per thousand of real market value (RMV) initially, and have been lowered to \$5.00 per thousand. The local government category is limited to \$10.00 per thousand. The 2017-2018 local net general government tax rate in the City of Ashland was \$8.4023, Ashland Schools \$4.1601 and the City of Ashland \$4.2422, within the limitation. Voter approved general obligation debt is not subject to the \$10.00 limitation.

In November 1996, the citizens of the State of Oregon approved another property tax limitation, commonly referred to as Measure 47. Prior to enactment, this measure was repealed and replaced by Measure 50, by special election on May 20, 1997. Measure 50 changed the property tax limitation on levies, rates assessment, and equalization, after the 1996-1997 fiscal year. Measure 50 includes a reduction of property tax to previous levels and a limit on the growth in assessed valuation, which will result in a limit on a tax increase in subsequent years. Specifically, Measure 50 rolled the assessed value of each unit of property for the tax year 1997-98 back to its 1995-96 “real market value” less ten percent. The measure limited increases in assessed value in future years to three percent per year. The measure also establishes a new permanent tax rate for each taxing district. Ashland’s permanent rate for the operating levies is set at \$4.2865, although the City chose to levy only \$4.2422 of this amount in fiscal year 2018. The measure also provides for voter approved “Local Option Levies” for levies outside the limits. No local option levies were included in the biennial budget.

Awards. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for fiscal year ended June 30, 2017. This was the thirtieth year the City had submitted its report for review. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program’s requirements, and we intend to submit it to the GFOA to determine its eligibility for another certificate.

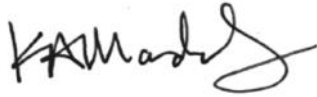
In addition, the City of Ashland received the GFOA’s Award for Distinguished Budget Presentation for its biennial 2017/19 budget. In order to qualify for the Distinguished Budget Presentation Award, the City’s budget document was judged to be proficient in several categories, including policy documentation, as an operational guide, as a financial plan, and as a communication device.

Acknowledgments. The timely preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the City of Ashland Administrative Services/Finance

2018 Introductory Section

Department, all other departments and the Ashland Parks and Recreation Commission staff. Each member has our sincere appreciation for the contribution made, with special thanks to the Accounting Division and Finance Administration staff for their dedicated efforts in maintaining the accounting systems, audit preparation and report writing.

Sincerely,

A handwritten signature in black ink, appearing to read "K Madding". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Kelly Madding
City Administrator

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November 28, 2018

The City Council and
The Ashland Parks and Recreation Commission
City of Ashland, Oregon

The Municipal Audit Commission was established by the City Council to perform certain tasks relating to the annual audit. The Ashland Parks and Recreation Commission, a component unit of the City of Ashland, has delegated similar responsibilities to the Audit Commission for their annual audit process.

In fulfilling its responsibilities, the Commission participates in selecting the City's auditor on a regular basis. The Commission interviews qualified, independent certified public accountants and discusses the overall scope and specific plans for the audit. The Commission also recommends which municipally-certified individual or firm is to be engaged as the City's auditor by the City Council.

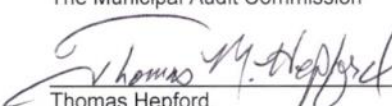

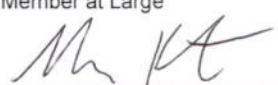
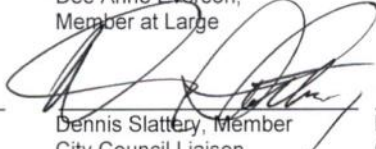

At the conclusion of the annual audit, the Commission meets with the City's auditor to discuss the results of their audit and their evaluation of the City and Parks financial reporting. The Commission also discusses the financial accounting and reporting processes with the City's auditor, including the preparation of the financial statements for the City and Parks Commission, safeguarding of assets and other resources against unauthorized acquisition, use or disposition, and other required accounting issues.

After receiving the annual reports and related documentation from the auditor and staff, evaluating the information, and considering the potential for changes, the Commission makes recommendations to both elected bodies on acceptance of the respective annual reports and changes deemed appropriate through the process.

Based upon the above, we accept the 2018 Comprehensive Annual Financial Report (CAFR) and the related audit reports of the independent certified public accountants for the City of Ashland and the Ashland Parks and Recreation Commission and recommend that the respective CAFR and auditor's reports be accepted by the Council and the Commission.

Respectfully submitted,

The Municipal Audit Commission

 Thomas Hepford, Member at Large	 Dee Anne Everson, Member at Large	
 Shane Hunter, Budget Liaison Representing Budget Committee	 Dennis Slattery, Member City Council Liaison	 Melissa Huhtala, City Recorder/ Ex-Officio Member

Administrative Services Department
Mark Welch, Director of Administrative Services & Finance
20 East Main Street
Ashland, Oregon 97520
www.ashland.or.us

Tel: 541.488.5300
Fax: 541.552.2059
TTY: 800.735.2900



Government Finance Officers Association

Certificate of
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Presented to

**City of Ashland
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

**CITY OF ASHLAND
ELECTED CITY OFFICIALS
as of June 30, 2018**

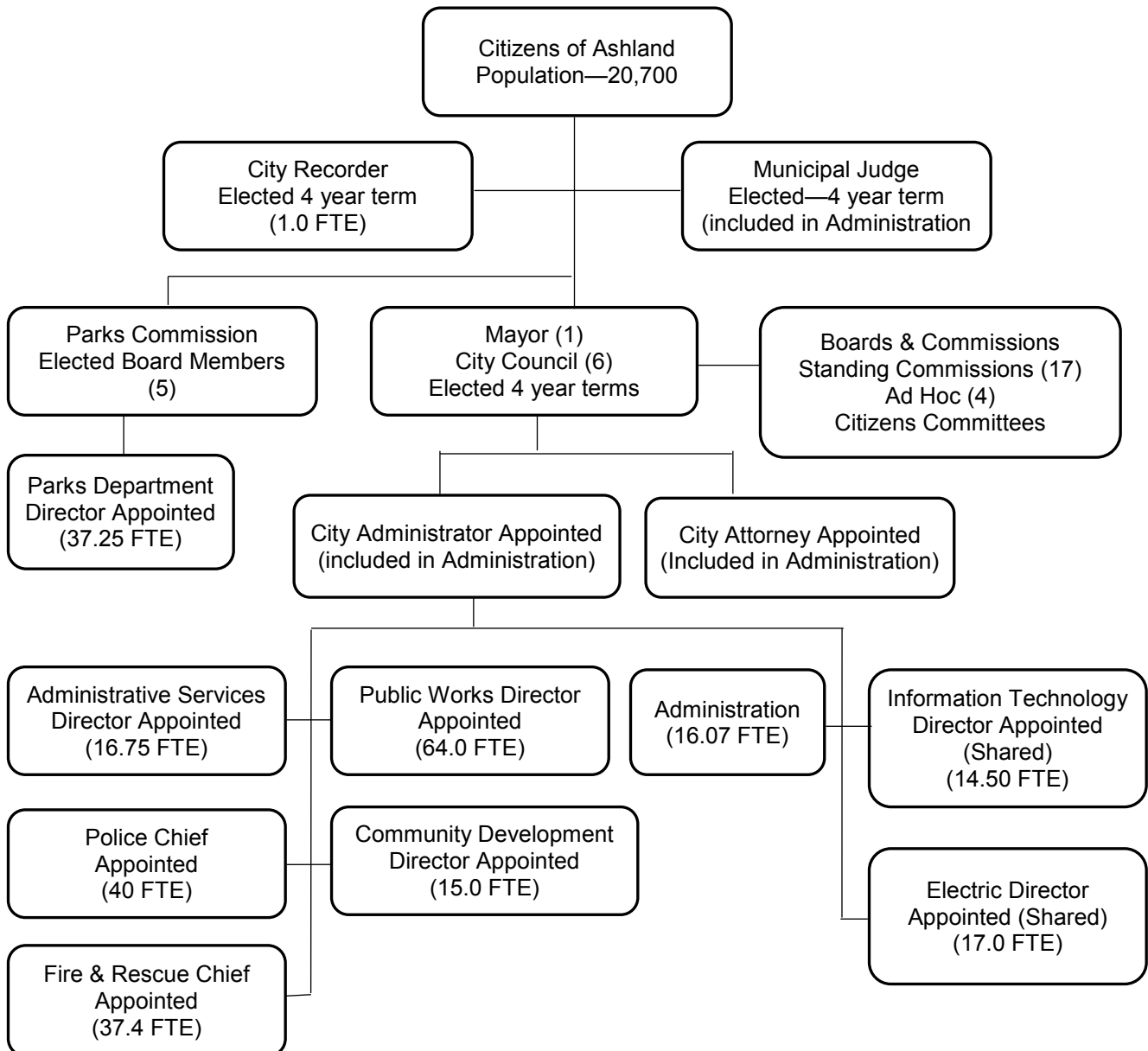
<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John Stromberg	Mayor	December 2020
Dennis Slattery	Council Member	December 2020
Michael Morris	Council Member	December 2018
Jackie Bachman <i>(Appointed in 2018)</i>	Council Member	December 2018
Stefani Seffinger	Council Member	December 2018
Rich Rosenthal	Council Member	December 2020
Stephen Jensen <i>(Appointed in 2018)</i>	Council Member	December 2018
Melissa Huhtala <i>(Appointed in 2017)</i>	Recorder Treasurer	December 2018
Pamela B. Turner	Municipal Judge	December 2018

**CITY OF ASHLAND
APPOINTED CITY OFFICIALS
as of June 30, 2018**

<u>Name</u>	<u>Position</u>
Kelly Madding	City Administrator
Adam Hanks	Assistant to the City Administrator
Mark Welch	Administrative Services/Finance Director
David H. Lohman	City Attorney
Paula Brown	Public Works Director
Vacant	Information Technology Director/Electric Director
William Molnar	Community Development Director
Tighe O'Meara	Police Chief
Michael D'Orazi	Fire Chief
Michael Black	Parks and Recreation Director

City of Ashland

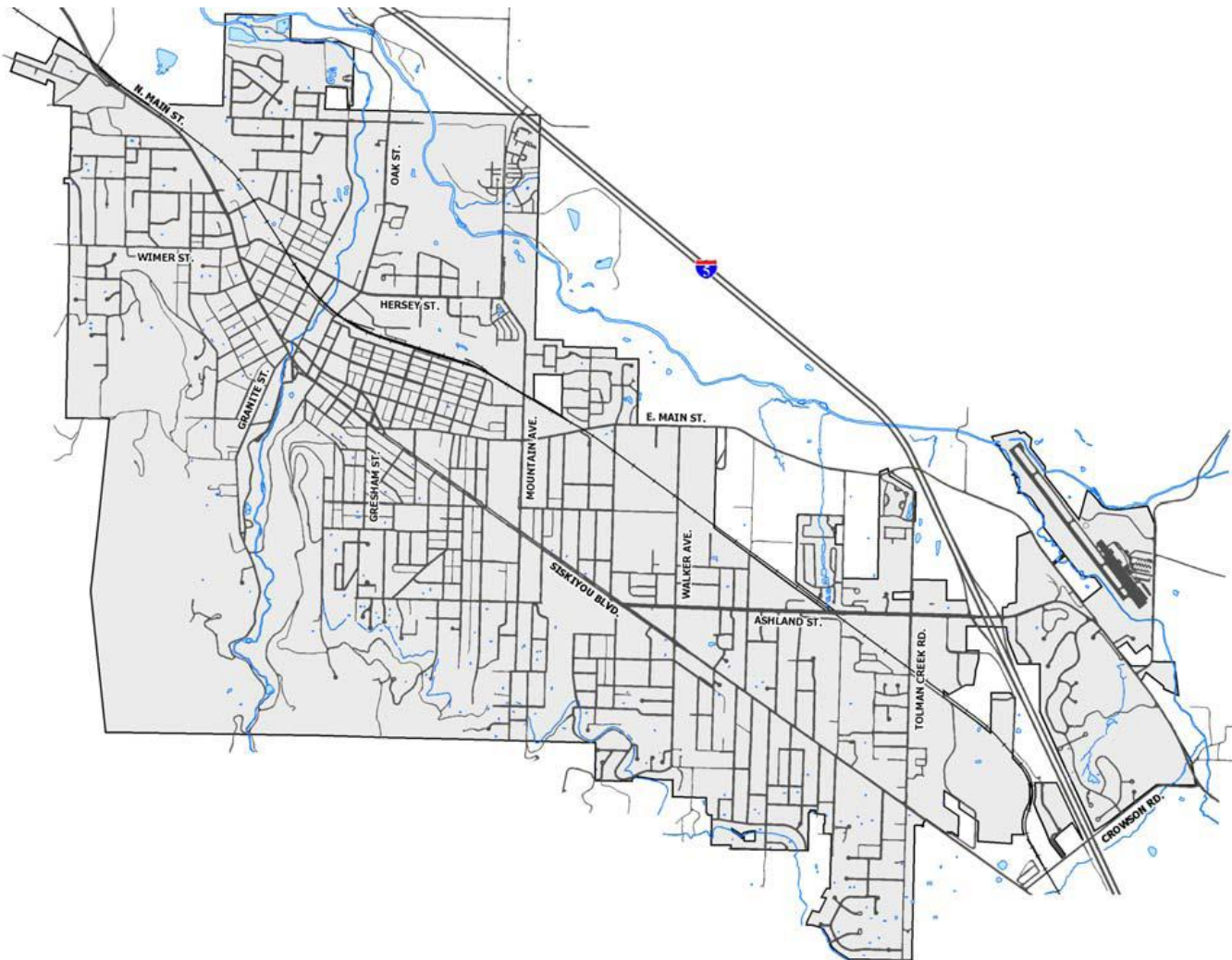
258.97 FTE



CITY OF ASHLAND



Vicinity Map 2018



FINANCIAL SECTION



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www.paulyrogersandcocpas.com

November 14, 2018

To the Mayor and City Council
City of Ashland

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Ashland Parks and Recreation District (a component unit) were not audited in accordance with Government Auditing Standards.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland, as of June 30, 2018, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City adopted the provisions of GASB 73 - *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, and GASB 77 - *Tax Abatements*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

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

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

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2018 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 14, 2018, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

MANAGEMENT DISCUSSION AND ANALYSIS

City of Ashland management offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018 for its residents. Certain information has been provided for the Ashland Parks and Recreation Commission (APRC) which qualifies as a blended component unit of the City.

Please read Management's Discussion and Analysis (MD&A) in conjunction with the transmittal letter included in the introductory section of this report and the City's Financial Statements which follow.

Overview of the Report

The City's annual financial report consists of several sections that together 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 Statements of Net Position, Statement of Activities, Fund Financial Statements and the Notes of 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.
- The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund Financial Statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds".
- The Notes to Basic Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.
- Required Supplementary Information contains budgetary comparison statements for the major governmental fund types, presented in a biennium format.

Supplementary Information

Readers desiring additional information can find it in the Supplementary Information section of this report. Components within this section include:

- Major Fund Budgetary Schedules
- Special Revenues Funds (non-major)
- Debt Service Funds (non-major)
- Capital Projects Fund (non-major)
- Enterprise Fund (non-major)
- Internal Service Funds
- Schedule of Receipts, Disbursements and Balances by Elected Officials.

Statistical Section

This section includes trend information and demographics.

Audit Comments and Disclosures Required by State Regulations

Supplemental communication on the City's compliance and internal controls as required by Oregon statutes and the Single Audit Act.

Financial Highlights

The City's annual financial report has remained fairly similar to the last annual financial report. This report does include the implementation of Governmental Accounting Standards Board (GASB) statement 75, which is the reporting for Other Post-Employment Benefits (OPEB). There is a change on Statement of Net Position (pg 36).

Net Position. The City's total net position is \$110,048,691 at June 30, 2018. Governmental activities' net position is down \$2.425 million while the Business-type activities are up by \$5.910 million between fiscal years. The total of \$110 million is up 3% from than the previous year.

Changes in Net Position. Overall the City's net position increased by 3.3%, mainly due to the total liabilities decreasing by 4.6%.

Table A
City of Ashland's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Current Assets:							
Cash and cash equivalents	\$ 20,136	\$ 21,109	\$ 19,379	\$ 15,126	\$ 39,515	\$ 36,235	9.1%
Receivables, net	4,151	3,956	3,985	3,359	8,136	7,315	11.2%
Inventories - supplies and materials	53	60	1,222	1,242	1,275	1,302	-2.1%
Deferred charges			-	69	-	69	-100.0%
Internal balances	(737)	(690)	737	690	-	-	n/a
Restricted assets:							
Cash and cash equivalents	968	954	-	-	968	954	1.5%
Total current assets:	24,571	25,389	25,323	20,486	49,894	45,875	8.8%
Non-current Assets:							
Capital assets							
Capital assets	135,768	130,704	122,275	117,518	258,043	248,222	4.0%
Less accumulated depreciation	(71,921)	(69,117)	(59,344)	(56,088)	(131,265)	(125,205)	4.8%
Total non-current assets	63,847	61,587	62,931	61,430	126,778	123,017	3.1%
Total assets	88,418	86,976	88,254	81,916	176,672	168,892	4.6%
Deferred Outflows of Resources:							
Deferred outflows - pensions GASB 68	9,090	14,873	2,240	3,926	11,330	18,799	-39.7%
Deferred outflows - pensions GASB 73	76	107	-	-	76	107	-29.0%
Deferred outflows - OPEB 75	265	-	-	-	265	-	n/a
Current Liabilities:							
Accounts payable and accrued liabilities							
Accounts payable and accrued liabilities	4,553	3,532	2,793	2,035	7,346	5,567	32.0%
Total current liabilities	4,553	3,532	2,793	2,035	7,346	5,567	32.0%
Long-term liabilities:							
Proportional Share of Net Pensions	24,038	27,571	5,749	7,278	29,787	34,849	-14.5%
OPEB Net Pension Obligations	2,246	1,361	683	496	2,929	1,857	57.7%
Medical Stipend	4,037	3,935	-	-	4,037	3,935	2.6%
Claims	17	17	-	-	17	17	0.0%
Long Term Debt	14,352	15,115	16,985	17,775	31,337	32,890	-4.7%
Total long-term liabilities	44,690	47,999	23,417	25,549	68,107	73,548	-7.7%
Total liabilities	49,243	51,531	26,210	27,584	75,453	79,115	-4.6%
Deferred Inflows of Resources:							
Deferred inflows - pensions GASB 68	1,951	1,380	481	365	2,432	1,745	39.4%
Deferred inflows - pensions GASB 73	264	374	-	-	264	374	-29.4%
Deferred inflows - OPEB GASB 75	145	-	-	-	145	-	n/a
Net Position:							
Invested in capital assets	49,494	46,472	45,946	43,655	95,440	90,127	5.9%
Restricted	5,022	5,083	3,548	3,448	8,570	8,531	0.5%
Unrestricted	(8,270)	(2,884)	14,309	10,790	6,039	7,906	-23.6%
Total net position	\$ 46,246	\$ 48,671	\$ 63,803	\$ 57,893	\$ 110,049	\$ 106,564	3.3%

Table B
Changes in City of Ashland's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Program revenues:							
Charges for services	\$ 5,117	\$ 6,684	\$ 33,037	\$ 30,255	\$ 38,154	\$ 36,939	3.3%
Operating grants and contributions	7,321	712	259	126	7,580	838	804.5%
General revenues:							
Property taxes	11,373	10,908	-	-	11,373	10,908	4.3%
Other taxes	9,031	8,574	1,628	2,006	10,659	10,580	0.7%
Interest	370	189	339	158	709	347	104.3%
Other	5,105	10,894	137	161	5,242	11,055	-52.6%
Total revenues	38,317	37,961	35,400	32,706	73,717	70,667	4.3%
Program expenses:							
General government	7,544	5,497	-	-	7,544	5,497	37.2%
Public safety	19,413	16,623	-	-	19,413	16,623	16.8%
Highways and streets	4,404	5,784	-	-	4,404	5,784	-23.9%
Parks and Recreation	6,260	6,957	-	-	6,260	6,957	-10.0%
Interest on long-term debt	658	263	-	-	658	263	150.2%
Water	-	-	6,172	6,309	6,172	6,309	-2.2%
Wastewater	-	-	6,426	6,551	6,426	6,551	-1.9%
Stormwater	-	-	243	-	243	-	N/A
Electric	-	-	15,878	15,325	15,878	15,325	3.6%
Telecommunications	-	-	1,837	2,158	1,837	2,158	-14.9%
Total expenses	38,279	35,124	30,556	30,343	68,835	65,467	5.1%
Increase (decrease) in net position before transfers and disposals	38	2,837	4,844	2,363	4,882	5,200	-6.1%
Interfund transfer	-	-	-	-	-	-	N/A
Increase (decrease) in net positions	38	2,837	4,844	2,363	4,882	5,200	-6.1%
Net position - Beginning	46,208	45,834	58,959	55,530	105,167	101,364	3.8%
Net position - Ending	\$ 46,246	\$ 48,671	\$ 63,803	\$ 57,893	\$ 110,049	\$ 106,564	3.3%

Financial Analysis

Governmental Funds. As of the end of the current year the City's governmental funds reported a combined ending fund balance of \$15,072,547, a reduction from the prior year of \$1,839,580, or 11%. This was primarily due to separating the Stormwater Division from the Street Fund, making its own enterprise fund. The amount moved into the new fund from the street fund was \$1,707,584.

The General Fund (pg 91) ended the year with revenues higher than expenditures. Revenues at the end of the first year of the Biennium ending at 49%, a total of \$26,426 million. Departments in this fund used 47% of budgeted appropriations. The expenditures are tracking to be slightly under budget. Also note that on a GAAP Basis the Reserve Fund must roll into the General Fund at this point.

The Street Fund (pg 92) ended the year with revenues higher than expenditures. This is mainly due to the change in allocation of the Food and Beverage Tax revenue and will continue to increase. The Street Fund will be utilizing these newly dedicated funds on repairing and replacing the aging transportation infrastructure based on the City's pavement inventory system. This new additional revenue source will be utilized in future years. The fund balance also includes \$2.3 million of Systems Development Charges that are restricted for the growth related portion of transportation system capital improve-

ments.

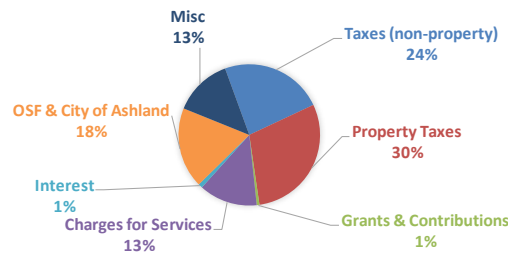
The Parks and Recreation Fund (pg 93) ended with a fund balance of \$788,309, more than double the prior fiscal year. This was largely due to positions being unfilled during portions of the biennium.

The Non-Major funds are comprised of seven funds. Two most significant changes to these funds is an addition of a new fund and a large transfer.

- The City established a Housing Fund. Based on City Council approval, this new fund is receiving the local marijuana tax with a cap of \$100,000 annually. The Housing Fund provides money for affordable housing in the community.
- A transfer from the Capital improvements fund to the City’s central service fund of \$1,200,000 was made this year with the intent to keep internal charges flat for the 2017-2019 Biennium.

The Reserve Fund was established by Resolution #2010-18. This fund must be rolled into the General Fund on a GAAP basis until a stabilization policy is adopted by Council. This year’s ending fund balance is \$37,524.

SOURCES OF REVENUE FOR PRIMARY GOVERNMENT



Business-type Funds. The City now has five enterprise funds. A new Stormwater fund was added this year to the business type. Stormwater was a division within the street fund prior to this fiscal year. The other funds are Water Fund, Wastewater Fund, Electric Fund and Telecommunications Fund.

The Water Fund (pg 107) ended the year with an approximately \$1.6 million excess of revenues over expenditures. This fund has begun the \$23 million dollar water treatment plant project. The annual transfer of \$250,000 a year to the General Fund is for Forest Interface Division operations.

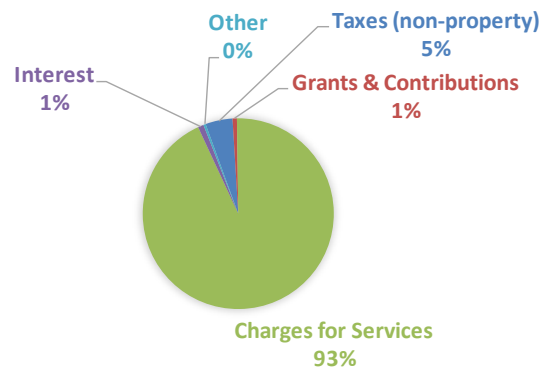
The Wastewater Fund (pg 108) ended the year with a negative change in fund balance. This was due to the purchase of land of \$1,200,000 for the primary use of wetlands for additional wastewater cooling to meet new regulatory standards.

The new Stormwater Fund (pg 109) ended the year with a \$1.769 million fund balance. This function in prior years was in the street fund. \$1,707,584 was moved from the Street Fund into the Stormwater Fund at the beginning of this fiscal year.

Shown on page 110, the Electric Fund ended the year with an excess of just \$442,192. This fund has very limited debt. Most of its infrastructure is covered on a cash basis.

The Telecommunications Fund (pg 111) ended in the positive with revenues exceeding expenditures. The fund balance has increased 39% from the prior fiscal year. The interfund loan was forgiven this year.

SOURCES OF REVENUE FOR BUSINESS-TYPE FUNDS



Internal Service Funds. The City has four internal service funds: Central Service, Insurance Services, Health Benefits and Equipment Funds.

The Central Service Fund ended with a positive ending fund balance of \$1.092 million. This was due to the transfer of \$1,200,000 from the Capital improvements fund.

The Insurance Service Fund ended the year with a negative net change, the result of higher expenses than revenues. This fund may continue to struggle with rising insurance costs in the coming years.

The Health Benefits Fund ended with a \$4,695 fund balance. The City made the substantial change from being self-insured at the end of this fiscal year. The City is moving back into the pooled insurance market.

The Equipment Fund continues to stay on track based on future equipment needs.

General Fund Budgetary Highlights. The City's final budget differs from the original budget in that it contains three supplemental appropriation approved and one transfer during the first fiscal year of the biennium.

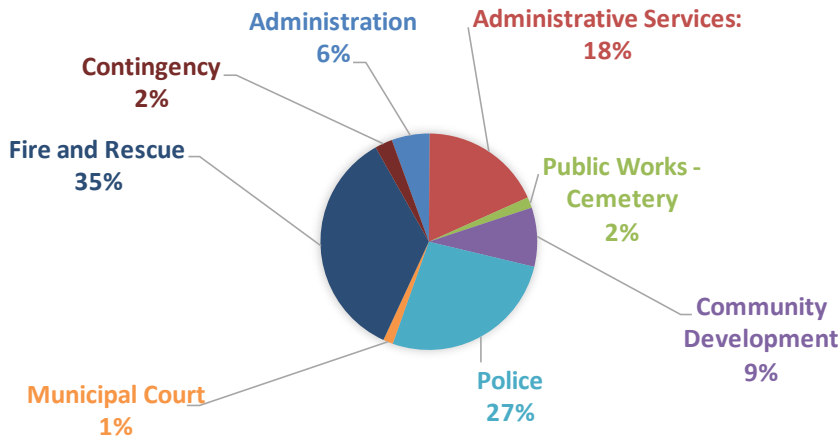
Below are authorized changes in the General Fund:

- Fire Department: Recognized grant money for four grants in total of \$2,420,277 for Ashland Forest Resiliency Program, Firewise, Fire Sprinklers and Title III Community Wildfire.
- Fire Department: Recognized reimbursements for three fires that City personnel was deployed for \$124,244, the Checto Bar, Sonoma and Eagle Creek fires.
- A Police department transfer of \$10,000 for training from restricted asset forfeiture.
- The City established a Housing Fund and transferred \$166,351 from the General Fund that had been committed through the budget process for affordable housing activities in the Community Development Department.

The general fund ended the first year of the Biennium budget with revenues exceeding expenditures by \$104,833. This was mainly due to departments underspending their appropriation levels with vacant

positions being the major savings.

DEPARTMENTS UNSPENT BALANCES IN THE GENERAL FUND



Capital Assets and Debt Administration

- Capital Assets.** As of June 30, 2018, the City had \$123 million in capital assets. In the Governmental Activities, the most notable increase is land. The City purchased the property known as Briscoe school for \$2,040,000. In the Business-type Activities, the greatest increase was in land. The wastewater fund purchased the property abutting (north) the wastewater treatment facilities. This is primarily for the use of wetlands for wastewater cooling.

Table C
City of Ashland's Capital Assets
(in thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Land	\$ 14,338	\$ 12,827	\$ 3,107	\$ 1,907	\$ 17,445	\$ 14,734	18.4%
Buildings and improvements	43,263	39,840	22,100	22,100	65,363	61,940	5.5%
Equipment	19,548	18,902	1,381	1,373	20,929	20,275	3.2%
Infrastructure	56,217	56,009	92,440	90,215	148,657	146,224	1.7%
Construction in progress	2,401	3,126	3,247	1,923	5,648	5,049	11.9%
Totals at historical cost	135,767	130,704	122,275	117,518	258,042	248,222	4.0%
Total accumulated depreciation	71,921	65,662	59,344	53,728	131,265	119,390	9.9%
Net capital assets	\$ 63,846	\$ 65,042	\$ 62,931	\$ 63,790	\$ 126,777	\$ 128,832	-1.6%

- Debt Administration.** At end of year, the City had \$31.3 million in debt outstanding. The City did incur new debts of \$3.012 million. These three new debts are:
 - The Debt Service incurred \$2,040,000 for Briscoe school. There is no interest charged on this note with the Ashland School District.
 - The Water Fund incurred \$732,215 from the State of Oregon for the Terrace Street pump station project, the new water treatment plant and the TID canal.

2018 Financial Section

- The Wastewater fund drew down \$239,627 for the riparian restoration and outfall relocation project on Ashland and Bear Creeks.

All other changes to debt were payments reducing the principal outstanding. For more specific data please refer to the notes sections of Capital Assets (section C, starting on page 60 and Long-Term Debt (section E, starting on page 61).

Table D
City of Ashland's General Obligation Long Term Debt
(in thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Bonds payable	\$ 11,760	\$ 13,395	\$ 9,429	\$ 11,078	\$ 21,189	\$ 24,473	-13.42%
Notes payable	2,592	1,105	7,556	6,697	10,148	7,802	30.07%
Total bonds and notes	<u>\$ 14,352</u>	<u>\$ 14,500</u>	<u>\$ 16,985</u>	<u>\$ 17,775</u>	<u>\$ 31,337</u>	<u>\$ 32,275</u>	-2.91%

- Debt limitation.** Oregon Revised Statutes provide a limit on non-self-supporting general obligation debt of 3 percent of the real market value of all taxable property within the City's boundaries. Based on the City's FY 2016-17 real market value, this debt limitation is \$111,669,185. The amount of outstanding City debt subject to this limitation is \$14,499,821.

Economic Factors and Next Year's Budget and Rates

- The City of Ashland has adopted its third Biennium budget for 2017-2019 budget of \$286,063,664 for total appropriations.
- Property Taxes.** This is the single largest source of revenue in the General Fund. This budget includes an increase to the levy of the city's permanent tax rate by \$.045. The maximum the city is permitted to levy is approximately \$4.29 per \$1,000 of assessed valuation. This budget levies \$4.2422 per \$1,000, with the entire levy going into the General Fund. Operating property taxes, excluding prior year tax collections, are projected to increase by 3.5% in each year of the biennium.
- Challenges**
Public Employees Retirement System (PERS) is a state issue surrounding public employee pension liabilities that has created a substantial financial challenge. The City of Ashland had an increase of 27% to the blended rate in this budget. PERS has also indicated that these high rate increases will continue into the next several biennia.

Financial Contact:

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Administrative Services Department at:

20 East Main, Ashland, Oregon, 97520 or (541) 488-5300.



BASIC FINANCIAL STATEMENTS

2018 Basic Financial Statements

CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 20,136,422	\$ 19,379,122	\$ 39,515,544
Receivables (net of allowance for uncollectible)	4,150,698	3,985,006	8,135,704
Inventories	53,407	1,221,952	1,275,359
Startup costs	-	-	-
Internal balances	(736,580)	736,580	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	967,771	-	967,771
Capital assets:			
Land	14,338,439	3,106,925	17,445,364
Buildings	43,262,695	22,099,664	65,362,359
Machinery and equipment	19,548,134	1,380,879	20,929,013
Infrastructure	56,217,158	92,440,126	148,657,284
Construction in progress	2,401,188	3,247,176	5,648,364
Accumulated depreciation	(71,921,238)	(59,343,884)	(131,265,122)
Total assets	88,418,094	88,253,546	176,671,640
Deferred Outflows of Resources:			
Deferred outflows - pensions GASB 68	9,089,887	2,239,511	11,329,398
Deferred outflows - pensions GASB 73	75,818	-	75,818
Deferred outflows - OPEB GASB 75	264,798	-	264,798
Total Deferred Outflows	9,430,503	2,239,511	11,670,014
Liabilities:			
Accounts payable and other current liabilities	4,460,515	2,653,909	7,114,424
Accrued interest payable	91,799	138,929	230,728
Non-current liabilities:			
Proportional Share of net pension liability	24,037,793	5,749,118	29,786,911
OPEB Net Pension Obligations	2,246,442	682,799	2,929,241
Medical Stipend	4,037,004	-	4,037,004
Claims and judgment - Due within one year	17,247	-	17,247
Bonds - Due within one year	1,835,936	1,937,997	3,773,933
Bonds - Due in more than one year	12,516,000	15,047,046	27,563,046
Total liabilities	49,242,736	26,209,798	75,452,533
Deferred Inflows of Resources:			
Deferred inflows - pensions GASB 68	1,950,665	480,593	2,431,258
Deferred inflows - pensions GASB 73	264,478	-	264,478
Deferred inflows - OPEB GASB 75	144,694	-	144,694
Total Deferred Inflows	2,359,837	480,593	2,840,430
Net Position:			
Net investment in capital assets	49,494,440	45,945,843	95,440,283
Restricted for:			
Asset forfeiture	23,972	-	23,972
Transient Occupancy Tax - tourism	425,141	-	425,141
System development	2,540,792	3,548,337	6,089,129
The Community Development Block Grant restriction	33,804	-	33,804
Perpetual care: non-expendable	970,304	-	970,304
Debt service	1,027,297	-	1,027,297
Unrestricted	(8,269,726)	14,308,486	6,038,760
Total Net Position	\$ 46,246,025	\$ 63,802,666	\$ 110,048,691

The accompanying notes are an integral part of the basic financial statements.

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**CITY OF ASHLAND, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 7,543,912	\$ 391,169	\$ 129,380	\$ -
Public safety	19,412,731	1,606,504	104,913	-
Highways and streets	4,404,007	2,023,624	-	-
Parks and recreation	6,260,320	1,096,063	7,086,738	-
Interest on long-term debt	657,711	-	-	-
Total governmental activities	38,278,681	5,117,360	7,321,031	-
Business-type Activities:				
Water	6,171,718	8,109,860	-	-
Wastewater	6,426,130	6,025,937	-	-
Stormwater	243,016	731,273	-	-
Electric	15,878,525	15,917,213	259,094	-
Telecommunications	1,837,333	2,252,527	-	-
Total business-type activities	30,556,723	33,036,809	259,094	-
Total primary government	\$ 68,835,404	\$ 38,154,169	\$ 7,580,125	\$ -

General Revenues:

- Property taxes
- Utility users tax
- Users taxes
- Unrestricted interest earnings
- Miscellaneous

Total general revenues and transfers

Change in net position

Net position - beginning, restated

Net position - ending

CITY OF ASHLAND, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018 (continued)

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (7,023,363)	\$ -	\$ (7,023,363)
(17,701,314)	-	(17,701,314)
(2,380,383)	-	(2,380,383)
1,922,481	-	1,922,481
(657,711)	-	(657,711)
<u>(25,840,290)</u>	<u>-</u>	<u>(25,840,290)</u>
-	1,938,141	1,938,141
-	(400,193)	(400,193)
-	488,257	488,257
-	297,781	297,781
-	415,194	415,194
-	<u>2,739,181</u>	<u>2,739,181</u>
<u>\$ (25,840,290)</u>	<u>\$ 2,739,181</u>	<u>\$ (23,101,110)</u>
11,373,320	-	11,373,320
5,179,602	-	5,179,602
3,851,111	1,628,413	5,479,524
369,819	338,990	708,809
<u>5,104,961</u>	<u>137,001</u>	<u>5,241,962</u>
<u>25,878,813</u>	<u>2,104,404</u>	<u>27,983,217</u>
38,523	4,843,585	4,882,108
46,207,502	58,959,081	105,166,583
<u>\$ 46,246,025</u>	<u>\$ 63,802,666</u>	<u>\$ 110,048,691</u>

The accompanying notes are an integral part of the basic financial statements

2018 Basic Financial Statements

**CITY OF ASHLAND, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	<u>General</u>	<u>Street</u>	<u>Parks</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 4,022,209	\$ 4,869,886	\$ 1,003,981	\$ 3,602,484	\$ 13,498,560
Receivables (net of allowance for uncollectible)	3,176,913	279,461	33,620	355,096	3,845,089
Cash - restricted	-	-	-	967,771	967,771
Total assets	<u>7,199,122</u>	<u>5,149,347</u>	<u>1,037,601</u>	<u>4,925,351</u>	<u>18,311,421</u>
Liabilities:					
Accounts payable	1,302,145	198,067	249,292	181,265	1,930,769
Unearned revenue	397,327	-	-	124,986	522,313
Total liabilities	<u>1,699,472</u>	<u>198,067</u>	<u>249,292</u>	<u>306,251</u>	<u>2,453,082</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	669,618	-	-	-	669,618
Unavailable revenue - special assessments	-	116,174	-	-	116,174
Total Deferred Inflows of Resources	<u>669,618</u>	<u>116,174</u>	<u>-</u>	<u>-</u>	<u>785,792</u>
Fund Balances:					
Restricted for:					
Asset forfeiture	23,972	-	-	-	23,972
Transient Occupancy Tax - tourism	425,141	-	-	-	425,141
System development charges	-	2,511,605	-	29,187	2,540,792
Community Development Block Grant	-	-	-	33,804	33,804
Perpetual care	-	-	-	970,304	970,304
Debt commitment	-	-	-	1,027,297	1,027,297
Committed for:					
General fund	412,239	-	-	-	412,239
Housing Fund	-	-	-	263,903	263,903
Special revenue funds	-	2,323,501	-	202,017	2,525,518
Parks activities	-	-	788,308	981,826	1,770,134
Capital projects funds	-	-	-	1,110,763	1,110,763
Unassigned	3,968,680	-	-	-	3,968,680
Total fund balances	<u>4,830,032</u>	<u>4,835,106</u>	<u>788,308</u>	<u>4,619,101</u>	<u>15,072,547</u>
Total liabilities and fund balances	<u>\$ 7,199,122</u>	<u>\$ 5,149,347</u>	<u>\$ 1,037,600</u>	<u>\$ 4,925,351</u>	<u>\$ 18,311,421</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF ASHLAND, OREGON
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2018

Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

Fund Balances	\$ 15,072,547
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The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole.

Net capital assets	60,392,519
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Long-term liabilities	(14,351,936)
Accrued interest on liabilities	(91,799)

The net pension assets (liability), and deferred inflows and outflows related to the Net Pension Asset is the difference between the total pension liability and the assets set aside to pay benefits earned to the past and current employees and beneficiaries.

	(12,192,972)
--	--------------

Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.

Other Post Employment Benefits implicit liability	(1,556,486)
Accrued vacation and sick leave	(949,248)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred revenue	1,308,104
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Internal Service Funds are used by the City to account for the fleet operations, support services, and administrative and insurance services that are provided to the other departments and agencies on a cost reimbursement basis. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

Internal Service Fund net position	<u>(1,384,706)</u>
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Total net position	<u><u>\$ 46,246,025</u></u>
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The accompanying notes are an integral part of the basic financial statements.

2018 Basic Financial Statements

**CITY OF ASHLAND, OREGON
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018**

	General Fund	Street Fund	Parks Fund	Other Governmental Funds	Total Primary Government
Revenues:					
Taxes	\$ 21,207,587	\$ 767,191	\$ -	\$ 1,345,519	\$ 23,320,298
Fees, licenses and permits	838,832	-	-	-	838,832
Intergovernmental	2,057,644	1,311,390	750	309,863	3,679,646
Charges for services	1,622,468	1,698,770	6,305,563	2,357,965	11,984,766
System development charges	-	-	-	78,232	78,232
Assessments	-	17,535	-	-	17,535
Fines and forfeitures	545,835	-	-	-	545,835
Interest on investments	101,616	74,835	12,773	68,069	257,293
Miscellaneous	61,739	232,484	45,012	723,109	1,062,344
Total revenues	<u>26,435,721</u>	<u>4,102,204</u>	<u>6,364,098</u>	<u>4,882,758</u>	<u>41,784,781</u>
Expenditures:					
General government	9,310,434	-	-	2,067,474	11,377,907
Public safety	17,005,350	-	-	-	17,005,350
Highways and streets	-	2,577,597	-	-	2,577,597
Parks and Recreation	-	-	5,741,266	562,355	6,303,621
Debt service	-	-	-	1,910,697	1,910,697
Capital outlay	-	645,353	305,710	-	951,063
Total expenditures	<u>26,315,783</u>	<u>3,222,950</u>	<u>6,046,976</u>	<u>4,540,526</u>	<u>40,126,235</u>
Excess (Deficiency) of revenues over (under) expenditures	119,937	879,254	317,122	342,233	1,658,547
Other financing sources (uses)					
Transfers in	266,103	-	85,000	271,851	622,954
Transfers out	(271,851)	-	-	(1,301,103)	(1,572,954)
Interfund Loan Forgiveness	(840,544)	-	-	-	(840,544)
Total other financing sources (uses)	<u>(846,292)</u>	<u>-</u>	<u>85,000</u>	<u>(1,029,252)</u>	<u>(1,790,544)</u>
Net change in fund balance	(726,355)	879,254	402,122	(687,019)	(131,998)
Fund balance, July 1, 2017	<u>5,556,387</u>	<u>3,955,852</u>	<u>386,186</u>	<u>5,306,120</u>	<u>15,204,545</u>
Fund balance, June 30, 2018	<u>\$ 4,830,032</u>	<u>\$ 4,835,106</u>	<u>\$ 788,308</u>	<u>\$ 4,619,101</u>	<u>\$ 15,072,547</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF ASHLAND, OREGON
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
For the year ended June 30, 2018

Explanation of certain differences between the Net Changes in Fund Balance and the Government-wide Statement of Activities.

Changes in net fund balance	\$	(131,998)
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Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures capitalized		5,269,130
Depreciation expense		(3,038,184)

The Pension Expense and the changes in the deferred inflows and outflows related to the Net Pension Assets represents the changes in the Net Pension Assets (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.

(1,884,048)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transitions that are not normally paid with expendable available financial resources. However, in the Statement of Activities (which is presented on the accrual basis of accounting) expenses and liabilities are reported, regardless of when financial resources are available. This adjustment combines the net changes in liability balances.

General obligation bonds and notes payable		147,886
Compensated absences		(112,905)
Other Post Employment Benefits implicit liability		(545,590)
Accrued interest		17,626

Revenues in the Statement of Activities that do not provide current financial recourses are not reported as revenues in the governmental funds.

Property taxes		25,937
Special assessments		(16,412)
Other		(214,829)

Internal Service Funds are used by the City to account for the fleet operations and support/administrative/insurance services that are provided to other departments and agencies on a cost reimbursement basis. The revenues and expenses of the internal service funds are included in governmental activities in the Statement of Activities.

Internal Service Fund change in net position		521,909
Change in net position	\$	38,523

The accompanying notes are an integral part of the basic financial statements.

2018 Basic Financial Statements

STATEMENT OF NET POSITION PROPRIETARY FUNDS June 30, 2018

	Water Fund	Wastewater Fund	Stormwater Fund	Electric Fund	Tele- communications Fund	Total	Governmental Activities Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 8,604,095	\$ 6,421,847	\$ 1,760,868	\$ 2,074,971	\$ 517,342	\$ 19,379,122	\$ 6,637,862
Interest and accounts receivable, net	888,304	1,425,251	52,020	1,167,574	350,522	3,883,671	277,542
Notes and contracts receivable	-	-	-	101,335	-	101,335	28,066
Interfund receivable	-	-	-	-	-	-	-
Inventories	431,640	13,337	-	775,313	1,661	1,221,952	53,407
Total current assets	9,924,038	7,860,435	1,812,888	4,119,193	869,526	24,586,080	6,996,878
Non Current Capital assets:							
Accumulated depreciation	40,894,659	54,776,655	1,510,886	15,360,271	9,732,299	122,274,770	14,415,013
Capital assets, net	(19,114,122)	(21,404,857)	(750,595)	(8,908,215)	(9,166,095)	(59,343,884)	(10,961,157)
Non-current assets:	21,780,537	33,371,798	760,290	6,452,056	566,204	62,930,886	3,453,855
Total assets	31,704,576	41,232,233	2,573,178	10,571,249	1,435,730	87,516,966	10,450,733
Deferred Outflows of Resources:							
Deferred Outflows	644,155	485,263	122,389	730,042	257,662	2,239,511	2,716,854
LIABILITIES, DEFERRED INFLOWS AND NET POSITION							
Current liabilities:							
Accounts payable	442,946	190,464	36,197	1,192,704	21,833	1,884,143	545,544
Accrued salaries, vacation and payroll taxes	134,877	105,440	17,957	188,155	31,230	477,659	390,133
Accrued interest payable	18,724	119,606	555	45	-	138,929	-
Interfund payable	-	-	-	-	-	-	-
Other liabilities	-	-	-	292,108	-	292,108	862,145
Notes/bonds payable, current portion	479,713	1,426,570	10,000	21,714	-	1,937,997	-
Total current liabilities	1,076,259	1,842,079	64,709	1,694,725	53,064	4,730,836	1,797,822
Long-term liabilities:							
OPEB Liabilities	211,754	141,957	10,183	241,069	77,835	682,799	689,956
Proportionate Share of Net Pension Liability	1,653,629	1,245,734	314,190	1,874,113	661,452	5,749,118	6,779,880
Accrued claims	-	-	-	-	-	-	3,716,818
Revenue bonds payable, net	5,304,288	2,070,315	-	65,143	-	7,439,746	-
General obligation bonds payable, net	2,617,110	4,895,190	95,000	-	-	7,607,300	-
Total long-term liabilities	9,786,781	8,353,196	419,373	2,180,325	739,287	21,478,963	11,186,654
Total liabilities	10,863,040	10,195,275	484,082	3,875,051	792,351	26,209,799	12,984,477
Deferred Inflows of Resources:							
Deferred inflows - pensions	138,234	104,136	26,264	156,665	55,294	480,593	831,237
Net Position:							
Net Position (deficit):							
Net Investment in capital assets	13,379,426	24,979,723	655,290	6,365,199	566,204	45,945,843	3,453,855
Restricted for system development	1,708,714	1,839,623	-	-	-	3,548,337	-
Restricted for debt service	-	-	-	-	-	-	-
Unrestricted	6,259,317	4,598,739	1,529,931	904,376	279,543	13,571,905	(4,101,982)
Total Net Position	21,347,457	31,418,085	2,185,221	7,269,575	845,747	63,066,085	(648,126)
Total liabilities, Deferred Inflows and Net Position	\$ 32,348,731	\$ 41,717,496	\$ 2,695,567	\$ 11,301,291	\$ 1,693,392	\$ 89,756,477	\$ 13,167,587
Total Net Position						\$ 63,066,085	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						736,580	
Net Position of business-type activities						<u>\$ 63,802,665</u>	

The accompanying notes are an integral part of the basic financial statements.

2018 Basic Financial Statements

**CITY OF ASHLAND, OREGON
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended June 30, 2018**

	Water Fund	Wastewater Fund	Stormwater Fund	Electric Fund	Tele- communications Fund	Total	Governmental Activities Internal Service Funds
Operating revenues:							
Charges for services	\$ 8,109,860	\$ 6,025,937	\$ 731,273	\$ 15,917,213	\$ 2,252,527	\$ 33,036,809	\$ 15,595,647
Miscellaneous	40,443	-	-	95,614	945	137,001	508,507
Total operating revenues	8,150,302	6,025,937	731,273	16,012,827	2,253,472	33,173,811	16,104,154
Operating expenses:							
Cost of sales and services	3,514,016	4,093,212	(520,077)	14,023,629	1,769,903	22,880,683	16,379,126
Depreciation and amortization	895,758	1,257,533	750,595	281,140	70,680	3,255,707	516,155
Total operating expenses	4,409,774	5,350,744	230,519	14,304,769	1,840,583	26,136,389	16,895,281
Operating income (loss)	3,740,528	675,192	500,754	1,708,058	412,888	7,037,421	(791,127)
Non-operating income (expenses):							
Taxes	-	1,628,413	-	-	-	1,628,413	60,648
Intergovernmental	-	-	-	259,094	-	259,094	-
Interest income	139,858	138,547	24,834	27,709	8,042	338,990	98,545
Tax equivalents	(639,429)	(474,910)	-	(1,597,808)	-	(2,712,147)	-
Interest expense	(880,303)	(609,925)	(12,904)	(1,211)	-	(1,504,343)	-
Total non-operating income (expenses)	(1,379,874)	682,125	11,930	(1,312,216)	8,042	(2,239,993)	159,193
Non-operating income (expenses):							
Transfer Out	(250,000)	-	-	-	-	(250,000)	1,200,000
Total non-operating income (expenses)	(250,000)	-	-	-	-	(250,000)	1,200,000
Change in net position	2,110,655	1,357,317	512,684	395,842	420,930	4,797,428	568,066
Total Net Position - beginning, restated	19,236,802	30,060,768	1,672,537	6,873,733	424,817	58,268,657	(1,216,192)
Total Net Position - ending	\$ 21,347,457	\$ 31,418,085	\$ 2,185,221	\$ 7,269,575	\$ 845,747	\$ 63,066,085	\$ (648,126)
Change in Net Position						\$ 4,797,428	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						46,157	
Change in Net Position of business-type activities - Statement of Activities						<u>\$ 4,843,585</u>	

The accompanying notes are an integral part of the basic financial statements.

2018 Basic Financial Statements

CITY OF ASHLAND, OREGON STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the year ended June 30, 2018

	Business-type Activities - Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Water	Wastewater	Stormwater	Electric	Tele-		
	Fund	Fund	Fund	Fund	communications Fund		
Cash flows from operating activities:							
Receipts from customers and users	\$ 8,085,979	\$ 5,727,828	\$ 679,253	\$ 15,993,317	\$ 2,162,273	\$ 32,648,650	\$ 15,955,502
Payments to suppliers	(1,419,450)	(2,339,088)	1,096,313	(10,770,877)	(918,055)	(14,351,157)	(8,922,390)
Payments to employees	(2,150,268)	(1,511,681)	(328,326)	(2,890,192)	(769,728)	(7,650,195)	(7,460,282)
Net cash from operating activities	4,516,261	1,877,059	1,447,240	2,332,248	474,490	10,647,298	(427,170)
Cash flows from noncapital financing activities:							
Taxes collected	-	1,628,413	-	-	-	1,628,413	60,648
Transfers Out	(250,000)	-	-	-	-	(250,000)	-
Interfund Loan forgiveness	-	-	-	-	(315,544)	(315,544)	1,200,000
Intergovernmental	-	-	-	259,094	-	259,094	-
Net cash from noncapital financing activities	(250,000)	1,628,413	-	259,094	(315,544)	1,321,963	1,260,648
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(1,428,852)	(1,795,621)	-	(8,287)	(13,010)	(3,245,770)	(543,814)
Proceeds from issuance of debt	732,215	-	-	-	-	732,215	-
Principal paid on bonds, contracts and notes	(464,165)	(1,140,913)	(10,000)	(21,715)	-	(1,636,793)	-
Interest paid on debt	(880,301)	(609,925)	(12,904)	(1,211)	-	(1,504,341)	-
Tax equivalents	(639,429)	(474,910)	-	(1,597,808)	-	(2,712,147)	-
Net cash from capital and related financing activities	(2,680,532)	(4,021,369)	(22,904)	(1,629,021)	(13,010)	(8,366,836)	(543,814)
Cash flows from investing activities:							
Interest from investments and other income	139,858	138,547	24,836	27,710	8,042	338,995	98,544
Net increase (decrease) in cash and investments	1,725,587	(377,350)	1,449,172	990,031	153,978	3,941,418	388,208
Cash and investments, beginning of year	6,878,507	6,799,197	311,696	1,084,940	363,364	15,437,704	6,249,654
Cash and investments, end of year	8,604,094	6,421,847	1,760,868	2,074,971	517,342	19,379,122	6,637,862
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	3,740,528	675,192	500,754	1,708,058	412,888	7,037,421	(791,127)
Depreciation and amortization	895,758	1,257,533	750,595	281,140	70,680	3,255,707	516,155
Change in assets and liabilities:							
(Increase) decrease in:							
Receivables	(64,323)	(298,109)	(52,020)	(19,510)	(91,199)	(525,161)	(148,652)
Net Pension Assets	(56,749)	145,750	193,202	(28,473)	60,717	314,447	792,257
Inventories	(62,845)	(4,817)	-	(14,605)	839	(81,428)	6,850
Start up costs	-	-	-	-	68,734	68,734	-
Increase (decrease) in:							
Accounts payable and accrued liabilities	213,728	128,159	36,196	549,939	9,742	937,764	168,165
Other liabilities	(149,836)	(26,649)	18,512	(144,301)	(57,912)	(360,186)	(970,817)
Net cash from operating activities	\$ 4,516,261	\$ 1,877,059	\$ 1,447,240	\$ 2,332,248	\$ 474,490	\$ 10,647,298	\$ (427,170)

The accompanying notes are an integral part of the basic financial statements.



**NOTES TO BASIC
FINANCIAL STATEMENTS**

CITY OF ASHLAND, JACKSON COUNTY, OREGON
Notes to Basic Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Ashland, Oregon (the City) is a municipal corporation, governed by an elected mayor and a six-member council. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations.

BLENDED COMPONENT UNIT

The Parks and Recreation Commission (the Commission) was created by vote of qualified electors of the City of Ashland at a special election on December 15, 1908. By City Charter, the Commission has control over all park designated lands within the City. By City Charter, the Commission may not own any park lands within the City, but has responsibility for maintenance of parks and certain other facilities. The members of the Commission's governing board are elected by the voters. However, the Commission is fiscally dependent upon the City because, by state law and City Charter, the Commission budget and tax levy must be included as part of the City's. The City must also approve any debt issuance. Additionally, the City has ultimate financial responsibility for the Commission. The Commission is presented as a governmental fund type. Due to the funding change at the end of the year for 2015, the financial statements are now reported as a blended component unit.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

GOVERNMENTAL ACCOUNTING STANDARDS BOARDS STATEMENT NO. 34 (GASB 34)

The presentation of financial information required by GASB 34 for Basic Financial Statements and Supplementary Information are described below and in the Management's Discussion and Analysis located earlier in this document. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Changes in Net Position) report information on the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are reported when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

2018 Notes To Basic Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The budgetary basis of accounting is the same as Generally Accepted Accounting Principles (GAAP). Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are accruable and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Street Fund accounts for the resources and operating expenditures related to the maintenance, operation and construction of the City's streets and storm water collection infrastructure. While a substantial portion of revenues come from user fees, the primary source is state-shared highway funds.
- The Parks Fund accounts for the resources and operating expenditures related to the Parks operations, recreation and the golf course. The parks fund is the general fund for the Ashland Parks and Recreation Commission (APRC). The APRC receives the majority of its funding directly from the City of Ashland, due to the funding change it is now a blended component unit.

The City reports the following major proprietary funds:

- The Water Fund accounts for the resources and expenses related to supply, treatment and distribution of water throughout the City. The primary source of revenue is user fees.
- The Wastewater Fund accounts for the resources and expenses related to collection and treatment of wastewater throughout the City. The primary source of revenue is user fees.
- The Stormwater Fund accounts for the resources and expenses related to collection and treatment of stormwater throughout the City. The primary source of revenue is user fees.
- The Electric Fund accounts for the resources and expenses related to distribution of electricity throughout the City. The primary source of revenue is user fees.
- The Telecommunications Fund accounts for the resources and expenses related to broadband and high-speed data transmission services throughout the City. The primary source of revenue is user fees.

Additionally, the City reports the following fund types:

- Internal Service Funds account for general and public works administration, finance, information services, and fleet management services primarily provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges between the City's various utility funds and the other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

2018 Notes To Basic Financial Statements

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 non-operating items. Operating revenues and expenses result from providing, producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The enterprise and internal service funds are charges to customers for sales and services.

Where applicable, enterprises also recognize the portion of System Development Charges intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for enterprise 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources to the limits of the policies and statutes governing them first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY

1. CASH AND INVESTMENTS

The City's cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and the State Treasurer's Investment Pool.

Investments for the City, as well as for its component unit, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of pool shares.

2. RESTRICTED CASH

All cash in the debt service fund is restricted for debt payment. The balances of the restricted assets accounts in the governmental and business-type are as follows:

	General Government
Restricted Cash:	
Debt service for GO Debt	\$ 967,771
	<u>\$ 967,771</u>

3. RECEIVABLES AND PAYABLES

Activity between funds that are representative of lending and borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not expendable available financial resources.

All trade and property taxes receivable are shown at net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectible.

Property taxes are levied as of July 1 on property assessed as of the same date. The tax levy is due November 15, with an optional payment method of 1/3 due November 15, 1/3 due January 15, and 1/3 due March 15. Taxes paid in full November 15 are provided a 3 percent discount. The billings are considered delinquent after the appropriate due date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Notes and contracts receivable are recorded at par. Interest assessed is recorded as revenue when the payment becomes due.

4. INVENTORIES AND PREPAID ITEMS

All inventories are stated at moving average cost. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

5. RESTRICTED ASSETS

Certain proceeds of the water enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts (not in the City's control) and their use is limited by applicable bond covenants. The "cash in transit" and "cash with escrow agent" are used to segregate resources for provision of current and non-current debt service obligations.

6. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure (e.g. streets, roads, bridges, sidewalks and similar public domain items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined in the City's capitalization policy (dated 2010) as having a historic cost or market value in excess of \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated assets are valued at their estimated fair market value at the date of the donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as a part of the capitalized value of the asset constructed. No interest was capitalized in the current accounting period.

The City of Ashland amended the capitalization policy to meet Governmental Accounting Standards Board Statement (GASBS) No. 51 requirements. GASBS 51 relates to recognizing intangible assets. The pronouncement defines intangible assets as easements, water rights, timber rights, patents, trademarks and computer software.

The policy update states that any asset that is internally developed will be capitalized if the actual or estimated cost is \$25,000 or more. The useful life of the assets will be determined by the developing department, the Administrative Services Department and the City Administrator.

Property, plant and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives of the related assets:

2018 Notes To Basic Financial Statements

Buildings and improvements	33 to 50 years
Electric power generation and distribution systems	40 to 70 years
Water, wastewater and storm water systems	15 to 50 years
Public domain infrastructure	15 to 25 years
Equipment	2 to 20 years

7. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Since the City does not have a policy to pay any amounts when employees separate from service with the City, there is no liability for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, or are taken and paid from current resources.

8. LONG-TERM OBLIGATIONS

In the government-wide financial statements 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 bond using the effective interest method. Bonds payable are reported net of the applicable bonding premium or discount.

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

9. RESERVATIONS OF FUND EQUITY

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clear fund balance classifications that can be consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – non-spendable, restricted, committed, assigned, and unassigned.

Non-spendable fund balance represents amounts that are not in a spendable form. The non-spendable fund balance represents inventories and prepaid items.

Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by City Council resolution.

Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Currently, management does not have authority to assign fund balance.

Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The governing body has approved the following order of spending regarding fund balance categories: restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is: committed (if applicable), assigned (if applicable) and unassigned.

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum fund balance policy. Resolution No. 2010-05 was established February 9, 2010. The targets for fund balances are generally a function of estimated annual operating revenue and are intended to help maintain financial viability of each fund. They vary based on how susceptible a fund is to revenue fluctuations and based on the riskiness of the activities in each different fund.

10. DEFERRED OUTFLOWS/INFLOW OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City has adopted a biennial budget for all funds on a basis consistent with generally accepted accounting principles for governmental funds. The City Council resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropria-

2018 Notes To Basic Financial Statements

tions.

Appropriations are at the department (organizational unit) level for funds with more than one department and by total personal services, materials and services, capital outlay, debt service, transfers, and contingency for those funds with only one department or function. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. The City budgets debt service principal and interest on a cash basis and does not budget depreciation expense or amortizations done on the balance sheet.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified only by the City Council through the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require approval by the City Council by adoption of a resolution. Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the City Council. Appropriations are limited to a biennium budget period of 2017-2019; therefore, all spending authority of the City lapses at the end of the biennial period. In Fiscal year 2017-2018, the City made three appropriations transfers and three supplemental budget adjustments. These six budget amendments were all adopted by resolution.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2018.

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

	Total Primary Government
Petty cash	\$ 5,890
Deposits with financial institutions	3,823,291
Imprest Cash	350,000
Investments	36,304,134
	<u>\$ 40,483,315</u>
Governmental - unrestricted	\$ 39,515,544
Governmental - restricted:	
Debt service	967,771
	<u>\$ 40,483,315</u>

1. DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

2. CREDIT RISK DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2018, the bank balance of deposits was \$ 2,655,140. Of those deposits, \$297,464 was covered by federal depository insurance, and the remaining is collateralized by the Oregon Public Funds Collateralization Program.

The remainder is collateralized per the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and City policy require depository institutions to maintain on deposit, with the collateral

2018 Notes To Basic Financial Statements

pool manager, securities having a value not less than ten percent of their quarter-end public fund deposits if they are adequately capitalized, 25 percent of their quarter-end public fund deposits if they are well capitalized, or 110 percent of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110 percent by the Office of the State Treasurer.

3. INVESTMENTS

Policies officially adopted by the City's board allows the entity to invest in: U.S. Treasury Obligations (bills, notes and bonds), U.S. Government Agency Securities and Instrumentalities of Government Sponsored Corporations, Banker's Acceptances, Certificates of Deposit (at commercial banks that have a branch in Oregon and Savings & Loan Associations that have a branch in Oregon), State and Local Government Securities, Commercial Paper (A1, AA, P1), State of Oregon Investment Pool, and Repurchase Transactions.

Cash and Investment Note

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2018. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2018, the fair value of the position in the LGIP is 100.13% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

As of June 30, 2018, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
State Treasurer's investment pool	36,304,134	36,304,134	-	-
	<u>\$ 36,304,134</u>	<u>\$ 36,304,134</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

As a means of limiting its exposure to fair value losses resulting from rising interest rates, the City's investment policy allows only the purchase of investments that can be held to maturity. Investments cannot be made predicated upon selling the security prior to maturity.

1.	Under 30 days	10% minimum
2.	Under 90 days	25% minimum
3.	Under 270 days	50% minimum
4.	Under 1 year	75% minimum
5.	Under 18 months	80% minimum
6.	Under 3 years	100% minimum

2018 Notes To Basic Financial Statements

Oregon Revised Statutes require that investments do not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

The City limits investment maturities as follows:

Credit Risk

Neither the Oregon Revised Statutes nor the City's investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies. The City's investments in U.S. Government Agencies were rated AAA by Standard & Poor's and AAA by Moody's Investor Service. The state pool is unrated. Oregon Revised Statutes require Banker's Acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by the Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Concentration of Credit Risk

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2018, the City was in compliance with all percentage restrictions.

Oregon Revised Statutes require that no more than 25 percent of the monies of local government be invested in Bankers Acceptances of any singular qualified financial institution. Amounts in the State Treasurer's LGIP are not required by law to be collateralized.

No more than the stated percentage of the overall portfolio will be invested in each of the following categories of securities:

U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities of Government Sponsored Corp.	100%
Bankers' Acceptances	50%
Certificates of Deposit	35%
State and Local Government Securities	35%
Repurchase Transactions	25%
Commercial Paper (AA, A1, P1)	10%
State of Oregon Investment Pool Securities	100%

B. RECEIVABLES

As of year end, Receivables for the government's individual major funds and non-major funds, internal service in aggregate, including the applicable allowances for uncollectable accounts, are as follows:

Governmental funds report unearned and unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in all funds were as follows:

2018 Notes To Basic Financial Statements

	<u>Balance</u>	<u>Due within One Year</u>	<u>Long Term</u>
<u>Governmental Activities:</u>			
Current:			
Property Tax	\$ 744,932	\$ 744,932	\$ -
Business Licenses	160,026	160,026	-
Ambulance billing	189,929	189,929	-
Utility Receivables	365,521	365,521	-
Misc. Receivables	1,609,758	1,609,758	-
Hotel/Motel Receivables	782,885	782,885	-
Total current	<u>3,853,051</u>	<u>3,853,051</u>	<u>-</u>
Long-Term:			
Rehabilitation loans	61,467	-	61,467
Special Assessments	116,174	-	116,174
Notes Receivable	30,336	-	30,336
SDC receivable	89,670	-	89,670
Total Long - Term	<u>297,647</u>	<u>-</u>	<u>297,647</u>
Total	<u>\$ 4,150,698</u>	<u>\$ 3,853,051</u>	<u>\$ 297,647</u>
<u>Business-type Activities:</u>			
Current:			
Utility Receivables	2,471,796	2,471,796	-
Food & Beverage Receivables	758,003	758,003	-
Misc. Receivables	653,872	653,872	-
Total current	<u>3,883,671</u>	<u>3,883,671</u>	<u>-</u>
Long-Term:			
Conservation loans	101,335	-	101,335
Total Long - Term	<u>101,335</u>	<u>-</u>	<u>101,335</u>
Total	<u>\$ 3,985,006</u>	<u>\$ 3,883,671</u>	<u>\$ 101,335</u>
Accounts, Net	<u>\$ 8,135,704</u>	<u>\$ 7,736,722</u>	<u>\$ 398,982</u>

2018 Notes To Basic Financial Statements

C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance June 30, 2017	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2018
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 12,827,039	\$ 1,511,400	\$ -	\$ 14,338,439
Construction in progress	3,126,490	609,636	1,334,938	2,401,188
Total capital assets, not being depreciated	15,953,529	2,121,036	1,334,938	16,739,627
Buildings	39,839,969	3,422,726		43,262,695
Improvements other than buildings	56,008,878	1,715,528	1,507,247	56,217,159
Machinery and equipment	18,901,908	869,138	222,913	19,548,133
Total capital assets, being depreciated	114,750,755	6,007,392	1,730,160	119,027,987
Less accumulated depreciation for:				
Buildings	(15,817,876)	(1,179,199)	-	(16,997,075)
Improvements other than buildings	(35,317,741)	(1,599,803)	(691,020)	(36,226,524)
Machinery and equipment	(17,980,896)	(939,656)	(222,913)	(18,697,639)
Total accumulated depreciation	(69,116,513)	(3,718,658)	(913,933)	(71,921,238)
Total capital assets being depreciated, net	45,634,242	2,288,734	816,227	47,106,749
Governmental activities capital assets, net	<u>\$ 61,587,771</u>	<u>\$ 4,409,770</u>	<u>\$ 2,151,165</u>	<u>\$ 63,846,376</u>
	Balance June 30, 2017	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2018
Business-type activities:				
Capital assets, not being depreciated	-	-	-	-
Land	\$ 1,906,925	\$ 1,200,000	\$ -	\$ 3,106,925
Construction in progress	1,923,269	1,323,907	-	3,247,176
Total capital assets, not being depreciated	3,830,194	2,523,907	-	6,354,101
Buildings	22,099,664	-	-	22,099,664
Machinery and equipment	1,373,270	7,609	-	1,380,879
Improvements other than buildings	90,214,986	2,225,140	-	92,440,126
Total capital assets, being depreciated	113,687,920	2,232,749	-	115,920,669
Less accumulated depreciation:				
Buildings	(7,300,019)	(436,146)	-	(7,736,165)
Machinery and equipment	(1,054,235)	(79,663)	-	(1,133,898)
Improvements other than buildings	(47,733,925)	(2,739,896)	-	(50,473,821)
Total accumulated depreciation	(56,088,179)	(3,255,705)	-	(59,343,884)
Total capital assets being depreciated, net	57,599,741	(1,022,956)	-	56,576,785
Business-type activities capital assets, net	<u>\$ 61,429,935</u>	<u>\$ 1,500,951</u>	<u>\$ -</u>	<u>\$ 62,930,886</u>

2018 Notes To Basic Financial Statements

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

General government	\$	914,150
Public safety		192,012
Highways and streets		1,569,581
Parks and Rec		1,042,915
Total	\$	3,718,658

Construction Commitments

The government has active construction projects as of June 30, 2018. The projects include construction of various infrastructure improvements and additions to the transportation, storm water, water, wastewater and telecommunications systems. The City has remaining commitments under construction contracts of approximately \$4,077,491 at June 30, 2018.

D. INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The internal transfers are budgeted and recorded to show legal and operational commitments between funds such as cost sharing or debt service. Interfund loans are used to assure adequate fund balances in funds where operations do not currently (on a short term basis) generate enough support through revenues.

The composition of interfund balances as of June 30, 2018, is as follows

Fund	Transfers In	Transfers Out
General fund	\$ 266,103	\$ 271,851
Street fund	-	-
Parks fund	85,000	85,000
Non-major governmental	271,851	1,216,103
Central Service	1,200,000	-
Insurance Services	-	-
Water Fund	-	250,000
Total	\$ 1,822,954	\$ 1,822,954

E. LONG-TERM DEBT

1. UNBONDED LONG-TERM DEBT (NOTES AND CONTRACTS)

The government has four promissory note agreements for financing the construction of airport hangers, renovation of Garfield Park and the purchase of Briscoe school and Briscoe park. The original amount of all promissory notes issued was \$3,200,000. The two new promissory notes are for Briscoe School and the park in that amount of \$2,040,000 at zero interest.

The promissory notes are funded by various sources: renovation of Garfield park is paid by prepared food and beverage tax; the airport hangers are paid by revenue generated from leasing agreements; and the Briscoe school is paid by lease agreement and prepared food and beverage tax.

2018 Notes To Basic Financial Statements

Promissory notes outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Government activities	0.00%	\$ 1,430,000
Government activities	0.00%	450,000
Government activities	2.12%	675,000
Government activities	5.75%	36,936
		<u>\$ 2,591,936</u>

Promissory note debt service requirement to maturity is as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	280,936	15,465
2020	246,000	12,073
2021	248,000	10,240
2022	250,000	8,363
2023	251,000	6,455
2024-2028	986,000	7,558
2029-2033	330,000	
	<u>\$ 2,591,936</u>	<u>\$ 60,155</u>

2. GENERAL OBLIGATION BONDS

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The original amount of general obligation bonds issued in prior years was \$24,201,000.

The City issued GO Bonds in November 2011 for the construction of Fire Station #2 in the amount of \$2,960,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds consist of a 30-year serial bond with equal amount of principal maturing each year, and four issues with varying principal payments due over 12 to 20 years. General obligation bonds currently outstanding are as follows.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Government activities	2.0-4.00%	\$ 2,085,000
Government activities	3.5-5.0%	510,000
Government activities	2-2.8%	8,100,000
Government activities	2-2.5%	1,065,000
Business-type activities	2 - 4%	5,765,000
Business-type activities	4.95%	489,200
Business-type activities	2.00%	900,000
Business-type activities	2-2.5%	2,275,000
		<u>\$ 21,189,200</u>

The above table includes \$14.3 million in full faith-and-credit. This is a refinancing of the Department of Environmental Quality loan that was used to help pay the costs of the wastewater treatment plant project. The original debt was under promissory notes. This refinancing generated approximately \$1.34 million in Net Present Value savings on the total debt.

There is no new General Obligation Bond debt for fiscal year 2018.

2018 Notes To Basic Financial Statements

Future maturities of bond principal and interest at June 30, 2018, are as follows:

Year Ending June 30,	2004 Full Faith and Credit		2005 GO Bonds		2009 GO Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	-	-	250,000	25,500	71,901	23,337
2020	-	-	260,000	13,000	75,504	19,733
2021	-	-	-	-	79,287	15,950
2022	-	-	-	-	83,261	11,976
2023	-	-	-	-	87,433	7,804
2024-2028	-	-	-	-	91,814	3,423
2029-2033	-	-	-	-	-	-
2034-2038	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,000</u>	<u>\$ 38,500</u>	<u>\$ 489,200</u>	<u>\$ 82,223</u>

Year Ending June 30,	2010 GO Bonds		2011 GO Bonds Fire Station #2		2013 AFN Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	1,370,000	230,600	130,000	70,888	1,080,000	177,510
2020	1,415,000	175,800	135,000	66,988	1,100,000	155,710
2021	1,465,000	119,200	140,000	62,938	1,130,000	133,410
2022	1,515,000	60,600	145,000	58,738	1,155,000	109,116
2023	-	-	145,000	74,638	1,180,000	81,373
2024-2028	-	-	800,000	200,263	2,455,000	68,171
2029-2033	-	-	590,000	47,800	-	-
2034-2038	-	-	-	-	-	-
	<u>\$ 5,765,000</u>	<u>\$ 586,200</u>	<u>\$ 2,085,000</u>	<u>\$ 582,251</u>	<u>\$ 8,100,000</u>	<u>\$ 725,290</u>

Year Ending June 30,	2013 Water Debt GO Bonds		2013 GO Bonds New Construction		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	175,000	16,250	300,000	68,325	3,376,901	612,409
2020	180,000	12,700	310,000	62,225	3,475,504	506,156
2021	180,000	9,100	320,000	55,925	3,314,287	396,523
2022	180,000	5,500	325,000	49,475	3,403,261	295,405
2023	185,000	1,850	330,000	42,925	1,927,433	208,589
2024-2028	-	-	1,755,000	105,938	5,101,814	377,794
2029-2033	-	-	-	-	590,000	47,800
2034-2038	-	-	-	-	-	-
	<u>\$ 900,000</u>	<u>\$ 45,400</u>	<u>\$ 3,340,000</u>	<u>\$ 384,813</u>	<u>\$ 21,189,200</u>	<u>\$ 2,444,676</u>

3. REVENUE BONDS

The government also issues bonds on which the government pledges income derived from the acquired or constructed assets to pay debt service. The original issue in 1994 was for construction of a 3.5 million gallon reservoir and addition of and upgrade to existing distribution infrastructure.

In 2003, the remaining \$2.75 million of these bonds were decreased with the issuance of \$5.625 million for infrastructure construction and re-funding of the original issue. On June 20, 2008, the Government issued \$304,000 in tax exempt, low-interest (1.25 percent) Clean Renewable Energy Bonds authorized by U.S. Treasury to construct a renewable resource photovoltaic system to generate "green power" for the city's electrical system. Electric rate revenue is pledged to pay the related debt service.

The City has obtained three loans prior to Fiscal year 2018 from the State of Oregon – Department of Environmental Quality (DEQ). The first loan is for the wastewater treatment plant, the membrane system

2018 Notes To Basic Financial Statements

upgrade in the amount of \$1,645,280. This reimbursement loan has been 100% drawn down, the city is now paying the debt on this note. The interest rate is 1%. The second DEQ loan is for three water projects; TAP project, Terrace St Pump and Park Estates. The total is \$ 2,970,000 at 1% interest. The total of the drawdown at June 30, 2018 is \$2,761,817. The third loan is for \$14,811,865 for the new water treatment plant, the interest rate is 1.79%. The total drawdown for that project is \$504,464.

The City entered into two new loans in fiscal year 2018. The first loan is with the State of Oregon for the water fund for the Ashland Canal Piping project. This loan is for \$1,300,000 at 1% interest. The total drawdown is \$80,552. The second loan is also with the State for the Wastewater fund for the Riparian Restoration/Shading and outfall relocation project. The total loan is for \$4,829,000 to date the total drawdown is \$425,035. This loan is at 1% interest.

Purpose	Interest Rates	Amount
Water & Wastewater	1.00%	\$ 5,417,148
Water	3.42%	2,051,838
Electric	3.8-6.01%	86,856
		<u>\$ 7,555,842</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2019	1,049,511	229,535
2020	955,369	150,150
2021	530,305	144,909
2022	534,867	139,536
2023	517,847	134,159
2024-2028	2,164,531	587,115
2029-2033	1,565,947	273,014
2034-2038	237,466	8,167
	<u>\$ 7,555,842</u>	<u>\$ 1,666,586</u>

4. ADVANCE AND CURRENT RE-FUNDINGS

The Government issued general obligation re-funding bonds in the amounts of \$2,040,000 in 1992 and \$1,720,010 in 1997, to provide resources to purchase U.S. Government State and Local Government Series securities, that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$1,870,000 and \$1,625,000 of general obligation bonds.

As a result, the re-funded bonds are considered to be defeased, and the liability has been removed from the business-type activities column of the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$265,010. This amount was netted against the new debt and amortized over the life of the re-funded debt, which was shorter than the life of the new debt issued. These advance re-fundings were undertaken to reduce total debt service payments by \$363,644 and \$266,087, respectively, over the term of the bonds and resulted in an economic gain of \$364,741.

The government issued \$2,952,833 of revenue bonds in June 2003, to provide resources to purchase US Government, state and local securities that were placed in trust for the purpose of generating resources for all future debt service payments of \$2,750,000 in revenue bond issued in 1984. As a result, the re-funded bonds are considered to be defeased, and the liability has been removed from the business-type activities column of the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$202,833. This amount was netted against the new debt and amortized over the life of the re-funded debt, which was shorter than the life of the new debt issued. This advance re-funding was undertaken to reduce total debt service payments by \$386,048 over the term of the bonds and resulted in an economic gain of \$738,505.

2018 Notes To Basic Financial Statements

On August 11, 2004, the government issued \$15,500,000 in taxable general obligation revenue bonds backed by the full faith and credit of the City. The proceeds were used to pay off existing bank loans of \$4,286,000 and \$2,532,000 that was borrowed to construct the Ashland Fiber Network (AFN). The loans' interest rates were 5.14 percent and 7.01 percent, respectively. Taxable bonds with a longer life than the loans were issued to consolidate the bank loans. The average interest rate of the bonds allocable to the loan refunding was 5.38 percent. The re-funding of the loans resulted in an economic loss of \$1,631. In addition to re-funding the bank loans, the bonds also provided \$8.44 million to payoff internal borrowing related to AFN.

On December 1, 2005, the City issued \$2,560,000 in general obligation bonds with an interest rate ranging from 3.5 percent to 5.0 percent over the fifteen year life, re-funding a portion of the City's General Obligation Bonds, Series 1997 and Series 2000 bonds. The re-funding resulted in a \$121,962 (4.41 percent) net present value savings. The City's GO Bond Series 2000 was originally insured by the Financial Guaranty Insurance Company. On February 14, 2008, Moody's downgraded FGIC's rating to A3. As a consequence, the City's GO Bonds Series 2000 have been downgraded to A2 (which is equal to the City's underlying rating of A2 - higher than FGIC's A3 rating).

On February 7, 2013, the City issued \$6,345,000 in new debt and refinanced two existing issues, one Tax-Exempt and the other one Federally Taxable.

- The new debt of \$6,345,000 is Full Faith and Credit Bonds with an interest rate of 2.00 percent to 2.50 percent over the fifteen year life. The purpose for these bonds are for projects in the Street, Water and Wastewater funds and a small portion for the component unit projects.

Moody's Investors Services assigned an "A1" rating to both the Tax-Exempt Bonds and the Taxable Bonds.

5. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions and Adjustments	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds payable:					
General obligation	\$ 13,395,000	\$ (115,000)	\$ 1,520,000	\$ 11,760,000	\$ 1,555,000
Total bonds payable	13,395,000	(115,000)	1,520,000	11,760,000	1,555,000
Notes and contracts	1,104,821	2,040,000	552,885	2,591,935	280,935
Claims and judgements	17,247	-	-	17,247	17,247
Government Activities:					
Long-term liabilities	\$ 14,517,068	\$ 1,925,000	\$ 2,072,885	\$ 14,369,182	\$ 1,853,182
Business-type Activities:					
Bonds Payable:					
General obligation	\$ 11,077,669	\$ 115,000	\$ 1,763,469	\$ 9,429,200	\$ 1,821,901
Revenue	6,696,950	971,842	112,950	7,555,842	116,097
Total bonds payable	17,774,619	1,086,842	1,876,419	16,985,042	1,937,998
Business-type Activities:					
Long-term liabilities	\$ 17,774,619	\$ 1,086,842	\$ 1,876,419	\$ 16,985,042	\$ 1,937,998

F. COMPENSATED ABSENCES

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for them

2018 Notes To Basic Financial Statements

are included as part of the above totals for governmental activities. At year end, \$243,162 of the Internal Service Fund was compensated absences.

The General Fund is typically used to liquidate the compensated absences for governmental funds. The balances of the compensated absences accounts in the governmental and business-type are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within a Year
Governmental Activities:	\$ 956,447	\$ 112,905	\$ -	\$ 1,069,352	\$ 267,338
Business-type Activities:	528,259	30,734	-	558,993	139,748
Total compensated absences payable	<u>\$ 1,484,706</u>	<u>\$ 143,639</u>	<u>\$ -</u>	<u>\$ 1,628,345</u>	<u>\$ 407,086</u>

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The government is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; workers' compensation; and post retirement benefits for which the government is self-insured to defined levels. The government has established limited risk management programs for liability and workers' compensation.

The government purchases re-insurance above defined loss levels in each program. Premiums are paid into the Insurance Services internal service fund by all other funds, component units, and potential component units, and are available to pay claims, claim reserves, and administrative costs of the programs. These interfund and agency premiums are used to offset the amount of claims expenditures reported. As of June 30, 2018, such premiums did not exceed paid claims and reserves.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, change in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. Liability claims have a seven year statute of limitations and open claims, not in litigation, are frozen. An excess insurance policy covers claims after an aggregate annual settlement of \$50,000.

Settlements have not exceeded coverage's in each of the last three fiscal years. Workers' compensation claims are carried and reviewed from the date of self-insurance, July 1, 1989. An excess insurance policy covers individual claims in excess of \$300,000. Changes in the balances of claims liability during the past two years are as follows:

	Year ended June 30, 2018	Year ended June 30, 2017
Unpaid claims, beginning of fiscal year	\$ 17,247	\$ 17,247
Incurred claims (including IBNRs)		
Unpaid claims, end of fiscal year	<u>\$ 17,247</u>	<u>\$ 17,247</u>

The City has established an internal service fund to account for self insurance of Health care. Beginning July 1, 2013, the city implemented a self-insured health benefit program that provides medical, dental and vision coverage to all regular full and part-time employees and their dependents as well as non-Medicare eligible retirees and their dependents. The City has established a self-insurance reserve to pay medical, dental, and vision claims up to the self-insurance retention limit of \$100,000 per covered individual.

	June 30, 2018
Accrued claim liability, July 1	\$ 472,616
Incurred claims	6,356,426
Claims payment	(5,654,374)
Accrued Claim liability, June 30	<u>\$ 702,052</u>

B. OTHER POST EMPLOYMENT BENEFITS - POST EMPLOYMENT STIPEND

The post employment stipend is administrated by the City of Ashland. The City has elected to use the project Unit Credit cost method.

Plan Description In addition to providing pension benefits, the City provides certain benefits for 19 retired City employees from the management, unrepresented group who completed a minimum of 15 years employment with the City. The City pays a monthly stipend from the retiree's 60th birthday or date of retirement, whichever is later, until the retiree's death. These benefit obligations are required by labor bargaining agreements and the exempt employee ordinance. The cost of retiree benefits is recognized as an expense in the Insurance Services Fund (an internal service fund) when eligible employees retire. The amount advance funded at retirement is based solely on the City's estimate. On July 16, 2008 a Resolution was passed which states that any employee hired on or after July 1, 2008, or hired into management on or after July 1, 2008 will not be eligible to receive retiree benefits under this provision.

Funding Policy - The benefits from this program are paid by the Insurance Fund. There is no obligation on the part of the City to fund these benefits in advance.

Net Other Post-Employment Benefit Liability The net other post-employment benefit liability (NOL) was measured as of June 30, 2017 and the other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2017.

Annual Benefit Cost and Net Benefit Obligation The City's annual Other Post Employment Benefit (OPEB) cost is calculate based on the annual required contribution (ARC) of the employer and an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is project- ed to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year. The remaining amortization period is thirteen years.

Actuarial Methods and Assumptions The Entry Age Normal (EAN) Level Percent of Pay method is used to calculated the Total OPEB Liability and Total Pension Liability in accordance with the require- ments of GASB 73 and GASB 75. The Projected Unit Credit method was used in the prior valuation to calculate the Actuarial Accrued Liability under GASB 27 and 45. This change was made in accordance with the requirements of GASB 73 and GASB 75.

Economic Assumptions

Interest Discount	The 3.61% discount rate assumption is the June 1, 2017 rate in the 20-Year Gen- eral Obligation Municipal Bond Index published by Bond Buyer. This is the most recent rate published by Bond Buyer when the calculations were performed. This rate was increased from 3.5% in the 2015 valuation to reflect the requirements of GASB 73 and 75.
Inflation Rate	An assumed inflation rate of 2.5% is used for all future years.
Salary Scale	Annual salary increases for employees are assumed to be 3.5% in all future years.
Medical Premiums	The medical contribution amount for the sole Parks and Recreation retiree (\$942) was provided by the City and will not increase in future years. The monthly medi- cal contribution for Electric Employees are covered under Blue Cross Preferred Choice Medicare Supplement Coverage Companion Place C (or an equivalent plan selected by the City) until death.
Retirement Rates	Retirement rates for Confidential and Management employees are the same rates as the PERS retirement rates for active employees under age 60. After age 60 the PERS rates have been adjusted to account for the City's own experience.
Mortality	Active employees mortality for Police and Fire employees is assumed to be 75% of retiree mortality for males and 60% of retiree mortality for females. Active em- ployee mortality for General Service employees is assumed to be 75% of retiree

2018 Notes To Basic Financial Statements

mortality for males and 60% of retiree mortality for females.

Changes in the Net Other Post Employment Benefit Liability Stipend-

	2018
Total Pension Liability at June 30, 2017	\$ 3,934,756
Changes for the year:	
Service Cost	48,792
Interest	140,474
Changes of Benefit Terms	-
Differences between expected and actual experience	78,273
Changes of assumptions or other input	(97,860)
Benefit Payments	<u>(67,431)</u>
Net change for the year	102,248
Total Pension Liability at June 30, 2018	<u>\$ 4,037,004</u>

Sensitivity of the Net Other Post-Employment Benefit Liability to changes in the discount and trend rates –

The following present the net other post-employment benefit liability (NOL) of the City, calculated using the discount rate of 3.61 percent, as well as what the City's NOL would be if it was calculated using a discount rate that is 1 percentage point lower (2.61 percent) or 1 percentage point higher (4.61 percent) than the current rate:

	Decrease (2.61%)	Rate (3.61%)	Increase (4.61%)
City's proportionate share of the net pension liability	<u>\$ 4,913,435</u>	<u>\$ 4,037,004</u>	<u>\$ 3,359,858</u>

Other Post-employment benefits expenses and Deferred Outflows of Resources and Deferred Inflows of Resources related to Other Post-employment Benefits –

Deferred Inflows and Outflows as of June 30, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 264,478
Changes of assumptions or other inputs	75,818	-
Total	<u>\$ 75,818</u>	<u>\$ 264,478</u>

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 3,309,241	\$ 4,037,004	\$ 4,988,179

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in expenses as follows:

2018 Notes To Basic Financial Statements

Year ending June 30,	Deferred Outflow/ (Inflow) Recognized in OPEB Expenses
2018	\$ (78,282)
2019	(78,282)
2020	(32,096)
2021	-
2022	-
Thereafter	-
Total	\$ (188,660)

C. POST EMPLOYMENT HEALTH INSURANCE SUBSIDY

Plan Description - The City operates a single-employer retiree benefit plan that provides post employment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The City's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees.

The difference between retiree claims cost (which is generally higher in comparison to all plan members because of the effect of age) and the amount of retiree healthcare premiums represents the City's implicit employer contribution. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy – The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the City to fund these benefits in advance.

Net Other Post-Employment benefit Liability - The net other post-employment benefit liability (NOL) was measured as of June 30, 2017 and the other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2017.

Annual Benefit Cost and Net Benefit Obligation - The City's annual Other Post Employment Benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer and an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table on page 70 shows the components of the OPEB obligation at the end of the year. The remaining amortization period is thirteen years.

Actuarial Methods and Assumptions – The Entry Age Normal (EAN) Level Percent of Pay method is used to calculate the Total OPEB Liability and Total Pension Liability in accordance with the requirements of GASB 73 and GASB 75. The Projected Unit Credit method was used in the prior valuation to calculate the Actuarial Accrued Liability under GASB 27 and 45. This change was made in accordance with the requirements of GASB 73 and GASB 75.

Economic Assumptions

Valuation date	July 1,2016
Measurement date	June 30, 2017

2018 Notes To Basic Financial Statements

Inflation Rate	An assumed inflation rate of 2.5% is used for all future years.
Salary Scale	Annual salary increases for employees are assumed to be 3.5% in all future years.
Mortality	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females.
Actuarial Costs method	Entry Age Normal

Changes in the Net Other Post Employment Benefit Liability Stipend-

	2018
Total Pension Liability at June 30, 2017	\$ 3,065,279
<u>Changes for the year:</u>	
Service Cost	161,964
Interest	88,807
Changes of Benefit Terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	(163,128)
Benefit Payments	(223,681)
Net change for the year	(136,038)
Total Pension Liability at June 30, 2018	<u>\$ 2,929,241</u>

Sensitivity of the Net Other Post-Employment Benefit Liability to changes in the discount and trend rates –

The following present the net other post-employment benefit liability (NOL) of the City, calculated using the discount rate of 3.58 percent, as well as what the City's NOL would be if it was calculated using a discount rate that is 1 percentage point lower (2.58 percent) or 1 percentage point higher (4.58 percent) than the current rate:

	Decrease (2.58%)	Rate (3.58%)	Increase (4.58%)
City's proportionate share of the net pension liability	\$ 2,659,003	\$ 2,929,241	\$ 3,245,632

Other Post-employment benefits expenses and Deferred Outflows of Resources and Deferred Inflows of Resources related to Other Post-employment Benefits –

Deferred Inflows and Outflows as of June 30, 2018

2018 Notes To Basic Financial Statements

	Deferred Outflow of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	144,694
Net difference between projected and actual earnings on pension plan investments	-	-
Net changes in proportionate share and Difference between the Commission contributions and proportionate share of contributions	-	-
	264,798	-
Subtotal - Amortized Deferrals (below)	264,798	144,694
Parks Contributions subsequent to measuring date	-	-
Net Deferred outflow (inflow) of resources	\$ 264,798	\$ 144,694

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in expenses as follows:

Year ending June 30,	Amount
2019	\$ (16,891)
2020	(16,891)
2021	(16,891)
2022	(16,891)
2023	(16,891)
Thereafter	(35,649)
Total	\$ (120,104)

D. EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf> If the link is expired please contact Oregon PERS for this information.

PERS Pension (Chapter 238)

The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

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 (2.0 percent for police and fire employees, and 1.67 percent for general service 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 benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retire-

2018 Notes To Basic Financial Statements

ment 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 1 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 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

- member was employed by PERS employer at the time of death,
- member died within 120 days after termination of PERS covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- 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 (including PERS judge members) 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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

OPSRP Pension Program (OPSRP DB)

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

Pension Benefits

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.

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.

Police and fire: 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.

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.

A member of the 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. The cap on the COLA will vary based on the amount of the annual benefit.

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. The funding policy applies to the PERS Defined Benefit Plan and the Other Post-employment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2018 were \$3,162,190, excluding amounts to fund employer specific liabilities. In addition, approximately \$976,567 in employee contributions were paid or picked up by the City in fiscal 2018. At June 30, 2018, the City reported a net pension liability of \$29,786,911 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2015. 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 employers, actuarially determined. As of the measurement date of June 30, 2018, the City's proportion was .21 percent. Pension expense for the year ended June 30, 2018 was \$4,138,756.

The rates in effect for the year ended June 30, 2018 were:

- Tier 1/Tier 2 – 21.43%
- OPSRP general services – 14.49%
- Tier 1/Tier 2 Police and Fire – 26.39%
- OPSRP Police and Fire – 19.26%

2018 Notes To Basic Financial Statements

	Deferred Outflow of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ 1,406,516	\$ -
Changes in assumptions	5,301,500	-
Net difference between projected and actual earnings on pension plan investments	-	-
Net changes in proportionate share and Difference between the Commission contributions and proportionate share of contributions	299,634	-
	160,261	2,247,980
	-	-
	<u>690,287</u>	<u>183,279</u>
Subtotal - Amortized Deferrals (below)	7,858,198	2,431,259
Parks Contributions subsequent to measuring date	<u>3,471,201</u>	<u>-</u>
Net Deferred outflow (inflow) of resources	<u>\$ 11,329,399</u>	<u>\$ 2,431,259</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2019	\$ 945,596
2020	3,306,263
2021	2,101,429
2022	(922,503)
2023	(3,846)
Thereafter	-
Total	<u>\$ 5,426,939</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 16, 2018. Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal 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 (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer 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 actuarially determined amount for funding a disability benefit component, and (c) 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.

Actuarial Methods and Assumptions

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
Experience Study Report	2014, Published September 23, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization basis over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.50 percent
Projected salary increase	3.5 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2015 Experience Study which is reviewed for the four-year period ending December 31, 2015.

Assumed Asset Allocation

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

(Source: June 30, 2017 PERS CAFR; p. 92)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

2018 Notes To Basic Financial Statements

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
Assumed Inflation - Mean		2.50%

(Source: June 30, 2017 PERS CAFR; p. 69)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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 calculated using the discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	Decrease (6.5%)	Rate (7.5%)	Increase (8.5%)
City's proportionate share of the net pension liability	\$ 49,564,501	\$ 29,876,911	\$ 11,958,567

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. 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 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.

Employer Contributions

Employees of the City pay six (6) percent of their covered payroll. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2018.

Retirement Health Insurance Account

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the

2018 Notes To Basic Financial Statements

Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.50% of annual covered OPERS payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the years ended June 30, 2018 was \$74,488, respectively, which equaled the required contributions each year.

At June 30, 2018, the Cities net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

E. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of the fund balance as of June 30, 2018, are as follows:

2018 Notes To Basic Financial Statements

Fund Balances:	General Fund	Street Fund	Parks	Non Major Funds	Total
Restricted for:					
Asset forfeiture	23,972	-	-	-	23,972
TOT tourism	425,141	-	-	-	425,141
CDBG restriction	-	-	-	33,804	33,804
SDC - Transportation	-	2,511,605	-	-	2,511,605
SDC - Parks	-	-	-	29,187	29,187
Perpetual care	-	-	-	970,304	970,304
Debt commitment	-	-	-	1,027,297	1,027,297
Committed for:					
Parking surcharge	370,085	-	-	-	370,085
Public art	19,919	-	-	-	19,919
Affordable housing	-	-	-	263,903	263,903
Grubbs Case	22,235	-	-	-	22,235
Street activities	-	2,323,501	-	-	2,323,501
Parks activities	-	-	788,308	981,826	1,770,134
Airport activities	-	-	-	202,017	202,017
Food and beverage tax	-	-	-	1,110,763	1,110,763
CIP - Facilities	-	-	-	-	-
Assigned for:					
N/A	-	-	-	-	-
Unassigned:					
	3,968,680	-	-	-	3,968,680
Total fund balances:	<u>\$ 4,830,032</u>	<u>\$ 4,835,106</u>	<u>\$ 788,308</u>	<u>\$ 4,619,101</u>	<u>\$ 15,072,547</u>

F.

SERVICE CONCESSION AGREEMENT

The City of Ashland contracts with the Skinner Aviation to operate the City owned airport. Skinner Aviation has been the airport's Fixed Base Operator since 1993 and is responsible for all oversight of the airport facilities including radio control, fuel facility, aircraft maintenance, hangar rental collection, flight training and facility maintenance. They collect the income for the City and remit the City's revenue on a monthly basis, they keep 25% of the monthly revenue and receive a credit for Water and Garbage services. No upfront monies were exchanged by either party when the contract was executed, so thus there is not an asset or liability to recognize in the financial statements.

G. TAX ABATEMENTS

As of June 30, 2018, City of Ashland provides tax abatements through one significant program: Enterprise Zone.

Enterprise Zone (ORS 285C.175):

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

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2018, City of Ashland abated property taxes under these program in FY 17/18 for \$464,411.

2018 Notes To Basic Financial Statements

H. RESTATEMENT OF PRIOR YEAR NET POSITION

Due to the implementation of GASB 75 a restatement of the prior year net position was required. The restatement is as follows:

	Water Fund	Wastewater Fund	Stormwater Fund	Electric Fund	Telecommunication Fund
Net position Beginning as previously reported	\$ 19,421,261	\$ 30,200,727	\$ 1,707,584	\$ 7,082,786	\$ 498,600
OPEB Liability	(184,459)	(139,959)	(35,047)	(209,053)	(73,783)
Net position - Beginning as restated	<u>\$ 19,236,802</u>	<u>\$ 30,060,768</u>	<u>\$ 1,672,537</u>	<u>\$ 6,873,733</u>	<u>\$ 424,817</u>
Governmental					
Net position Beginning as previously reported	\$ 48,671,366				
OPEB Liability	<u>(2,463,864)</u>				
Net position - Beginning as restated	<u>\$ 46,207,502</u>				

Contingency

The City is involved in various claims and legal matters relating to its operations which have all been tended to and are either being adjusted by the City's liability carrier or are being defended by attorneys retained by the City's liability carrier. The status of these matters is uncertain at this time. Any potential loss is also uncertain.





REQUIRED SUPPLEMENTARY INFORMATION

2018 Required Supplementary Information

CITY OF ASHLAND, OREGON
Required Supplemental Information
SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB)
LIABILITY AND RELATED RATIOS STIPEND BENEFIT
For the year ended June 30, 2018

	2018	2017
Total Pension Liability at June 30, 2017	\$ 3,934,756	\$ 4,165,944
<u>Changes for the year:</u>		
Service Cost	48,792	47,142
Interest	140,474	148,910
Changes of Benefit Terms	-	-
Differences between expected and actual experience	78,273	(483,964)
Changes of assumptions or other input	(97,860)	138,740
Benefit Payments	(67,431)	(82,016)
Net change for the year	102,248	(231,188)
Total Pension Liability at June 30, 2018	\$ 4,037,004	\$ 3,934,756
Fiduciary Net Position - Beginning	\$ -	\$ -
Contributions - Employer	-	-
Contributions - Employee	67,431	82,016
Net Investment Income	-	-
Benefit Payments	-	-
Administrative Expense	(67,431)	(82,016)
Net change in Fiduciary Net Position	-	-
Fiduciary Net Position - End of Year	-	-
Net OPEB Liability at End of Year	\$ 4,037,004	\$ 3,934,756
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%
Covered Payroll	\$ 2,547,221.00	\$ 2,547,221.00
Net Single Employer Pension Plan as a Percentage of Covered Payroll	154.5%	154.5%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 73 in the fiscal year ending June 30, 2017

2018 Required Supplementary Information

CITY OF ASHLAND, OREGON
Required Supplemental Information
SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB)
LIABILITY AND RELATED RATIOS MEDICAL BENEFIT
For the year ended June 30, 2018

Total Pension Liability at June 30, 2017	\$	3,065,279
<u>Changes for the year:</u>		
Service Cost		161,964
Interest		88,807
Changes of Benefit Terms		-
Differences between expected and actual experience		-
Changes of assumptions or other input		(163,128)
Benefit Payments		(223,681)
Net change for the year		<u>(136,038)</u>
Total Pension Liability at June 30, 2018	\$	<u>2,929,241</u>
Fiduciary Net Position - Beginning		
Contributions - Employer	\$	-
Contributions - Employee		223,681
Net Investment Income		-
Benefit Payments		-
Administrative Expense		(223,681)
		<u>-</u>
Net change in Fiduciary Net Position		<u>-</u>
Fiduciary Net Position - End of Year		<u>-</u>
Net OPEB Liability at End of Year	\$	<u>2,929,241</u>
Fiduciary Net Position as a percentage of the total Single Employer OPEB Liability		0%
Covered Payroll	\$	2,547,221.00
Net Single Employer OPEB Plan as a Percentage of Covered Payroll		115.0%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 75 in the fiscal year ending June 30, 2018

REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2018

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.2157%	\$ (29,084,032)	\$ 15,950,222	(182.3) %	83.1 %
2017	0.2157%	(34,849,280)	15,571,834	(223.8)	80.5
2016	0.2590%	14,910,215	14,948,474	99.7	91.9
2015	0.2424%	5,498,618	17,016,281	32.3	103.6
2014	0.2424%	(12,379,260)	16,753,124	(73.9)	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However until a full 10 year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2018	\$ 3,162,190	\$ 3,162,190	-	\$ 16,232,406	19.5 %
2017	2,774,267	2,774,267	-	15,950,222	17.4
2016	2,805,936	2,805,936	-	15,571,834	18.0
2015	2,389,586	2,389,586	-	14,948,474	16.0
2014	2,604,925	2,604,925	-	17,016,281	15.3

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However until a full 10 year trend has been compiled, information is presented only for the years for which the required supplementary information is available.



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The budgetary basis differs from GAAP when the City has interfund loan transactions. For the budgetary basis, it is considered another financing source; for GAAP it is purely a balance sheet transaction



2018 Required Supplementary Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the year ended June 30, 2018**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	\$ 42,958,500	\$ 42,958,500	\$ 21,207,587	\$ 21,207,587	\$ (21,750,913)
Fees, licenses and permits	1,660,300	1,660,300	838,832	838,832	(821,468)
Intergovernmental	2,187,589	4,607,866	2,057,644	2,057,644	(2,550,222)
Charges for services	3,327,000	3,327,000	1,622,468	1,622,468	(1,704,532)
Fines and forfeitures	857,900	857,900	545,835	545,835	(312,065)
Interest on investments	75,000	75,000	92,260	92,260	17,260
Miscellaneous	395,200	395,200	61,739	61,739	(333,461)
Total revenues	51,461,489	53,881,766	26,426,364	26,426,364	(27,455,402)
Expenditures:					
General Government:					
Administration	3,006,150	3,006,150	1,288,978	1,288,978	1,717,172
Administrative Services:					
Band	131,540	131,540	60,433	60,433	71,107
Parks Services	10,601,400	10,601,400	5,209,500	5,209,500	5,391,900
Public Works:					
Cemetery	851,778	851,778	363,418	363,418	488,360
Community Development:					
Planning	3,458,080	3,291,729	1,533,784	1,533,784	1,757,945
Building	1,479,935	1,479,935	706,091	706,091	773,844
Social services	267,940	267,940	134,000	134,000	133,940
Miscellaneous	38,000	38,000	14,230	14,230	23,770
Total general government	19,834,823	19,668,472	9,310,434	9,310,434	10,358,038
Public Safety:					
Police	15,248,125	15,258,125	7,197,266	7,197,266	8,060,859
Municipal court	944,095	944,095	497,785	497,785	446,310
Fire and rescue	17,446,005	19,866,282	9,310,299	9,310,299	10,555,983
Total public safety	33,638,225	36,068,502	17,005,350	17,005,350	19,063,152
Contingency	800,000	790,000			790,000
Total expenditures	54,273,048	56,526,974	26,315,783	26,315,783	30,211,191
Excess (deficiency) of revenues over (under) expenditures	(2,811,559)	(2,645,208)	110,581	110,581	2,755,789
Other financing sources (uses):					
Transfers in	513,000	513,000	266,103	266,103	(246,897)
Transfers out	(211,000)	(377,351)	(271,851)	(271,851)	105,500
Total other financing sources (uses)	302,000	135,649	(5,748)	(5,748)	(141,397)
Net change in fund balance	(2,509,559)	(2,509,559)	104,833	104,833	2,614,392
Fund balance, July 1, 2017	4,412,535	4,412,535	4,687,675	4,687,675	275,140
Fund balance, June 30, 2018	\$ 1,902,976	\$ 1,902,976	\$ 4,792,508	\$ 4,792,508	\$ 2,889,532
Reconciliation to GAAP fund balance :					
Reserve fund balance:			37,524		
			<u>\$ 4,830,032</u>		

2018 Required Supplementary Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET FUND
For the year ended June 30, 2018**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	\$ 1,236,800	\$ 1,236,800	\$ 767,191	\$ 767,191	\$ (469,609)
Intergovernmental	5,311,945	5,311,945	1,311,390	1,311,390	(4,000,555)
Charges for services	3,195,895	3,195,895	1,698,770	1,698,770	(1,497,125)
System development charges (SDC)	150,000	150,000	-	-	(150,000)
Assessments	60,000	60,000	17,535	17,535	(42,465)
Interest on investments	60,000	60,000	74,835	74,835	14,835
Miscellaneous	168,290	353,304	232,484	232,484	(120,820)
Total revenues	10,182,930	10,367,944	4,102,204	4,102,204	(6,265,740)
Expenditures:					
Highways and streets:					
Operations and maintenance	19,197,832	19,197,832	2,811,062	2,811,062	16,386,770
Transportation SDCs	2,198,720	2,198,720	44,058	44,058	2,154,662
Total highways and streets	21,396,552	21,396,552	2,855,120	2,855,120	18,541,432
Debt Services:					
Operations and maintenance Debt	251,710	493,039	367,830	367,830	125,209
Total Debt	251,710	493,039	367,830	367,830	125,209
Contingency	100,000	43,685			43,685
Total expenditures	21,748,262	21,933,276	3,222,950	3,222,950	18,710,326
Excess (deficiency) of revenues over (under) expenditures	(11,565,332)	(11,565,332)	879,254	879,254	12,444,586
Other financing sources (uses):					
Bond proceeds	11,687,162	11,687,162	-	-	(11,687,162)
Total other financing sources (uses)	11,687,162	11,687,162	-	-	(11,687,162)
Net change in fund balance	121,830	121,830	879,254	879,254	757,424
Fund balance, July 1, 2017	3,977,740	3,977,740	3,955,852	3,955,852	(21,888)
Fund balance, June 30, 2018	\$ 4,099,570	\$ 4,099,570	\$ 4,835,106	\$ 4,835,106	\$ 735,536

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the year ended June 30, 2018

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Biennium Budget Amounts Original	Final			
Revenues:					
Intergovernmental	\$ 30,000	\$ 30,000	\$ 750	\$ 750	\$ (29,250)
Charges for services - External	2,181,200	2,181,200	868,563	868,563	(1,312,637)
Charges for services - Internal	10,601,400	10,601,400	5,209,500	5,209,500	(5,391,900)
Interest on investments	14,000	14,000	9,692	9,692	(4,308)
Miscellaneous	60,000	60,000	19,883	19,883	(40,117)
Total revenues	<u>12,886,600</u>	<u>12,886,600</u>	<u>6,108,388</u>	<u>6,108,388</u>	<u>(6,778,212)</u>
Expenditures:					
Parks and Recreation:					
Operations and maintenance	8,639,215	8,633,533	3,890,304	3,890,304	4,743,229
Recreation	3,193,871	3,199,553	1,348,844	1,348,844	1,850,709
Golf Course	1,163,100	1,163,100	502,118	502,118	660,982
Total Parks and Recreation	<u>12,996,186</u>	<u>12,996,186</u>	<u>5,741,266</u>	<u>5,741,266</u>	<u>7,254,920</u>
Contingency	195,000	195,000	-	-	195,000
Total expenditures	<u>13,191,186</u>	<u>13,191,186</u>	<u>5,741,266</u>	<u>5,741,266</u>	<u>7,449,920</u>
Excess (deficiency) of revenues over (under) expenditures	(304,586)	(304,586)	367,122	367,122	671,708
Other financing sources (uses):					
Transfers in	170,000	170,000	85,000	85,000	(85,000)
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>170,000</u>	<u>170,000</u>	<u>85,000</u>	<u>85,000</u>	<u>(85,000)</u>
Net change in fund balance	(134,586)	(134,586)	452,122	452,122	586,708
Fund balance, July 1, 2017	<u>392,641</u>	<u>392,641</u>	<u>209,332</u>	<u>209,332</u>	<u>(183,309)</u>
Fund balance, June 30, 2018	<u>\$ 258,055</u>	<u>\$ 258,055</u>	<u>\$ 661,454</u>	<u>\$ 661,454</u>	<u>\$ 403,399</u>

(1) Appropriation level

Reconciliation to GAAP fund balance :

Equipment fund balance:	126,855
Total GAAP fund balance	<u>\$ 788,309</u>

SUPPLEMENTARY INFORMATION

Combining Individual Fund Statements
and Other Financial Schedules



**CITY OF ASHLAND, OREGON
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
For the year ended June 30, 2018**

	Governmental Fund Types						Permanent Fund Type Cemetery Trust Fund	Total Other Governmental (Compilation Only)
	Housing Fund	CDBG Fund	Airport Fund	Capital Improvements Fund	Parks Capital Improvements Fund	Debt Service Fund		
ASSETS								
Cash and cash equivalents	\$ 263,903	\$ 35,545	\$ 23,594	\$ 1,176,437	\$ 1,077,629	\$ 1,025,376	\$ -	\$ 3,602,484
Receivables (net of allowance for uncollectible)	-	1,693	201,775	111,848	-	37,248	2,533	355,096
Cash - restricted	-	-	-	-	-	-	967,771	967,771
Total assets	<u>263,903</u>	<u>37,238</u>	<u>225,368</u>	<u>1,288,285</u>	<u>1,077,629</u>	<u>1,062,624</u>	<u>970,304</u>	<u>4,925,351</u>
LIABILITIES AND FUND BALANCES								
Accounts payable	-	3,434	23,351	58,676	95,803	-	-	181,265
Due to other funds	-	-	-	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,434</u>	<u>23,351</u>	<u>58,676</u>	<u>95,803</u>	<u>-</u>	<u>-</u>	<u>181,265</u>
Deferred Outflows of Resources:								
Deferred Outflows	-	-	-	89,660	-	35,326	-	124,986
Fund Balances:								
Restricted for:								
CDBG restriction	-	33,804	-	-	-	-	-	33,804
Systems development charges	-	-	-	29,187	-	-	-	29,187
Debt service	-	-	-	-	-	1,027,297	-	1,027,297
Perpetual care	-	-	-	-	-	-	970,304	970,304
Committed for:								
Housing Fund	263,903	-	-	-	-	-	-	263,903
Special revenue funds	-	-	202,017	-	-	-	-	202,017
Open Space (Food & Bev)	-	-	-	-	981,826	-	-	981,826
Parks Improvements	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	1,110,763	-	-	-	1,110,763
Total fund balances	<u>263,903</u>	<u>33,804</u>	<u>202,017</u>	<u>1,139,950</u>	<u>981,826</u>	<u>1,027,297</u>	<u>970,304</u>	<u>4,619,101</u>
Total liabilities, deferred outflows and fund balances	<u>\$ 263,903</u>	<u>\$ 37,238</u>	<u>\$ 225,368</u>	<u>\$ 1,288,285</u>	<u>\$ 1,077,629</u>	<u>\$ 1,062,623</u>	<u>\$ 970,304</u>	<u>\$ 4,925,351</u>

2018 Supplementary Information

**CITY OF ASHLAND, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the year ended June 30, 2018**

	Governmental Fund Types						Permanent Fund Type Cemetery Nonexpendable Trust Fund	Total Other Governmental (Compilation Only)
	Housing Fund	CDBG Fund	Airport Fund	Capital Improvements Fund	Parks Capital Improvements Fund	Debt Service Fund		
Revenues:								
Taxes	\$ 95,249	\$ -	\$ -	\$ -	\$ 758,101	\$ 492,170	\$ -	\$ 1,345,519
Intergovernmental	-	113,981	191,186	-	4,695	-	-	309,863
Charges for services	-	-	145,523	1,043,695	-	1,154,300	14,448	2,357,965
System development charges	-	-	-	64,254	13,978	-	-	78,232
Interest on investments	2,303	-	2,123	36,037	-	11,503	16,103	68,069
Miscellaneous	-	-	-	562,714	-	160,395	-	723,109
Total revenues	97,552	113,981	338,832	1,706,700	776,774	1,818,368	30,551	4,882,758
Expenditures:								
General government	-	113,981	271,506	1,681,986	562,355	-	-	2,629,829
Debt service	-	-	38,536	-	-	1,872,161	-	1,910,697
Total expenditures	-	113,981	310,042	1,681,986	562,355	1,872,161	-	4,540,526
Excess (deficiency) of revenues over (under) expenditures	97,552	-	28,790	24,714	214,419	(53,793)	30,551	342,233
Other financing sources (uses):								
Transfers in	166,351	-	-	-	-	105,000	500	271,851
Transfers out	-	-	-	(1,200,000)	(85,000)	-	(16,103)	(1,301,103)
Total other financing sources (uses)	166,351	-	-	(1,200,000)	(85,000)	105,000	(15,603)	(1,029,252)
Net change in fund balance	263,903	-	28,790	(1,175,286)	129,419	51,207	14,948	(687,019)
Fund balance, July 1, 2017	-	33,804	173,227	2,315,236	852,407	976,090	955,356	5,306,120
Fund balance, June 30, 2018	\$ 263,903	\$ 33,804	\$ 202,017	\$ 1,139,950	\$ 981,826	\$ 1,027,297	\$ 970,304	\$ 4,619,101

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING FUND
For the year ended June 30, 2018

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	\$ -	\$ 200,000	\$ 95,249	\$ 95,249	\$ (104,751)
Interest on investments	-	-	2,303	2,303	2,303
Total revenues	-	200,000	97,552	97,552	(102,448)
Expenditures:					
General government:					
Materials and services	-	366,351	-	-	366,351
Capital outlay	-	-	-	-	-
Total general government	-	366,351	-	-	366,351
Total expenditures	-	366,351	-	-	366,351
Other financing sources (uses):					
Transfers In	-	166,351	166,351	166,351	-
Total other financing sources (uses)	-	166,351	166,351	166,351	-
Net change in fund balance	-	-	263,903	263,903	263,903
Fund balance, July 1, 2017	-	-	-	-	-
Fund balance, June 30, 2018	\$ -	\$ -	\$ 263,903	\$ 263,903	\$ 263,903

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
For the year ended June 30, 2018**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ 453,785	\$ 453,785	\$ 113,981	\$ 113,981	\$ (339,804)
Total revenues	<u>453,785</u>	<u>453,785</u>	<u>113,981</u>	<u>113,981</u>	<u>(339,804)</u>
Expenditures:					
General government:					
Personal services	62,880	62,880	30,718	30,718	32,162
Material and services	390,905	390,905	83,263	83,263	307,642
Total general government	453,785	453,785	113,981	113,981	339,804
Total expenditures	<u>453,785</u>	<u>453,785</u>	<u>113,981</u>	<u>113,981</u>	<u>339,804</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1, 2017	1	1	33,804	33,804	33,803
Fund balance, June 30, 2018	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 33,804</u>	<u>\$ 33,804</u>	<u>\$ 33,803</u>

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AIRPORT FUND
For the year ended June 30, 2018

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Biennium Budget Amounts Original	Final			
Revenues:					
Intergovernmental	\$ 536,800	\$ 536,800	\$ 191,186	\$ 191,186	\$ (345,614)
Charges for services	270,000	270,000	145,523	145,523	(124,477)
Interest on investments	1,000	1,000	2,123	2,123	1,123
Total revenues	807,800	807,800	338,832	338,832	(468,968)
Expenditures:					
General government:					
Materials and services	425,380	425,380	233,897	233,897	191,483
Capital outlay	312,000	312,000	37,609	37,609	274,391
Total general government	737,380	737,380	271,506	271,506	465,874
Debt service	77,075	77,075	38,536	38,536	38,539
Contingency	10,000	10,000	-	-	10,000
Total expenditures	824,455	824,455	310,042	310,042	514,413
Net change in fund balance	(16,655)	(16,655)	28,790	28,790	45,445
Fund balance, July 1, 2017	118,677	118,677	173,227	173,227	54,550
Fund balance, June 30, 2018	\$ 102,022	\$ 102,022	\$ 202,017	\$ 202,017	\$ 99,995

2018 Supplementary Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
For the year ended June 30, 2018**

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Biennium Budget Amounts				
	Original	Final			
Revenues:					
Charges for services	\$ 2,074,940	\$ 2,295,940	\$ 1,043,695	\$ 1,043,695	\$ (1,252,245)
System development charges	101,500	101,500	64,254	64,254	(37,246)
Interest on investments	26,000	26,000	36,037	36,037	10,037
Miscellaneous	20,000	20,000	562,714	562,714	542,714
Total revenues	2,222,440	2,443,440	1,706,700	1,706,700	(736,740)
Expenditures:					
General government:					
Public works - facilities	2,458,100	2,569,100	1,244,218	1,244,218	1,324,882
Admin services - parks SDC	394,640	394,640	350,000	350,000	44,640
Admin services - parks open space	1,500,000	1,500,000	87,768	87,768	1,412,232
Capital outlay	-	-	-	-	-
Total cost of service	4,352,740	4,463,740	1,681,986 (1)	1,681,986	2,781,754
Contingency	60,000	60,000	-	-	60,000
Total expenditures	4,412,740	4,523,740	1,681,986	1,681,986	2,841,754
Excess (Deficiency) of revenues over (under) expenditures	(2,190,300)	(2,080,300)	24,714	24,714	2,105,014
Other financing sources (uses):					
Bond proceeds	1,500,000	1,500,000	-	-	(1,500,000)
Transfers Out	(1,667,000)	(1,777,000)	(1,200,000)	(1,200,000)	577,000
Total other financing sources (uses):	(167,000)	(277,000)	(1,200,000)	(1,200,000)	(923,000)
Net change in fund balance	(2,357,300)	(2,357,300)	(1,175,286)	(1,175,286)	1,182,014
Fund balance, July 1, 2017	2,522,222	2,522,222	2,315,236	2,315,236	(206,986)
Fund balance, June 30, 2018	\$ 164,922	\$ 164,922	\$ 1,139,950	\$ 1,139,950	\$ 975,028

(1) Appropriation level

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS CAPITAL IMPROVEMENTS FUND
For the year ended June 30, 2018

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	\$ 1,484,690	\$ 1,484,690	\$ 758,101	\$ 758,101	\$ (726,589)
Intergovernmental	900,000	900,000	4,695	4,695	(895,305)
Charges for services	-	-	-	-	-
Interest on investments	20,000	20,000	13,978	13,978	(6,022)
Miscellaneous	-	-	-	-	-
Total revenues	2,404,690	2,404,690	776,774	776,774	(1,627,916)
Expenditures:					
General government:					
Material and Services	-	150,000	-	-	150,000
Capital outlay	5,095,000	4,812,157	562,355	562,355	4,249,802
Total cost of service	5,095,000	4,962,157	562,355	562,355	4,399,802
Contingency	-	-	-	-	-
Total expenditures	5,095,000	4,962,157	562,355	562,355	4,399,802
Excess (Deficiency) of revenues over (under) expenditures	(2,690,310)	(2,557,467)	214,419	214,419	2,771,886
Other financing sources (uses):					
Other Financing Sources	3,250,000	3,250,000	-	-	(3,250,000)
Transfers Out	(440,440)	(573,283)	(85,000)	(85,000)	488,283
Total other financing sources (uses):	2,809,560	2,676,717	(85,000)	(85,000)	(2,761,717)
Net change in fund balance	119,250	119,250	129,419	129,419	10,169
Fund balance, July 1, 2017	341,235	341,235	852,407	852,407	511,172
Fund balance, June 30, 2018	\$ 460,485	\$ 460,485	\$ 981,826	\$ 981,826	\$ 521,341

2018 Supplementary Information

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the year ended June 30, 2018

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Taxes	\$ 973,540	\$ 973,540	\$ 492,170	\$ 492,170	\$ (481,370)
Charges for services	2,308,600	2,308,600	1,154,300	1,154,300	(1,154,300)
Assessments	-	-	-	-	-
Interest on investments	8,000	8,000	11,503	11,503	3,503
Miscellaneous	-	-	160,395	160,395	160,395
Total revenues	<u>3,290,140</u>	<u>3,290,140</u>	<u>1,818,368</u>	<u>1,818,368</u>	<u>(1,471,772)</u>
Expenditures:					
Debt service:					
Bancroft	3,740,387	3,740,387	1,774,547	1,774,547	1,965,840
General obligation	-	-	97,614	97,614	(97,614)
Total expenditures	<u>3,740,387</u>	<u>3,740,387</u>	<u>1,872,161</u>	<u>1,872,161</u>	<u>1,868,226</u>
Excess (deficiency) of revenues over (under) expenditures	(450,247)	(450,247)	(53,793)	(53,793)	396,454
Other financing sources (uses):					
Transfers in	480,440	480,440	105,000	105,000	(375,440)
Total other financing sources (uses):	<u>480,440</u>	<u>480,440</u>	<u>105,000</u>	<u>105,000</u>	<u>(375,440)</u>
Net change in fund balance	30,193	30,193	51,207	51,207	21,014
Fund balance, July 1, 2017	<u>1,193,610</u>	<u>1,193,610</u>	<u>976,090</u>	<u>976,090</u>	<u>(217,520)</u>
Fund balance, June 30, 2018	<u>\$ 1,223,803</u>	<u>\$ 1,223,803</u>	<u>\$ 1,027,297</u>	<u>\$ 1,027,297</u>	<u>\$ (196,506)</u>

(1) Appropriation level

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CEMETERY TRUST FUND
For the year ended June 30, 2018**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Charges for services	\$ 50,000	\$ 50,000	\$ 14,447	\$ 14,447	\$ (35,553)
Interest on investments	13,000	38,000	16,103	16,103	(21,897)
Miscellaneous	-	-	-	-	-
Total revenues	63,000	88,000	30,550	30,550	(57,450)
Other financing sources (uses):					
Transfers in	1,000	1,000	500	500	(500)
Transfers out	(13,000)	(38,000)	(16,103)	(16,103)	21,897
Total other financing sources (uses):	(12,000)	(37,000)	(15,603)	(15,603)	21,397
Net change in fund balance	51,000	51,000	14,947	14,947	(36,053)
Fund balance, July 1, 2017	958,770	958,770	955,357	955,357	(3,413)
Fund balance, June 30, 2018	\$ 1,009,770	\$ 1,009,770	\$ 970,304	\$ 970,304	\$ (39,466)

2018 Supplementary Information

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RESERVE FUND
For the year ended June 30, 2018

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Interest on investments	700	700	9,356	9,356	8,656
Total revenues	700	700	9,356	9,356	8,656
Excess (deficiency) of revenues over (under) expenditures	700	700	9,356	9,356	8,656
Other financing sources (uses):					
Interfund loan	1,050,000	1,050,000	-	-	(1,050,000)
Interfund loan	(1,050,000)	(1,050,000)	-	-	1,050,000
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	700	700	9,356	9,356	8,656
Fund balance, July 1, 2017	24,735	24,735	28,168	-	(24,735)
Fund balance, June 30, 2018	\$ 25,435	\$ 25,435	\$ 37,524	\$ 9,356	\$ (16,079)
Reconciliation to GAAP fund balance Reserve fund to the General Fund			\$ (37,524)		
			\$ -		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER FUND
For the year ended June 30, 2018

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Biennium Budget Amounts Original	Final			
Revenues:					
Charges for services	\$ 15,874,482	\$ 15,874,482	\$ 7,814,892	\$ 7,814,892	\$ (8,059,590)
System developments charges	200,000	200,000	294,968	294,968	94,968
Interest on investments	64,000	64,000	139,859	139,859	75,859
Miscellaneous	50,000	50,000	40,443	40,443	(9,557)
Total revenues	16,188,482	16,188,482	8,290,162	8,290,162	(7,898,320)
Expenditures:					
Cost of services:					
Administration: Water conservation	738,888	738,888	273,715	273,715	465,173
Public works water supply	2,751,150	2,751,150	700,420	700,420	2,050,730
Public works water treatment	24,383,636	24,383,636	1,794,785	1,794,785	22,588,851
Public works water distribution	10,807,452	9,807,452	3,551,638	3,551,638	6,255,814
Public works improvements SDCs	4,056,350	4,181,350	200,425	200,425	3,980,925
Total Cost of Service	42,737,476	41,862,476	6,520,984	6,520,984	35,341,492
Debt service	1,941,405	1,941,405	614,234	614,234	1,327,171
Contingency	810,000	685,000	-	-	685,000
Total expenditures	45,488,881	44,488,881	7,135,218	7,135,218	37,353,663
Excess (Deficiency) of revenues over (under) expenditures	(29,300,399)	(28,300,399)	1,154,944	1,154,944	(29,455,343)
Other financing sources (uses):					
Loan proceeds	29,749,150	29,749,150	732,215	732,215	(29,016,935)
Interfund Loan	-	(1,000,000)	-	-	1,000,000
Transfer Out	(500,000)	(500,000)	(250,000)	(250,000)	250,000
Total other financing sources (uses)	29,249,150	28,249,150	482,215	482,215	(27,766,935)
Net change in fund balance	(51,249)	(51,249)	1,637,159	1,637,159	1,688,408
Fund balance, July 1, 2017	8,697,716	8,697,716	7,795,562	7,795,562	(902,154)
Fund balance, June 30, 2018	\$ 8,646,467	\$ 8,646,467	\$ 9,432,721	\$ 9,432,721	\$ 786,254
Reconciliation to Net Position:					
Deferred Outflow			\$ 644,155		
Capital assets, net			21,780,537		
Compensated absences			(86,508)		
OPEB implicit rate liability			(211,754)		
Net Pension liability			(1,653,629)		
Deferred Inflow			(138,234)		
Accrued interest			(18,724)		
GO bonds payable			(3,002,440)		
Revenue bonds payable			(5,398,671)		
			4		
			\$ 21,347,457		

2018 Supplementary Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WASTEWATER FUND
For the year ended June 30, 2018**

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Biennium Budget Amounts Original	Final			
Revenues:					
Taxes	\$ 3,209,200	\$ 3,209,200	\$ 1,628,413	\$ 1,628,413	\$ (1,580,787)
Charges for services	11,852,000	11,852,000	5,802,830	5,802,830	(6,049,170)
System developments charges	200,000	200,000	223,107	223,107	23,107
Interest on investments	50,000	50,000	138,548	138,548	88,548
Total revenues	15,311,200	15,311,200	7,792,897	7,792,897	(7,518,303)
Expenditures:					
Cost of services:					
Public works wastewater collection	6,088,930	6,088,930	2,517,736	2,517,736	3,571,194
Public works wastewater treatment	10,279,543	10,279,543	4,031,623	4,031,623	6,247,920
Public works reimbursement SDC's	4,060,025	383,381	-	-	383,381
Public works improvements SDC's	-	3,676,644	7,308	7,308	3,669,336
Total cost of service	20,428,498	20,428,498	6,556,667	6,556,667	13,871,831
Debt service	3,877,280	3,877,280	1,681,228	1,681,228	2,196,052
Contingency	325,000	325,000	-	-	325,000
Total expenditures	24,630,778	24,630,778	8,237,895	8,237,895	16,392,883
Excess (deficiency) of revenues over (under) expenditures	(9,319,578)	(9,319,578)	(444,998)	(444,998)	8,874,580
Other financing sources (uses):					
Loan proceeds	9,900,000	9,900,000	239,627	239,627	(9,660,373)
Total other financing sources (uses)	9,900,000	9,900,000	239,627	239,627	(9,660,373)
Net change in fund balance	580,422	580,422	(205,371)	(205,371)	(785,793)
Fund balance, July 1, 2017	6,751,916	6,751,916	7,842,215	7,842,215	1,090,299
Fund balance, June 30, 2018	\$ 7,332,338	\$ 7,332,338	\$ 7,636,844	\$ 7,636,844	\$ 304,506
Reconciliation to Net Position:					
Deferred Outflow			\$ 485,263		
Capital assets, net			33,371,798		
Compensated absences			(72,316)		
OPEB implicit rate liability			(141,957)		
Net Pension liability			(1,245,734)		
Deferred Inflow			(104,136)		
Accrued interest			(119,606)		
GO bonds payable			(6,321,760)		
Revenue bonds payable			(2,070,315)		
Rounding			4		
			<u>\$ 31,418,085</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
STORMWATER FUND
For the year ended June 30, 2018

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Charges for services	\$ 1,390,000	\$ 1,390,000	\$ 698,110	\$ 698,110	\$ (691,890)
System developments charges	80,000	80,000	33,163	33,163	(46,837)
Interest on investments	19,000	19,000	24,834	24,834	5,834
Miscellaneous	-	-	-	-	-
Total revenues	1,489,000	1,489,000	756,107	756,107	(732,893)
Expenditures:					
Cost of services:					
Public works stormwater operations	1,459,713	1,459,713	590,844	590,844	868,869
Public works stormwater SDC's	250,000	250,000	91,507	91,507	158,493
Total cost of service	1,709,713	1,709,713	682,351	682,351	1,027,362
Debt service	24,500	24,500	12,349	12,349	12,151
Contingency	30,000	30,000	-	-	30,000
Total expenditures	1,764,213	1,764,213	694,701	694,701	1,069,512
Excess (deficiency) of revenues over (under) expenditures	(275,213)	(275,213)	61,407	61,407	336,620
Other financing sources (uses):					
Loan proceeds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(275,213)	(275,213)	61,407	61,407	336,620
Fund balance, July 1, 2017	1,697,095	1,697,095	1,707,584	1,707,584	10,489
Fund balance, June 30, 2018	\$ 1,421,882	\$ 1,421,882	\$ 1,768,991	\$ 1,768,991	\$ 347,109
Reconciliation to Net Position:					
Deferred Outflow			\$ 122,389		
Capital assets, net			760,290		
Compensated absences			(10,257)		
OPEB implicit rate liability			(10,183)		
Net Pension liability			(314,190)		
Deferred Inflow			(26,264)		
Accrued interest			(555)		
GO bonds payable			(105,000)		
Rounding					
			\$ 2,185,221		

2018 Supplementary Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
ELECTRIC FUND
For the year ended June 30, 2018**

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget - Positive (Negative)
	Biennium Budget Amounts				
	Original	Final			
Revenues:					
Intergovernmental	\$ 420,000	\$ 420,000	\$ 259,094	\$ 259,094	\$ (160,906)
Charges for services	32,502,240	32,502,240	15,917,213	15,917,213	(16,585,027)
Interest on investments	22,100	22,100	27,709	27,709	5,609
Miscellaneous	195,060	195,060	100,464	100,464	(94,596)
Total revenues	33,139,400	33,139,400	16,304,480	16,304,480	(16,834,920)
Expenditures:					
Cost of Services:					
Administration - Conservation	1,486,890	1,486,890	856,037	856,037	630,853
Electric - supply	14,981,925	15,281,925	7,257,773	7,257,773	8,024,153
Electric distribution	13,390,730	13,390,730	6,834,292	6,834,292	6,556,438
Electric transmission	2,531,435	2,231,435	891,251	891,251	1,340,184
Total cost of service	32,390,980	32,390,980	15,839,353	15,839,353	16,551,627
Debt service	1,128,202	1,128,202	22,936	22,936	1,105,266
Contingency	225,000	225,000	-	-	225,000
Total expenditures	33,744,182	33,744,182	15,862,288	15,862,288	17,881,894
Net change in fund balance	(604,782)	(604,782)	442,192	442,192	1,046,974
Fund balance, July 1, 2017	1,533,657	1,533,657	2,026,665	2,026,665	493,008
Fund balance, June 30, 2018	\$ 928,875	\$ 928,875	\$ 2,468,857	\$ 2,468,857	\$ 1,539,982
Reconciliation to Net Position:					
Deferred Outflow			\$ 730,042		
Capital assets, net			6,452,056		
Compensated absences			(123,963)		
OPEB implicit rate liability			(241,069)		
Net Pension liability			(1,874,113)		
Deferred Inflow			(156,665)		
Accrued interest			(45)		
Revenue bonds payable			(86,857)		
Deferred revenue			101,335		
Rounding			(3)		
			<u>\$ 7,269,575</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
TELECOMMUNICATIONS FUND
For the year ended June 30, 2018

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Charges for services	\$ 4,335,155	\$ 4,335,155	\$ 2,252,527	\$ 2,252,527	\$ (2,082,628)
Interest on investments	4,000	4,000	8,042	8,042	4,042
Miscellaneous	-	-	945	945	945
Total revenues	4,339,155	4,339,155	2,261,514	2,261,514	(2,077,641)
Expenditures:					
Cost of services:					
Personal services	1,448,575	1,448,575	638,033	638,033	810,542
Materials and services	2,717,520	2,632,520	1,366,195	1,366,195	1,266,325
Capital outlay	150,000	235,000	22,595	22,595	212,405
Total cost of service	4,316,095	4,316,095	2,026,823	2,026,823	2,289,272
Contingency	105,000	105,000	-	-	105,000
Total expenditures	4,421,095	4,421,095	2,026,823	2,026,823	2,394,272
Excess (deficiency) of revenues over (under) expenditures	(81,940)	(81,940)	234,690	234,690	316,630
Other financing sources (uses):					
Interfund Loan	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(81,940)	(81,940)	234,690	234,690	316,630
Fund balance, July 1, 2017	309,449	309,449	599,420	599,420	289,971
Fund balance, June 30, 2018	\$ 227,509	\$ 227,509	\$ 834,110	\$ 834,110	\$ 606,601
Reconciliation to net position:					
Deferred Outflow			\$ 257,662		
Capital assets, net			566,204		
Compensated absences			(17,644)		
OPEB implicit rate liability			(77,835)		
Net pension liability			(661,452)		
Deferred Inflow			(55,294)		
Rounding			(4)		
			<u>\$ 845,747</u>		

2018 Supplementary Information

**CITY OF ASHLAND, OREGON
CONSOLIDATING BALANCE SHEET
INTERNAL SERVICE FUNDS
For the year ended June 30, 2018**

	Central Services Fund	Insurance Services Fund	Health Benefits Fund	Equipment Fund	Totals
ASSETS					
Current assets:					
Cash and investments	\$ 1,487,662	\$ 944,020	\$ 548,300	\$ 3,657,880	\$ 6,637,862
Interest and accounts receivable, net	407	1,336	268,097	7,702	277,542
Notes receivable	-	28,066	-	-	28,066
Inventories	31,037	7,151	-	15,219	53,407
Total current assets	1,519,106	980,574	816,398	3,680,801	6,996,878
Non-Current assets:					
Non-Current capital assets	1,509,122	-	-	12,905,891	14,415,013
Accumulated depreciation	(617,703)	-	-	(10,343,454)	(10,961,157)
Capital assets, net	891,418	-	-	2,562,437	3,453,855
Total Assets	2,410,524	980,574	816,398	6,243,238	10,450,733
Deferred Outflows of Resources:					
Deferred Outflows	2,361,902	75,818	-	279,134	2,716,854
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
Current liabilities:					
Accounts payable	295,791	51,864	109,650	88,239	545,544
Accrued salaries, vacation and payroll taxes	356,607	3,079	-	30,448	390,133
Accrued claims and adjustments	-	160,093	702,052	-	862,145
Total current liabilities	652,398	215,036	811,702	118,686	1,797,822
Long-term liabilities:					
OPEB Liabilities	627,929	-	-	62,027	689,956
Proportionate Share of Net Pension Liability	6,063,307	-	-	716,573	6,779,880
Accrued claims	-	3,716,818	-	-	3,716,818
Total long-term liabilities	6,691,236	3,716,818	-	778,600	11,186,654
Total liabilities	7,343,634	3,931,854	811,702	897,287	12,984,477
Deferred Inflows of Resources:					
Deferred inflows - pensions	506,858	264,478	-	59,901	831,237
Net Position:					
Net Investment in Capital Assets	891,418	-	-	2,562,437	3,453,855
Unreserved	(3,969,484)	(3,139,940)	4,695	3,002,747	(4,101,982)
Total net position:	(3,078,066)	(3,139,940)	4,695	5,565,184	(648,126)
Total liabilities, deferred inflows and net position	\$ 4,772,426	\$ 1,056,392	\$ 816,398	\$ 6,522,372	\$ 13,167,587

CITY OF ASHLAND, OREGON
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the year ended June 30, 2018

	Central Service Fund	Insurance Service Fund	Health Benefits Fund	Equipment Fund	Totals
Operating revenues:					
Service charges and fees	\$ 7,011,567	\$ 693,492	\$ 5,713,697	\$ 2,176,891	\$ 15,595,647
Miscellaneous	6,696	10,723	426,833	64,254	508,507
Total revenues	<u>7,018,263</u>	<u>704,215</u>	<u>6,140,531</u>	<u>2,241,145</u>	<u>16,104,154</u>
Operating expenses:					
Cost of service	7,643,554	890,588	6,014,590	1,830,394	16,379,126
Depreciation	25,616	-	-	490,538	516,155
Total operating expenses	<u>7,669,171</u>	<u>890,588</u>	<u>6,014,590</u>	<u>2,320,932</u>	<u>16,895,281</u>
Operating income (loss)	(650,907)	(186,373)	125,941	(79,787)	(791,127)
Nonoperating income (expense):					
Taxes	60,648	-	-	-	60,648
Interest income	15,415	14,987	7,337	60,806	98,545
Transfers In	1,200,000	-	-	-	1,200,000
Total nonoperating income (expense)	<u>1,276,063</u>	<u>14,987</u>	<u>7,337</u>	<u>60,806</u>	<u>1,359,193</u>
Change in Net Position	625,155	(171,386)	133,277	(18,981)	568,066
Total Net Position - beginning, restated	<u>(3,703,221)</u>	<u>(2,968,554)</u>	<u>(128,582)</u>	<u>5,584,165</u>	<u>(1,216,192)</u>
Total Net Position - ending	<u>\$ (3,078,066)</u>	<u>\$ (3,139,940)</u>	<u>\$ 4,695</u>	<u>\$ 5,565,184</u>	<u>\$ (648,126)</u>

2018 Supplementary Information

CITY OF ASHLAND, OREGON
COMBINING INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
For the year ended June 30, 2018

	Central Service Fund	Insurance Service Fund	Health Benefits Fund	Equipment Fund	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,016,496	\$ 726,081	\$ 5,975,113	\$ 2,237,812	\$ 15,955,502
Payments to suppliers	(425,556)	(1,060,999)	(6,387,043)	(1,048,792)	(8,922,390)
Payments to employees	(6,674,557)	(113,530)	-	(672,194)	(7,460,282)
Net cash from operating activities	<u>(83,617)</u>	<u>(448,448)</u>	<u>(411,930)</u>	<u>516,826</u>	<u>(427,170)</u>
Cash flows from noncapital financing activities:					
Transfers in	1,200,000	-	-	-	1,200,000
Taxes collected	60,648	-	-	-	60,648
Net cash from noncapital financing activities	<u>1,260,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,260,648</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(159,015)	-	-	(384,799)	(543,814)
Net cash from capital and related financing activities	<u>(159,015)</u>	<u>-</u>	<u>-</u>	<u>(384,799)</u>	<u>(543,814)</u>
Cash flows from investing activities:					
Interest from investments and other income	15,415	14,986	7,337	60,806	98,544
Net increase (decrease) in cash and investments	<u>1,033,431</u>	<u>(433,462)</u>	<u>(404,593)</u>	<u>192,833</u>	<u>388,208</u>
Cash and investments, beginning of year	<u>454,231</u>	<u>1,377,482</u>	<u>952,894</u>	<u>3,465,047</u>	<u>6,249,654</u>
Cash and investments, end of year	<u><u>1,487,662</u></u>	<u><u>944,020</u></u>	<u><u>548,301</u></u>	<u><u>3,657,880</u></u>	<u><u>6,637,862</u></u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	(650,907)	(186,373)	125,941	(79,787)	(791,127)
Depreciation and amortization	25,616	-	-	490,538	516,155
Change in assets and liabilities:					
(Increase) decrease in:					
Receivables	(1,767)	21,866	(165,418)	(3,333)	(148,652)
Net Pension Assets, Outflows/Inflows	741,033	(78,282)	-	129,506	792,257
Inventories	14,661	(7,151)	-	(660)	6,850
Deferred charges					
Increase (decrease) in:					
Accounts payable and accrued liabilities	201,735	22,326	(76,889)	20,993	168,165
Other liabilities	(413,988)	(220,834)	(295,564)	(40,431)	(970,817)
Net cash from operating activities	<u><u>\$ (83,617)</u></u>	<u><u>\$ (448,448)</u></u>	<u><u>\$ (411,930)</u></u>	<u><u>\$ 516,826</u></u>	<u><u>\$ (427,170)</u></u>

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
CENTRAL SERVICES FUND
For the year ended June 30, 2018

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Biennium Budget Amounts				
	Original	Final			
Revenues:					
Taxes	\$ 160,775	\$ 160,775	\$ 60,648	\$ 60,648	\$ (100,127)
Charges for services	14,235,500	14,235,500	7,011,567	7,011,567	(7,223,933)
Interest on investments	17,600	17,600	15,415	15,415	(2,185)
Miscellaneous	-	-	6,696	6,696	6,696
Total revenues	<u>14,413,875</u>	<u>14,413,875</u>	<u>7,094,326</u>	<u>7,094,326</u>	<u>(7,319,549)</u>
Expenditures:					
Cost of services:					
Administration department	3,775,160	3,775,160	1,698,305	1,698,305	2,076,855
IT - Information Services	2,811,275	2,811,275	1,301,904	1,301,904	1,509,371
Administrative Services department	5,212,449	5,212,449	2,526,409	2,526,409	2,686,040
City Recorder department	384,450	409,032	196,861	196,861	212,171
Public Works department	3,644,262	3,644,262	1,759,968	1,759,968	1,884,294
Contingency	235,000	210,418	-	-	210,418
Total expenditures	<u>16,062,596</u>	<u>16,062,596</u>	<u>7,483,448</u>	<u>7,483,448</u>	<u>8,579,148</u>
Other financing sources (uses):					
Transfers In	1,667,000	1,667,000	1,200,000	1,200,000	(467,000)
Interfund loan	-	-	-	-	-
Total other financing sources (uses)	<u>1,667,000</u>	<u>1,667,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>(467,000)</u>
Net change in fund balance	18,279	18,279	810,878	810,878	792,599
Fund balance, July 1, 2017	<u>242,081</u>	<u>242,081</u>	<u>281,575</u>	<u>281,575</u>	<u>39,494</u>
Fund balance, June 30, 2018	<u>\$ 260,360</u>	<u>\$ 260,360</u>	<u>\$ 1,092,453</u>	<u>\$ 1,092,453</u>	<u>\$ 832,093</u>
Reconciliation to Net Position:					
Deferred Outflow			\$ 2,361,902		
Capital assets, net			891,418		
Accrued compensated absences			(225,744)		
OPEB implicit rate liability			(627,929)		
Net Pension liability			(6,063,307)		
Deferred Inflow			(506,858)		
Rounding					
			<u>\$ (3,078,065)</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
INSURANCE SERVICES FUND
For the year ended June 30, 2018

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Biennium Budget Amounts				
	Original	Final			
Revenues:					
Charges for services	\$ 1,560,000	\$ 1,560,000	\$ 693,492	\$ 693,492	\$ (866,508)
Interest on investments	14,000	14,000	14,987	14,987	987
Miscellaneous	80,000	80,000	10,723	10,723	(69,277)
Total revenues	1,654,000	1,654,000	719,202	719,202	(934,798)
Expenditures:					
Cost of services:					
Personal services	233,160	233,160	113,530	113,530	119,630
Materials and services	1,854,790	1,854,790	872,328	872,328	982,462
Capital Outlay	480,000	480,000	200,950	200,950	279,050
Total cost of services	2,567,950	2,567,950	1,186,808	1,186,808	1,381,142
Contingency	38,500	38,500	-	-	38,500
Total expenditures	2,606,450	2,606,450	1,186,808	1,186,808	1,419,642
Other financing sources (uses):					
Transfers In	-	-	-	-	-
Transfer Out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(952,450)	(952,450)	(467,606)	(467,606)	484,844
Fund balance, July 1, 2017	1,117,444	1,117,444	1,017,579	1,017,579	(99,865)
Fund balance, June 30, 2018	\$ 164,994	\$ 164,994	\$ 549,973	\$ 549,973	\$ 384,979
Reconciliation to net position:					
Deferred Outflow			\$ 75,818		
Accrued claims and judgments			(3,876,911)		
Deferred Inflow			(264,478)		
Deferred Revenues			375,658		
			<u>\$ (3,139,940)</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
HEALTH BENEFITS FUND
For the year ended June 30, 2018

	BN 2017-2019		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Biennium Budget Amounts				
	Original	Final			
Revenues:					
Charges for services	\$ 11,852,537	\$ 11,852,537	\$ 5,713,697	\$ 5,713,697	\$ (6,138,840)
Interest on investments	13,000	13,000	7,337	7,337	(5,663)
Miscellaneous	-	-	426,833	426,833	426,833
Total revenues	11,865,537	11,865,537	6,147,867	6,147,867	(5,717,670)
Expenditures:					
Cost of services:					
Materials and services	11,557,301	11,557,301	6,539,590	6,539,590	5,017,711
Total cost of services	11,557,301	11,557,301	6,539,590	6,539,590	5,017,711
Contingency	500,000	500,000			500,000
Total expenditures	12,057,301	12,057,301	6,539,590	6,539,590	5,517,711
Other financing sources (uses):					
Interfund loan	1,050,000	1,050,000	-	-	(1,050,000)
Interfund loan	(1,050,000)	(1,050,000)	-	-	1,050,000
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(191,764)	(191,764)	(391,723)	(391,723)	(199,959)
Fund balance, July 1, 2017	521,456	521,456	396,418	396,418	(125,038)
Fund balance, June 30, 2018	\$ 329,692	\$ 329,692	\$ 4,695	\$ 4,695	\$ (324,997)

2018 Supplementary Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
EQUIPMENT FUND
For the year ended June 30, 2018**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues:					
Charges for services	\$ 4,288,460	\$ 4,288,460	\$ 2,176,891	\$ 2,176,891	\$ (2,111,569)
Interest on investments	35,000	35,000	60,806	60,806	25,806
Miscellaneous	150,000	150,000	64,254	64,254	(85,746)
Total revenues	4,473,460	4,473,460	2,301,951	2,301,951	(2,171,509)
Expenditures:					
Cost of services:					
Public works maintenance	3,176,472	3,616,472	1,441,747	1,441,747	2,174,725
Total cost of service	3,176,472	3,616,472	1,441,747	1,441,747	2,174,725
Capital outlay	2,849,000	2,849,000	685,668	685,668	2,163,332
Contingency	100,000	100,000	-	-	100,000
Total expenditures	6,125,472	6,565,472	2,127,415	2,127,415	4,438,057
Excess (deficiency) of revenues over (under) expenditures	(1,652,012)	(2,092,012)	174,536	174,536	(2,266,548)
Net change in fund balance	(1,652,012)	(2,092,012)	174,536	174,536	2,266,548
Fund balance, July 1, 2017	3,343,135	3,743,135	3,404,966	3,404,966	(338,169)
Fund balance, June 30, 2018	\$ 1,691,123	\$ 1,651,123	\$ 3,579,502	\$ 3,579,502	\$ 1,928,379
Reconciliation to Net Position:					
Deferred Outflow			\$ 279,134		
Capital assets, net			2,562,437		
Accrued compensated absences			(17,387)		
OPEB implicit rate liability			(62,027)		
Net Pension liability			(716,573)		
Deferred Inflow			(59,901)		
Rounding					
			\$ 5,565,185		



OTHER INFORMATION

**CITY OF ASHLAND, OREGON
CAPITAL ASSETS USED
IN THE OPERATION OF GOVERNMENTAL FUNDS
BY SOURCE
For the year ended June 30, 2018**

Governmental funds capital assets:

Land	\$	14,239,669
Buildings and improvements		42,944,185
Improvements other than buildings		55,772,752
Machinery and equipment		6,886,224
Construction in progress		1,509,770

Total capital assets

121,352,600

Investments in governmental funds capital assets by source:

General and capital projects funds	59,237,625
Special revenue funds	47,550,228
Leased to other agencies	14,564,747

Total investments in governmental funds capital assets

\$ 121,352,600

This schedule represents only the capital asset balances related to governmental funds before accumulated depreciation. Accordingly, the capital assets reported in *Internal Service Funds* are excluded from the above amounts. Generally, the capital assets of internal service funds are included as the appropriate business activity or governmental activity in the *Statement of Net Position*.

**CITY OF ASHLAND, OREGON
SCHEDULE OF ASSETS USED
IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY
For the year ended June 30, 2018**

Function and Activity	Land	Buildings	Machinery and Equipment	Improvements other than Buildings	Construction in Progress	Total
General government:						
Community development	\$ 985,235	\$ 1,120,947	\$ 378,138	\$ -	\$ -	\$ 2,484,320
Public buildings	1,971,601	1,971,174	145,916	485,307	91,888	4,665,886
Leased to other agencies	253,000	8,744,018	1,609,780	3,957,949	-	14,564,747
Other - unclassified	2,660,200	2,809,244	553,922	1,425,556	-	7,448,922
Total general government	5,870,036	14,645,383	2,687,756	5,868,812	91,888	29,163,875
Public safety:						
Police	80,000	614,700	550,429	1,515,652	51,593	2,812,374
Fire	998,400	6,173,371	369,125	300,000	-	7,840,896
Total public safety	1,078,400	6,788,071	919,554	1,815,652	51,593	10,653,270
Highway and streets:						
Public thoroughfares	589,276	647,984	642,839	39,196,355	1,094,185	42,170,639
Total highways and streets	589,276	647,984	642,839	39,196,355	1,094,185	42,170,639
Airports	176,566	1,029,780	-	4,173,243	-	5,379,589
Culture and recreation	6,525,391	19,832,967	2,636,075	4,718,690	272,104	33,985,227
Total governmental funds capital assets	\$ 14,239,669	\$ 42,944,185	\$ 6,886,224	\$ 55,772,752	\$ 1,509,770	\$ 121,352,600

This schedule represents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in *Internal Service Funds* are excluded from the above amounts. Generally, the capital assets of internal service funds are included as the appropriate business activity or governmental activity in the *Statement of Net Position*.

2018 Other Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF BOND PRINCIPAL
AND BOND INTEREST TRANSACTIONS
For the year ended June 30, 2018**

	Original Issue	Bond Principal Transactions	
		Outstanding June 30, 2017	Issued
General Obligation Bonds			
**Re-funding Bonds, issued December 1, 2005 - Fire Station #1 interest variable	2,560,000	750,000	-
Water and Wastewater, Series 2009, issued May 15, 2009 interest at 4.95%	1,000,000	557,670	-
Wastewater, issued October 13, 2010 interest at 2.00% to 4.00%	15,440,000	7,090,000	-
**Fire Station #2, issued November 1, 2011 interest at 2.00% to 4.00%	2,960,000	2,210,000	-
**Ashland Fiber Network Bonds, (Refinanced 2004) issued March 7, 2013 interest at 2.00% to 2.80%	11,675,000	9,160,000	-
Water debt (Refinanced 2003), issued March 7, 2013 interest at 2.00%	1,580,000	1,070,000	-
New Construction for Street, CIP, Water and Wastewater, issued March 7, 2013 interest at 2.00% to 2.50%	4,765,000	3,635,000	-
Revenue Bonds			
Electric, Series 2008, issued June 20, 2008 interest at 3.8% to 6.01%	304,000	108,571	-
Water, DEQ loan interest at 1.00%	979,630	2,382,408	379,409
Wastewater, DEQ Loan interest at 1.00%	1,645,280	1,830,688	(185,408)
Medford Water Commission - Duff Treatment Plant - Issued 3/26/2014 interest at 3.42%	-	2,143,074	-
Water, DEQ loan interest at 1.00%	-	232,210	272,254
Water, IFA #R11754 interest at 1.00%	-	-	80,552
Wastewater, DEQ loan interest at 1.00%	-	-	425,035
	\$ 42,908,910	\$ 31,169,621	\$ 274,553

** Paid by Property Taxes

**CITY OF ASHLAND, OREGON
SCHEDULE OF BOND PRINCIPAL
AND BOND INTEREST TRANSACTIONS
For the year ended June 30, 2018 (continued)**

Bond Principal Transactions			Interest Transactions			
Matured	Paid	Outstanding June 30, 2018	Outstanding June 30, 2017	Matured	Paid	Outstanding June 30, 2018
\$ 240,000	\$ 240,000	\$ 510,000	\$ -	\$ 37,500	\$ 37,500	\$ -
68,469	68,469	489,201	-	26,768	26,768	-
1,325,000	1,325,000	5,765,000	-	230,600	230,600	-
125,000	125,000	2,085,000	-	74,638	74,638	-
1,060,000	1,060,000	8,100,000	-	198,910	198,910	-
170,000	170,000	900,000	-	19,700	19,700	-
295,000	295,000	3,340,000	-	74,275	74,275	-
21,714	21,714	86,857	-	1,221	1,221	-
-	-	2,761,817	-	-	-	-
-	-	1,645,280	-	-	-	-
91,236	91,236	2,051,838	-	72,520	72,520	-
-	-	504,464	-	-	-	-
-	-	80,552	-	-	-	-
-	-	425,035	-	-	-	-
\$ 3,396,420	\$ 3,396,420	\$ 28,745,044	\$ -	\$ 736,131	\$ 736,131	\$ -

CITY OF ASHLAND, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS
For the year ended June 30, 2018

	Cash	Receipts	Turnovers to			Cash
	Balance July 1, 2017		Treasurer	State	Other	Balance June 30, 2018
City Recorder	\$ 37,189,569	\$ 205,713,466	\$ -	\$ -	\$ 202,419,719	\$ 40,483,316
Judge	-	512,470	415,049	97,421	-	-
	<u>\$ 37,189,569</u>	<u>\$ 206,225,936</u>	<u>\$ 415,049</u>	<u>\$ 97,421</u>	<u>\$ 202,419,719</u>	<u>\$ 40,483,316</u>



STATISTICAL SECTION



**CITY OF ASHLAND, OREGON
STATISTICAL SECTION
Unaudited**

This part of the City of Ashland's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, notes, and supplementary information. This information has not been audited by the independent auditors.

Financial Trends	Page
These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	132-149
Revenue Capacity	
These tables contain information that may assist the reader in assessing the viability of the City's revenue sources.	150-159
Debt Capacity	
These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	160-169
Economic and Demographic Information	
These tables offer economic and demographic indicators that are commonly used for financial analysis that can help the reader understand the City's present and ongoing financial status.	170-171
Operating Information	
These tables contain service and infrastructure indicators that can help the reader understand how the information in the City's financial statements relate to the services the City provides and the activities it performs.	172-179

**CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
TOTAL PRIMARY GOVERNMENT
Last ten years
For the year ended June 30**

ASSETS	2018	2017	2016	2015
Assets:				
Cash and cash equivalents	\$ 39,515,544	\$ 36,235,307	\$ 34,302,519	\$ 30,706,665
Receivables (net of allowance for uncollectible)	8,135,704	7,314,031	6,875,708	6,952,616
Inventories	1,275,359	1,302,116	1,181,124	1,241,570
Deferred charges	-	68,734	178,703	288,672
Internal balances	-	-	-	-
Restricted assets:				
Cash and cash equivalents	967,771	954,262	943,355	855,545
Proportional Share of Net Pension Assets	-	-	-	5,498,618
Capital assets:				
Land	17,445,364	14,733,964	14,373,273	14,373,273
Buildings and improvements	65,362,359	61,939,633	58,071,284	57,939,461
Machinery and equipment	20,929,013	20,275,179	19,404,748	18,388,604
Infrastructure	148,657,284	146,223,864	140,152,030	139,206,796
Construction in progress	5,648,364	5,049,759	8,810,424	7,403,156
Accumulated depreciation	(131,265,122)	(125,204,692)	(119,389,812)	(113,263,213)
Total assets	\$ 176,671,640	\$ 168,892,157	\$ 164,903,356	\$ 169,591,763
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	11,329,398	18,799,685	3,903,782	-
Deferred outflows - pensions GASB 73	75,818	107,279	-	-
Deferred outflows - OPEB GASB 75	264,798	-	-	-
Liabilities:				
Accounts payable and other current liabilities	\$ 7,114,423	\$ 6,002,038	\$ 9,384,143	\$ 9,674,563
Accrued interest payable	230,728	180,176	204,769	222,149
Noncurrent liabilities:				
Proportional Share of net pension liability	29,786,911	34,849,281	14,910,215	-
OPEB Net Pension Obligations	2,929,241	1,857,483	1,751,480	-
Medical Stipend	4,037,004	3,934,756	-	-
Claims	17,247	17,247	17,247	122,107
Bonds: Due within one year	3,773,933	3,548,507	3,706,477	2,562,893
Bonds: Due in more than one year	27,563,046	28,725,935	31,644,402	34,633,001
Total liabilities	75,452,533	79,115,423	61,618,733	47,214,713
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	2,431,258	1,744,314	3,463,962	8,220,518
Deferred inflows - pensions GASB 73	264,478	374,221	-	-
Deferred inflows - OPEB GASB 75	144,694	-	-	-
Net position:				
Net investment in capital assets	95,440,283	90,743,265	86,071,068	86,852,183
Restricted for:				
Asset forfeiture	23,972	32,313	25,784	29,678
TOT tourism	425,141	338,658	129,763	99,108
Library Levy	-	-	-	56,587
System development	6,089,130	6,194,373	7,086,198	6,760,284
Debt service	1,027,297	976,090	1,028,912	1,737,051
CDBG restriction	33,804	33,801	33,804	33,797
Perpetual care: nonexpendable	970,304	955,356	895,931	922,667
Unrestricted	6,038,760	7,291,307	8,452,983	17,665,177
Total net position	\$ 110,048,691	\$ 106,565,163	\$ 103,724,443	\$ 114,156,532

**CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
TOTAL PRIMARY GOVERNMENT**

**Last ten years
For the year ended June 30 (continued)**

2014	2013	2012	2011	2010	2009
\$ 30,294,891	\$ 27,318,469	\$ 24,217,823	\$ 19,512,941	\$ 18,791,296	\$ 16,446,381
6,965,083	8,944,226	6,007,813	6,493,381	4,955,608	4,896,407
1,097,205	955,594	960,976	795,017	765,146	846,266
488,135	607,054	725,973	844,892	966,228	1,098,448
-	-	-	-	-	-
1,149,616	1,140,881	976,265	802,870	755,885	1,066,850
-	-	-	-	-	-
14,346,985	14,346,985	14,142,444	14,281,247	14,281,247	14,281,247
57,828,552	44,478,937	41,652,492	41,652,492	41,652,492	41,652,492
17,823,317	14,229,072	13,784,934	14,559,643	14,154,358	13,954,085
137,340,186	139,493,296	137,079,527	132,399,171	132,109,061	128,215,974
4,689,277	7,574,458	6,145,626	6,846,006	3,022,766	4,961,001
(106,839,820)	(102,158,683)	(95,803,201)	(90,617,885)	(84,508,309)	(78,313,110)
<u>\$ 165,183,427</u>	<u>\$ 156,930,289</u>	<u>\$ 149,890,672</u>	<u>\$ 147,569,775</u>	<u>\$ 146,945,778</u>	<u>\$ 149,106,041</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 9,981,681	\$ 7,948,346	\$ 6,218,719	\$ 7,307,355	\$ 4,960,298	\$ 4,621,141
253,863	238,254	488,516	506,888	538,253	560,209
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,441,773	3,296,002	2,737,562	2,825,112	3,011,903	2,852,814
34,142,648	34,937,044	32,990,512	32,602,528	36,984,843	39,706,273
<u>47,819,965</u>	<u>46,419,646</u>	<u>42,435,309</u>	<u>43,241,883</u>	<u>45,495,297</u>	<u>47,740,437</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
87,604,076	79,731,019	81,273,748	83,693,034	80,714,869	82,192,602
28,897	14,579	224,361	187,864	129,510	140,974
116,131	-	102,786	105,063	-	-
142,497	-	-	-	-	-
6,710,884	6,441,906	6,385,161	5,741,175	6,116,616	6,164,265
1,670,185	1,661,313	1,858,140	875,490	1,637,689	1,948,275
33,801	33,801	33,798	34,424	-	-
896,572	874,045	861,244	831,603	807,797	788,753
20,160,419	21,753,980	16,716,125	12,859,239	12,044,000	10,130,735
<u>\$ 117,363,462</u>	<u>\$ 110,510,643</u>	<u>\$ 107,455,363</u>	<u>\$ 104,327,892</u>	<u>\$ 101,450,481</u>	<u>\$ 101,365,604</u>

CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
Last ten years
For the year ended June 30

ASSETS	2018	2017	2016	2015
Assets:				
Cash and cash equivalents	\$ 20,136,422	\$ 21,109,299	\$ 21,839,880	\$ 20,251,175
Receivables (net of allowance for uncollectible)	4,150,698	3,955,520	3,338,266	4,167,775
Inventories	53,407	60,258	65,010	187,511
Internal balances	(736,580)	(690,424)	(113,519)	(1,945,133)
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	967,771	954,262	943,355	855,545
Proportional Share of Net Pension Assets	-	-	-	4,350,234
Capital assets:				
Land	14,338,439	12,827,039	12,466,348	12,466,348
Buildings and improvements	43,262,695	39,839,969	35,982,031	35,850,207
Machinery and equipment	19,548,134	18,901,908	18,115,158	17,116,629
Infrastructure	56,217,158	56,008,878	55,745,615	54,917,223
Construction in progress	2,401,188	3,126,490	1,390,232	1,614,351
Accumulated depreciation	(71,921,238)	(69,116,513)	(65,662,055)	(61,946,174)
Total assets	\$ 88,418,094	\$ 86,976,686	\$ 84,110,321	\$ 87,885,691
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	9,089,887	14,873,379	3,088,480	-
Deferred outflows - pensions GASB 73	75,818	107,279	-	-
Deferred outflows - OPEB GASB 75	264,798	-	-	-
Liabilities:				
Accounts payable and other current liabilities	\$ 4,460,514	\$ 4,038,455	\$ 6,921,351	\$ 7,163,036
Accrued interest payable	91,799	109,425	121,564	130,429
Noncurrent liabilities:	-	-	-	-
Proportional share of net pension liability	24,037,793	27,571,024	11,796,223	-
OPEB Net Pension Obligations	2,246,442	1,361,013	1,276,128	-
Medical Stipend	4,037,004	3,934,756	-	-
Claims and judgment - Due within one year	17,247	17,247	17,247	122,107
Bonds: Due within one year	1,835,936	1,682,087	730,000	793,836
Bonds: Due in more than one year	12,516,000	12,817,735	15,401,707	16,009,707
Total liabilities	49,242,735	51,531,742	36,264,220	24,219,115
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	1,950,665	1,380,015	2,740,515	6,503,667
Deferred inflows - pensions GASB 73	264,478	374,221	-	-
Deferred inflows - OPEB GASB 75	144,694	-	-	-
Net position:				
Net investment in capital assets	49,494,440	47,087,949	41,905,622	43,215,041
Restricted for:				
Asset forfeiture	23,972	32,313	25,784	29,678
TOT tourism	425,141	338,658	129,763	99,108
Library Levy	-	-	-	56,587
System development	2,540,793	2,746,404	3,226,398	3,036,906
Debt service	1,027,297	976,090	1,028,912	861,561
CDBG restriction	33,804	33,801	33,804	33,797
Perpetual care: nonexpendable	970,304	955,356	895,931	922,667
Unrestricted	(8,269,726)	(3,499,205)	947,852	8,907,564
Total net position	\$ 46,246,025	\$ 48,671,366	\$ 48,194,066	\$ 57,162,909

**CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES**

**Last ten years
For the year ended June 30 (continued)**

2014	2013	2012	2011	2010	2009
\$ 19,534,572	\$ 17,585,953	\$ 18,062,202	\$ 12,769,637	\$ 11,832,259	\$ 9,453,086
3,471,767	3,688,713	3,462,383	4,085,185	2,647,744	2,668,694
73,094	74,943	61,605	54,579	32,325	36,193
(1,392,782)	(1,122,695)	(690,129)	(354,295)	(534,984)	(640,731)
1,149,616	1,140,881	976,265	802,870	755,885	1,066,850
-	-	-	-	-	-
12,466,348	12,466,348	12,261,807	12,400,610	12,400,610	12,400,610
35,739,298	22,389,683	19,563,238	19,563,238	19,563,238	19,563,238
16,653,654	13,169,274	12,890,582	13,487,439	13,278,430	13,130,505
53,668,418	49,724,924	48,193,897	44,589,519	44,299,409	43,579,697
1,620,133	3,541,161	2,692,359	3,510,539	484,590	340,422
(58,028,592)	(48,437,198)	(46,093,174)	(44,589,333)	(42,260,637)	(39,728,339)
<u>\$ 84,955,526</u>	<u>\$ 74,221,987</u>	<u>\$ 71,381,035</u>	<u>\$ 66,319,988</u>	<u>\$ 62,498,869</u>	<u>\$ 61,870,225</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 7,116,594	\$ 5,271,651	\$ 4,811,345	\$ 5,715,843	\$ 3,190,369	\$ 3,153,914
155,091	130,897	382,895	393,592	417,042	430,105
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,555,932	1,452,982	1,127,229	1,067,338	1,276,871	1,183,044
16,925,776	18,337,270	17,779,689	15,781,372	17,330,191	18,316,590
<u>25,753,393</u>	<u>25,192,800</u>	<u>24,101,158</u>	<u>22,958,145</u>	<u>22,214,473</u>	<u>23,083,653</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
43,637,551	33,063,940	30,601,791	32,113,302	29,449,210	29,786,499
28,897	14,579	224,361	187,864	129,510	140,974
116,131	-	102,786	105,063	-	-
142,497	-	-	-	-	-
2,924,188	2,835,567	2,763,714	2,345,201	2,469,667	2,363,441
794,695	785,823	982,650	-	762,199	1,072,785
33,801	33,801	33,798	34,424	-	-
896,572	874,045	861,244	831,603	807,797	788,753
10,627,801	11,421,432	11,709,533	7,744,386	6,666,013	4,634,120
<u>\$ 59,202,133</u>	<u>\$ 49,029,187</u>	<u>\$ 47,279,877</u>	<u>\$ 43,361,843</u>	<u>\$ 40,284,396</u>	<u>\$ 38,786,572</u>

**CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
BUSINESS TYPE ACTIVITIES
Last ten years
For the year ended June 30**

ASSETS	2018	2017	2016	2015
Assets:				
Cash and cash equivalents	\$ 19,379,122	\$ 15,126,008	\$ 12,462,639	\$ 10,455,490
Receivables (net of allowance for uncollectible)	3,985,006	3,358,511	3,537,442	2,780,841
Inventories	1,221,952	1,241,858	1,116,114	1,054,059
Deferred charges	-	68,734	178,703	288,672
Internal balances	736,580	690,424	113,519	1,949,133
Restricted assets:				
Proportional Share of Net Pension Assets	-	-	-	1,148,384
Capital assets:				
Land	3,106,925	1,906,925	1,906,925	1,906,925
Buildings and improvements	22,099,664	22,099,664	22,089,253	22,089,254
Machinery and equipment	1,380,879	1,373,271	1,289,590	1,271,975
Infrastructure	92,440,126	90,214,986	84,406,415	84,289,573
Construction in progress	3,247,176	1,923,269	7,420,192	5,788,805
Accumulated depreciation	(59,343,884)	(56,088,179)	(53,727,757)	(51,317,039)
Total assets	\$ 88,253,546	\$ 81,915,471	\$ 80,793,035	\$ 81,706,072
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	2,239,511	3,926,306	815,302	-
Deferred outflows - pensions GASB 73	-	-	-	-
Liabilities:				
Accounts payable and other current liabilities	\$ 2,653,909	\$ 1,963,580	\$ 2,938,144	\$ 2,511,527
Accrued interest payable	138,929	70,754	83,205	91,720
Noncurrent liabilities:				
Proportional Share of net pension liability	5,749,118	7,278,257	3,113,992	-
OPEB Net Pension Obligations	682,799	496,470	-	-
Bonds: Due within one year	1,937,997	1,866,420	2,976,477	1,769,057
Bonds: Due in more than one year	15,047,046	15,908,200	16,242,695	18,623,294
Total liabilities	26,209,798	27,583,681	25,354,513	22,995,598
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	480,593	364,299	723,447	1,716,851
Deferred inflows - pensions GASB 73	-	-	-	-
Net position:				
Net investment in capital assets	45,945,843	43,655,316	44,165,446	43,637,142
Restricted for:				
System development	3,548,337	3,447,969	3,859,800	3,723,378
Debt service	-	-	-	875,490
Unrestricted	14,308,486	10,790,512	7,505,131	8,757,613
Total net position	\$ 63,802,666	\$ 57,893,797	\$ 55,530,377	\$ 56,993,623

**CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
BUSINESS TYPE ACTIVITIES**

**Last ten years
For the year ended June 30 (continued)**

2014	2013	2012	2011	2010	2009
\$ 10,760,319	\$ 9,732,516	\$ 6,155,621	\$ 6,743,304	\$ 6,959,037	\$ 6,993,295
3,493,316	5,255,513	2,545,430	2,408,196	2,307,864	2,227,713
1,024,111	880,651	899,374	740,438	732,821	810,073
488,135	607,054	725,973	844,892	966,228	1,098,448
1,392,782	1,122,695	690,129	354,295	534,984	640,731
-	-	-	-	-	-
1,880,637	1,880,637	1,880,637	1,880,637	1,880,637	1,880,637
22,089,254	22,089,254	22,089,254	22,089,254	22,089,254	22,089,254
1,169,663	1,059,798	894,352	1,072,204	875,928	823,580
83,671,768	89,768,372	88,885,630	87,809,652	87,809,652	84,636,277
3,069,144	4,033,297	3,453,267	3,335,467	2,538,176	4,620,579
(48,811,228)	(53,721,485)	(49,710,027)	(46,028,522)	(42,247,672)	(38,584,771)
<u>\$ 80,227,901</u>	<u>\$ 82,708,302</u>	<u>\$ 78,509,640</u>	<u>\$ 81,249,817</u>	<u>\$ 84,446,909</u>	<u>\$ 87,235,816</u>
-	-	-	-	-	-
-	-	-	-	-	-
\$ 2,865,087	\$ 2,798,666	\$ 1,407,377	\$ 1,591,542	\$ 1,769,929	\$ 1,467,227
98,772	107,357	105,621	113,296	121,211	130,104
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,885,841	1,843,020	1,610,333	1,757,774	1,735,032	1,669,770
17,216,872	16,477,803	15,210,823	16,821,156	19,654,652	21,389,683
<u>22,066,572</u>	<u>21,226,846</u>	<u>18,334,154</u>	<u>20,283,768</u>	<u>23,280,824</u>	<u>24,656,784</u>
-	-	-	-	-	-
-	-	-	-	-	-
43,966,525	46,789,050	50,671,957	51,579,762	51,556,291	52,406,103
3,786,696	3,606,339	3,621,447	3,395,974	3,646,949	3,800,824
875,490	875,490	875,490	875,490	875,490	875,490
9,532,618	10,210,577	5,006,592	5,114,823	5,087,355	5,496,615
<u>\$ 58,161,329</u>	<u>\$ 61,481,456</u>	<u>\$ 60,175,486</u>	<u>\$ 60,966,049</u>	<u>\$ 61,166,085</u>	<u>\$ 62,579,032</u>

**CITY OF ASHLAND, OREGON
CHANGES IN NET POSITION
TOTAL PRIMARY GOVERNMENT
Last ten years
For the year ended June 30**

	2018	2017	2016	2015
Program Revenues:				
Governmental Activities				
General government:				
Charges for services	\$ 391,169	\$ 910,241	\$ 1,041,323	\$ 1,777,397
Operating grants and contributions	129,380	129,380	162,143	611,864
Capital grants and contributions	-	-	-	-
Public safety:				
Charges for services	1,606,504	1,688,843	1,563,986	1,805,092
Operating grants and contributions	104,913	582,508	438,074	132,061
Capital grants and contributions	-	-	-	-
Highways and streets:				
Charges for services	2,023,624	2,944,784	2,845,870	2,248,027
Operating grants and contributions	-	-	-	25,712
Capital grants and contributions	-	-	-	-
Parks and Recreation :				
Charges for Services	1,096,063	1,139,709	1,153,455	1,149,154
Operating Grants and Contributions	7,086,738	-	92	320,539
Total Governmental Activities Program Expenses	12,438,391	7,395,465	7,204,943	8,069,846
Business-Type Activities				
Water:				
Charges for services	\$ 8,109,860	\$ 7,639,625	\$ 6,937,651	\$ 6,163,924
Capital grants and contributions	-	-	14,898	70,473
Capital system development charges	-	-	277,247	328,414
Wastewater:				
Charges for services	6,025,937	5,606,470	5,093,609	4,651,836
Capital system development charges	-	-	107,655	112,989
Stormwater:				
Charges for services	731,273	-	-	-
Electric:				
Charges for services	15,917,213	14,913,883	14,600,751	13,817,822
Operating grants and contributions	259,094	126,497	395,149	157,698
Telecommunications:				
Charges for services	2,252,527	2,094,810	2,010,444	1,960,462
Total Business-Type Program Revenues	33,295,904	30,381,285	29,437,404	27,263,618
Total Program Revenues	45,734,295	37,776,750	36,642,347	35,333,464
Program Expenses:				
Governmental Activities				
General government	7,543,912	5,496,540	6,914,541	4,010,499
Public safety	19,412,731	16,623,123	19,474,413	11,271,574
Highways and streets	4,404,007	5,783,911	5,490,894	4,536,755
Parks and Recreation	6,260,320	6,957,300	8,802,091	5,452,550
Interest on long-term debt	657,711	262,979	293,944	322,330
Total Governmental Activities Program Expenses	38,278,681	35,123,853	40,975,883	25,593,708
Business-Type Activities				
Water	6,171,718	6,308,939	7,271,424	7,832,250
Wastewater	6,426,131	6,550,650	6,838,563	5,359,115
Stormwater	243,016	-	-	-
Electric	15,878,525	15,324,892	16,708,504	13,521,819
Telecommunications	1,837,333	2,158,040	2,557,101	1,945,375
Total Business-Type Program Expenses	30,556,723	30,342,521	33,375,592	28,658,559
Total Program Expenses	68,835,404	65,466,374	74,351,475	54,252,267
Net (Expense) Revenue:				
Governmental Activities	(25,840,290)	(27,728,388)	(33,770,940)	(17,523,862)
Business-Type Activities	2,739,181	38,764	(3,938,188)	(1,394,941)
	(23,101,109)	(27,689,624)	(37,709,128)	(18,918,803)
General Revenues:				
Property taxes	11,373,320	10,907,541	10,452,785	10,203,218
Utility users tax	5,179,602	4,871,486	4,763,832	4,607,586
Users taxes	5,479,524	5,708,277	5,603,646	4,628,130
Unrestricted interest earnings	708,809	346,860	187,447	192,577
Miscellaneous	5,241,962	7,615,593	5,919,329	5,854,694
OSF Donated Capital	-	3,440,453	-	-
Transfers:	-	-	350,000	-
Total general revenues and transfers	27,983,217	32,890,210	27,277,039	25,486,205
Change in net position	4,882,108	5,200,586	(10,432,089)	6,567,402
Net position - beginning, restated	105,166,583	101,364,577	114,156,532	107,589,130
Recognition of prior infrastructure	-	-	-	-
Net position - ending	\$ 110,048,691	\$ 106,565,163	\$ 103,724,443	\$ 114,156,532

**CITY OF ASHLAND, OREGON
CHANGES IN NET POSITION
TOTAL PRIMARY GOVERNMENT
Last ten years
For the year ended June 30 (continued)**

	2014	2013	2012	2011	2010	2009
\$	2,022,814	\$ 6,054,232	\$ 6,915,050	\$ 6,969,111	\$ 6,320,493	\$ 5,102,533
	252,742	199,701	290,097	19,793	18,890	3,641
	-	-	99,591	1,428,253	196,058	3,991
	1,412,785	1,722,410	1,525,061	1,551,370	1,551,370	1,487,673
	180,422	77,257	37,537	189,248	95,570	114,188
	-	-	3,060,434	-	-	-
	2,093,705	2,090,907	3,024,262	2,006,385	1,951,015	1,914,830
	-	620,913	-	-	-	-
	-	-	868,543	-	-	-
	1,578,123	-	-	-	-	-
	-	-	-	-	-	-
	<u>7,540,591</u>	<u>10,765,420</u>	<u>15,820,575</u>	<u>12,164,160</u>	<u>10,133,396</u>	<u>8,626,856</u>
\$	5,913,633	\$ 5,547,560	\$ 4,891,233	\$ 4,250,255	\$ 4,146,730	\$ 4,067,377
	89,747	1,969,979	461,964	344,396	99,928	55,628
	269,029	266,196	491,612	180,604	151,864	125,389
	4,171,230	3,928,342	3,601,900	3,385,748	3,148,850	2,734,001
	80,570	95,132	81,998	68,956	55,945	75,843
	-	-	-	-	-	-
	13,671,443	12,938,039	12,402,857	12,238,716	12,144,279	11,688,967
	178,002	148,642	125,123	187,436	267,850	47,121
	1,929,101	1,896,106	1,931,126	1,944,758	1,818,789	1,805,746
	<u>26,302,755</u>	<u>26,789,996</u>	<u>23,987,813</u>	<u>22,600,869</u>	<u>21,834,235</u>	<u>20,600,072</u>
	<u>33,843,346</u>	<u>37,555,416</u>	<u>39,808,388</u>	<u>34,765,029</u>	<u>31,967,631</u>	<u>29,226,928</u>
	4,921,674	7,269,820	6,086,034	5,963,977	4,813,802	3,856,719
	14,677,285	10,352,003	13,893,641	10,457,134	11,410,483	10,312,721
	5,420,004	3,080,513	3,923,526	3,650,817	2,893,462	2,505,897
	5,881,480	-	-	-	-	-
	435,790	1,618,065	966,063	976,011	1,033,451	442,168
	<u>31,336,233</u>	<u>22,320,401</u>	<u>24,869,264</u>	<u>21,047,939</u>	<u>20,151,198</u>	<u>17,117,505</u>
	6,852,085	7,581,708	5,256,110	5,260,907	4,599,205	4,969,862
	7,475,207	3,846,640	5,035,171	4,300,986	5,223,619	4,675,433
	-	-	-	-	-	-
	15,825,968	13,613,715	13,673,739	12,516,992	12,585,218	12,823,006
	2,240,951	3,233,961	3,308,448	3,535,592	2,931,512	2,845,198
	<u>32,394,211</u>	<u>28,276,024</u>	<u>27,273,468</u>	<u>25,614,477</u>	<u>25,339,554</u>	<u>25,313,499</u>
	<u>63,730,444</u>	<u>50,596,425</u>	<u>52,142,732</u>	<u>46,662,416</u>	<u>45,490,752</u>	<u>42,431,004</u>
	(23,795,642)	(11,554,981)	(9,048,689)	(8,883,779)	(10,017,802)	(8,490,649)
	(6,091,456)	(1,486,028)	(3,285,655)	(3,013,608)	(3,505,319)	(4,713,427)
	<u>(29,887,098)</u>	<u>(13,041,009)</u>	<u>(12,334,344)</u>	<u>(11,897,387)</u>	<u>(13,523,121)</u>	<u>(13,204,076)</u>
	10,216,080	5,783,168	5,416,909	5,093,848	4,821,809	4,391,088
	4,572,352	4,306,761	4,209,696	4,170,896	3,989,351	3,888,747
	4,676,572	4,528,236	4,254,933	3,908,851	3,860,261	3,508,514
	342,638	346,084	329,126	224,016	248,408	235,290
	5,600,322	1,132,040	1,251,148	1,377,187	688,170	1,181,988
	-	-	-	-	-	-
	(90,000)	-	-	-	-	-
	<u>25,317,964</u>	<u>16,096,289</u>	<u>15,461,812</u>	<u>14,774,798</u>	<u>13,607,999</u>	<u>13,205,627</u>
	(4,569,134)	3,055,280	3,127,468	2,877,411	84,878	1,551
	121,932,596	107,455,363	104,327,895	101,450,481	101,365,603	101,364,053
	-	-	-	-	-	-
\$	<u>117,363,462</u>	<u>110,510,643</u>	<u>107,455,363</u>	<u>104,327,892</u>	<u>101,450,481</u>	<u>101,365,604</u>

**CITY OF ASHLAND, OREGON
CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES
Last ten years
For the year ended June 30**

	2018	2017	2016	2015
Program Revenues:				
General government:				
Charges for services	\$ 391,169	\$ 910,241	\$ 1,041,323	\$ 1,777,397
Operating grants and contributions	129,380	129,380	162,143	611,864
Capital grants and contributions	-	-	-	-
Capital system development charges	-	-	-	-
Public safety:				
Charges for services	1,606,504	1,688,843	1,563,986	1,805,092
Operating grants and contributions	104,913	58,208	438,074	132,061
Capital grants and contributions	-	-	-	-
Highways and streets:				
Charges for services	2,023,624	2,944,784	2,845,870	2,248,027
Operating grants and contributions	-	-	-	25,712
Capital grants and contributions	-	-	-	-
Capital system development charges	-	-	-	-
Parks and Recreation :				
Charges for Services	1,096,063	1,139,709	1,153,455	1,149,154
Operating Grants and Contributions	7,086,738	-	92	320,539
Capital Grants and Contributions	-	-	-	-
Capital System Development Charges	-	-	-	-
	<u>12,438,391</u>	<u>6,871,165</u>	<u>7,204,943</u>	<u>8,069,846</u>
Program Expenses:				
General government	7,543,912	5,496,540	6,914,541	4,010,499
Public safety	19,412,731	16,623,123	19,474,413	11,271,574
Highways and streets	4,404,007	5,783,911	5,490,894	4,536,755
Parks and Recreation	6,260,320	6,957,300	8,802,091	5,452,550
Interest on long-term debt	657,711	262,979	293,944	322,330
	<u>38,278,681</u>	<u>35,123,853</u>	<u>40,975,883</u>	<u>25,593,708</u>
Net (Expense) Revenue:				
General government	(7,023,363)	(4,456,919)	(5,711,075)	(1,621,238)
Public safety	(17,701,314)	(14,351,772)	(17,472,353)	(9,334,421)
Highways and streets	(2,380,383)	(2,839,127)	(2,645,024)	(2,263,016)
Parks and Recreation	1,922,481	(5,817,591)	(7,648,544)	(3,982,857)
Interest on long-term debt	(657,711)	(262,979)	(293,944)	(322,330)
	<u>(25,840,290)</u>	<u>(27,728,388)</u>	<u>(33,770,940)</u>	<u>(17,523,862)</u>
General Revenues:				
Property taxes	11,373,320	10,907,541	10,452,785	10,203,218
Utility users tax	5,179,602	4,871,486	4,763,832	4,607,586
Users taxes	3,851,111	3,702,721	3,343,859	2,547,514
Unrestricted interest earnings	369,819	188,869	110,363	137,558
Miscellaneous	5,104,961	7,454,484	5,781,258	5,721,728
Gain (loss) on disposal of assets	-	-	-	-
OSF Donated Capital	-	3,440,453	-	-
Transfers:	-	-	350,000	-
Total general revenues and transfers	<u>25,878,813</u>	<u>30,565,554</u>	<u>24,802,097</u>	<u>23,217,604</u>
Change in net position	38,523	2,837,166	(8,968,843)	5,693,742
Net position - beginning, restated	46,207,502	45,834,200	57,162,909	51,469,167
Recognition of prior infrastructure	-	-	-	-
Net position - ending	<u>\$ 46,246,025</u>	<u>\$ 48,671,366</u>	<u>\$ 48,194,066</u>	<u>\$ 57,162,909</u>

**CITY OF ASHLAND, OREGON
CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES**

**Last ten years
For the year ended June 30 (continued)**

	2014	2013	2012	2011	2010	2009
\$	2,022,814	\$ 6,054,232	\$ 6,915,050	\$ 6,946,410	\$ 6,336,870	\$ 5,084,158
	252,742	199,701	290,097	19,793	18,890	3,641
	-	-	99,591	1,428,253	196,058	3,991
	-	-	-	22,701	16,377	18,375
	1,412,785	1,722,410	1,525,601	1,551,370	1,551,370	1,487,673
	180,422	77,257	37,537	189,248	95,570	114,188
	-	-	3,060,434	-	-	-
	2,093,705	2,090,907	3,024,262	2,006,385	2,027,116	1,842,187
	-	620,913	-	-	-	-
	-	-	868,543	-	-	-
	-	-	-	-	76,101	72,643
	1,578,123	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>7,540,591</u>	<u>10,765,420</u>	<u>15,821,115</u>	<u>12,164,160</u>	<u>10,318,352</u>	<u>8,626,856</u>
	4,921,674	7,269,820	6,086,034	5,963,977	4,813,802	3,856,719
	14,677,285	10,352,003	13,893,641	10,457,134	11,410,483	10,312,721
	5,420,004	3,080,513	3,923,526	3,650,817	2,893,462	2,505,897
	5,881,480	-	-	-	-	-
	435,790	1,618,065	966,063	976,011	1,033,451	442,168
	<u>31,336,233</u>	<u>22,320,401</u>	<u>24,869,264</u>	<u>21,047,939</u>	<u>20,151,198</u>	<u>17,117,505</u>
	(2,646,118)	(1,015,887)	1,218,704	2,453,180	1,721,639	1,253,446
	(13,084,078)	(8,552,336)	(9,270,609)	(8,716,516)	(9,763,543)	(8,710,860)
	(3,326,299)	(368,693)	(30,721)	(1,644,432)	(942,447)	(591,067)
	(4,303,357)	-	-	-	-	-
	(435,790)	(1,618,065)	(966,063)	(976,011)	(1,033,451)	(442,168)
	<u>(23,795,642)</u>	<u>(11,554,981)</u>	<u>(9,048,689)</u>	<u>(8,883,779)</u>	<u>(10,017,802)</u>	<u>(8,490,649)</u>
	10,216,080	5,783,168	5,416,909	5,093,848	4,821,809	4,391,088
	4,572,352	4,306,761	4,209,696	4,170,896	3,989,351	3,888,747
	2,784,842	2,688,525	2,547,854	2,315,909	2,276,353	2,013,026
	186,146	179,794	173,648	117,112	134,142	127,224
	4,877,216	346,043	618,616	263,461	293,971	218,999
	-	-	-	-	-	-
	-	-	-	-	-	-
	(90,000)	-	-	-	-	-
	<u>22,546,636</u>	<u>13,304,291</u>	<u>12,966,723</u>	<u>11,961,226</u>	<u>11,515,626</u>	<u>10,639,084</u>
	(1,249,006)	1,749,310	3,918,034	3,077,447	1,497,824	2,148,435
	60,451,139	47,279,877	43,361,843	40,284,396	38,786,572	36,638,137
	-	-	-	-	-	-
\$	<u>59,202,133</u>	<u>49,029,187</u>	<u>47,279,877</u>	<u>43,361,843</u>	<u>40,284,396</u>	<u>38,786,572</u>

CITY OF ASHLAND, OREGON
CHANGES IN NET POSITION
BUSINESS TYPE ACTIVITIES
Last ten years
For the year ended June 30

Program Revenues:	2018	2017	2016	2015
Water:				
Charges for services	\$ 8,109,860	\$ 7,639,625	\$ 7,214,898	\$ 6,163,924
Capital grants and contributions	-	-	14,898	70,473
Capital system development charges	-	-	277,247	328,414
Wastewater:				
Charges for services	6,025,937	5,606,470	5,201,264	4,651,836
Capital system development charges	-	-	107,655	112,989
Stormwater:				
Charges for services	731,273			
Electric:				
Charges for services	15,917,213	14,913,883	14,600,751	13,817,822
Operating grants and contributions	259,094	126,497	395,149	157,698
Telecommunications:				
Charges for services	2,252,527	2,094,810	2,010,444	1,960,462
	<u>33,295,904</u>	<u>30,381,285</u>	<u>29,822,306</u>	<u>27,263,618</u>
Program Expenses:				
Water	6,171,718	6,308,939	7,271,424	7,832,250
Wastewater	6,426,131	6,550,650	6,838,563	5,359,115
Stormwater	243,016	-	-	-
Electric	15,878,525	15,324,892	16,708,504	13,521,819
Telecommunications	1,837,333	2,158,040	2,557,101	1,945,375
	<u>30,556,723</u>	<u>30,342,521</u>	<u>33,375,592</u>	<u>28,658,559</u>
Net (Expense) Revenue:				
Water	1,938,142	1,330,686	235,619	(1,269,439)
Wastewater	(400,194)	(944,180)	(1,529,644)	(594,290)
Stormwater	488,257	-	-	-
Electric	297,782	(284,512)	(1,712,604)	453,701
Telecommunications	415,194	(63,230)	(546,657)	15,087
	<u>2,739,181</u>	<u>38,764</u>	<u>(3,553,286)</u>	<u>(1,394,941)</u>
General Revenues:				
Property taxes	-	-	-	-
Users taxes	1,628,413	2,005,556	2,259,787	2,080,616
Unrestricted interest earnings	338,990	157,991	77,084	55,019
Capital assets transfers	-	-	-	-
Miscellaneous	137,001	161,109	138,071	132,966
Gain (loss) on disposal of assets	-	-	-	-
Transfers:				
Total general revenues and transfers	<u>2,104,404</u>	<u>2,324,656</u>	<u>2,474,942</u>	<u>2,268,601</u>
Change in net position	4,843,585	2,363,420	(1,463,246)	873,660
Net position - beginning, Restated	<u>58,959,081</u>	<u>55,530,377</u>	<u>56,993,623</u>	<u>56,119,963</u>
Net position - ending	<u>\$ 63,802,666</u>	<u>\$ 57,893,797</u>	<u>\$ 55,530,377</u>	<u>\$ 56,993,623</u>

**CITY OF ASHLAND, OREGON
CHANGES IN NET POSITION
BUSINESS TYPE ACTIVITIES**

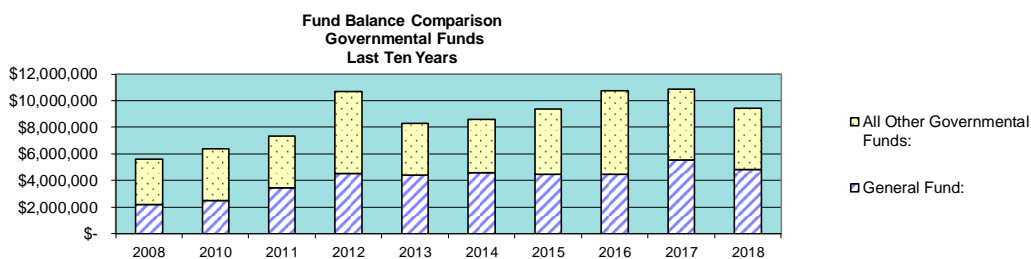
**Last ten years
For the year ended June 30 (continued)**

2014	2013	2012	2011	2010	2009
\$ 5,913,633	\$ 5,547,560	\$ 4,891,233	\$ 4,250,255	\$ 4,146,730	\$ 4,067,377
89,747	1,969,979	461,964	344,396	99,928	55,628
269,029	266,196	491,612	180,604	151,864	125,389
4,171,230	3,928,342	3,601,900	3,385,748	3,148,850	2,734,001
80,570	95,132	81,998	68,956	55,945	75,843
13,671,443	12,938,039	12,402,857	12,238,716	12,144,279	11,688,967
178,002	148,642	125,123	187,436	267,850	47,121
1,929,101	1,896,106	1,931,126	1,944,758	1,818,789	1,805,746
<u>26,302,755</u>	<u>26,789,996</u>	<u>23,987,813</u>	<u>22,600,869</u>	<u>21,834,235</u>	<u>20,600,072</u>
6,852,085	7,581,708	5,256,110	5,260,907	4,599,205	4,969,862
7,475,207	3,846,640	5,035,171	4,300,986	5,223,619	4,675,433
-	-	-	-	-	-
15,825,968	13,613,715	13,673,739	12,516,992	12,585,218	12,823,006
2,240,951	3,233,961	3,308,448	3,535,592	2,931,512	2,845,198
<u>32,394,211</u>	<u>28,276,024</u>	<u>27,273,468</u>	<u>25,614,477</u>	<u>25,339,554</u>	<u>25,313,499</u>
(579,676)	202,027	588,699	(485,652)	(200,683)	(721,468)
(3,223,407)	176,834	(1,351,273)	(846,282)	(2,018,824)	(1,865,589)
-	-	-	-	-	-
(1,976,523)	(527,034)	(1,145,759)	(90,840)	(173,089)	(1,086,918)
(311,850)	(1,337,855)	(1,377,322)	(1,590,834)	(1,112,723)	(1,039,452)
<u>(6,091,456)</u>	<u>(1,486,028)</u>	<u>(3,285,655)</u>	<u>(3,013,608)</u>	<u>(3,505,319)</u>	<u>(4,713,427)</u>
-	-	-	-	-	-
1,891,730	1,839,710	1,707,079	1,592,942	1,583,908	1,495,488
156,492	166,290	155,478	106,904	114,266	108,066
-	-	-	-	-	-
723,106	785,997	632,532	1,113,726	394,199	962,989
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,771,328</u>	<u>2,791,997</u>	<u>2,495,089</u>	<u>2,813,572</u>	<u>2,092,373</u>	<u>2,566,543</u>
(3,320,128)	1,305,969	(790,566)	(200,036)	(1,412,946)	(2,146,884)
61,481,457	60,175,486	60,966,052	61,166,085	62,579,031	64,725,916
<u>\$ 58,161,329</u>	<u>\$ 61,481,456</u>	<u>\$ 60,175,486</u>	<u>\$ 60,966,049</u>	<u>\$ 61,166,085</u>	<u>\$ 62,579,032</u>

2018 Statistical Section

**CITY OF ASHLAND, OREGON
FUND BALANCES, GOVERNMENTAL FUNDS
Last ten years
For the year ended June 30**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:				
Restricted for:				
Asset forfeiture	\$ 23,972	\$ 32,313	\$ 25,784	\$ 29,678
Transient Occupancy Tax - tourism	425,141	338,658	129,763	99,108
Library services	-	-	-	56,587
Committed for:				
Parking surcharge	370,085	370,085	370,085	334,949
Public art	19,919	99,324	109,938	85,667
Affordable housing	-	166,351	166,351	166,351
Grubbs case	22,235	22,235	22,235	22,235
Unassigned, reported in:				
General fund	3,968,680	4,527,421	3,636,527	3,671,969
Total general fund	<u>4,830,032</u>	<u>5,556,387</u>	<u>4,460,683</u>	<u>4,466,544</u>
Street Fund:				
Restricted for:				
System development charges	2,511,605	2,431,470	2,619,729	2,479,609
Committed reported in:				
Special revenue funds	2,323,501	3,231,966	2,795,238	2,798,621
Total street fund	<u>4,835,106</u>	<u>5,663,436</u>	<u>5,414,967</u>	<u>5,278,230</u>
Parks Fund:				
Committed reported in:				
Parks Activities	788,308	386,186	313,140	503,626
Total parks fund	<u>788,308</u>	<u>386,186</u>	<u>313,140</u>	<u>503,626</u>
All Other Governmental Funds:				
Restricted for:				
System development charges	29,187	314,934	606,669	557,297
Community Development Grant Block funding	33,804	33,801	33,804	33,797
Restricted for debt service	1,027,297	976,090	1,028,912	861,560
Cemetery perpetual care	970,304	955,357	944,552	922,667
Committed for:				
Committed for parks activities	981,826	852,407	1,536,623	209,302
Committed for airport activities	202,017	-	138,905	117,516
Committed for food and beverage	-	-	-	524,663
Committed for facilities	1,110,763	2,000,302	2,004,725	1,667,528
Special revenue funds	263,903	173,227	-	-
Total all other governmental funds	<u>4,619,101</u>	<u>5,306,118</u>	<u>6,294,190</u>	<u>4,894,330</u>
Total governmental funds	<u>\$ 15,072,547</u>	<u>\$ 16,912,127</u>	<u>\$ 16,482,980</u>	<u>\$ 15,142,730</u>



CITY OF ASHLAND, OREGON
FUND BALANCES, GOVERNMENTAL FUNDS
Last ten years
For the year ended June 30 (continued)

2014	2013	2012	2011	2010	2009
\$ 28,897	\$ 14,579	\$ 224,361	\$ 187,864	\$ 129,510	\$ 140,974
116,131	-	102,786	100,563	-	-
142,497	-	-	-	-	-
287,725	273,965	247,725	232,497	-	-
78,154	82,849	73,011	28,113	-	-
148,426	148,426	148,426	23,367	-	-
22,230	22,230	21,230	-	-	-
3,731,916	3,863,212	3,692,190	2,875,653	2,345,060	2,044,482
4,555,976	4,405,261	4,509,729	3,448,057	2,474,570	2,185,456
2,415,789	2,376,109	2,352,315	1,980,292	2,115,971	2,085,259
2,321,834	2,041,013	690,977	256,008	704,546	316,999
4,737,623	4,417,122	3,043,292	2,236,300	2,820,517	2,402,258
583,394	-	-	-	-	-
583,394	-	-	-	-	-
508,399	459,458	411,399	364,909	353,696	348,746
33,801	33,801	33,798	34,424	-	-
794,695	785,823	982,650	809,249	762,199	1,072,785
896,572	874,045	861,244	831,603	807,796	788,752
332,482					
80,488	97,697	83,711	60,083	-	-
470,422	365,466	365,466	526,148	-	-
944,553	1,268,783	3,463,420	1,241,604	1,969,977	1,154,776
-	-	-	-	32,160	19,979
4,061,412	3,885,073	6,201,688	3,868,020	3,925,828	3,385,038
\$ 13,938,405	\$ 8,290,334	\$ 10,711,417	\$ 7,316,077	\$ 6,400,398	\$ 5,570,494

**CITY OF ASHLAND, OREGON
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last ten years
For the year ended June 30**

Revenues:	2018	2017	2016	2015
Taxes	\$ 23,320,298	\$ 21,503,597	\$ 20,473,799	\$ 19,210,392
Fees, licenses and permits	838,832	1,306,346	835,278	1,205,381
Intergovernmental	3,679,646	2,493,399	2,394,661	2,774,500
Special assessments	17,535	101,006	32,831	67,508
Charges for services	11,984,766	13,030,993	13,548,958	12,358,624
System development charges	78,232	232,171	232,752	-
Fines and forfeitures	545,835	365,365	180,638	178,455
Interest on investments	257,293	188,869	110,363	79,835
Miscellaneous	1,062,344	292,318	208,355	221,293
Total revenues	41,784,781	39,514,064	38,017,635	36,095,988
Expenditures:				
General government	11,377,907	10,760,734	10,488,718	9,346,850
Public safety	17,005,350	15,305,740	14,846,892	13,328,400
Highways and streets	2,577,597	3,338,576	3,067,591	2,762,562
Parks and recreation	6,303,621	7,150,182	6,214,551	6,591,385
Capital outlay	951,063	872,683	1,434,986	959,542
Debt service	1,910,697	1,907,003	1,844,645	1,902,924
Principal	1,537,000	1,631,885	1,541,836	1,454,442
Interest	373,697	275,118	302,016	447,689
Total expenditures	40,126,235	39,334,918	37,897,383	34,891,663
Excess (deficiency) of revenues over expenditures	1,658,546	179,146	120,252	1,204,325
Other financing sources (uses):				
Proceeds from debt issuance	-	-	870,000	-
Interfund loans	-	-	-	-
Interfund loans forgiveness	(840,544)	-	-	-
Transfers in	622,954	396,205	612,162	556,515
Transfers out	(1,572,954)	(146,205)	(262,162)	(556,515)
Total other financing sources (uses)	(1,790,544)	250,000	1,220,000	-
Net change in fund balance	\$ (131,998)	\$ 429,146	\$ 1,340,252	\$ 1,204,325
Non-capital expenditures:				
Total expenditures (Debt excluded)	\$ 40,126,235	\$ 39,334,918	\$ 37,897,383	\$ 34,891,663
Less: capital assets expenditures	(5,269,130)	(5,822,754)	(1,139,673)	(959,542)
Non-capital expenditures:	\$ 34,857,105	\$ 33,512,164	\$ 36,757,710	\$ 33,932,121
Ratio of debt service to noncapital expenditures	5.48%	5.69%	5.02%	5.61%

**CITY OF ASHLAND, OREGON
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

**Last ten years
For the year ended June 30 (continued)**

2014	2013	2012	2011	2010	2009
\$ 18,850,869	\$ 13,661,986	\$ 13,270,221	\$ 12,978,142	\$ 12,636,896	\$ 11,790,772
667,416	583,679	1,340,102	482,275	474,379	768,451
2,847,336	2,500,297	2,878,726	3,642,108	2,103,165	1,630,055
59,483	41,048	43,542	17,867	3,292	25,587
10,835,737	6,319,508	6,520,263	6,315,976	5,799,929	5,732,687
-	-	-	-	-	-
183,732	196,535	168,305	183,239	183,266	156,092
86,025	72,312	87,553	62,062	102,302	97,379
410,589	559,195	262,858	272,814	190,732	164,995
33,941,187	23,934,560	24,571,570	23,954,483	21,493,961	20,366,018
9,381,555	4,820,740	4,631,724	4,300,262	4,278,859	3,982,889
13,102,433	11,868,980	11,411,045	10,914,166	10,896,098	10,701,354
1,974,219	2,529,333	2,422,483	3,778,610	2,361,523	2,298,680
6,854,314					
1,636,407	4,984,031	2,374,574	1,859,097	479,600	1,502,763
1,842,374	2,754,188	2,172,846	2,562,886	2,229,718	2,363,685
1,320,000	1,732,744	1,196,086	1,563,425	1,183,203	1,277,584
522,374	1,021,444	976,760	999,461	1,046,515	1,086,101
34,791,302	26,957,272	23,012,672	23,415,021	20,245,798	20,849,371
(850,115)	(3,022,712)	1,558,898	539,462	1,248,163	(483,353)
-	1,767,459	-	-	-	915,000
-	208,000	-	(208,000)	-	-
-	-	-	-	-	-
750,927	41,461	203,105	997,349	469,360	328,173
(840,927)	(41,461)	(203,105)	(997,349)	(469,360)	(328,173)
(90,000)	1,975,459	-	(208,000)	-	915,000
\$ (940,115)	\$ (1,047,253)	\$ 1,558,898	\$ 331,462	\$ 1,248,163	\$ 431,647
\$ 34,791,302	\$ 26,957,272	\$ 23,012,672	\$ 23,415,021	\$ 20,245,798	\$ 20,849,371
(1,636,407)	(4,984,031)	(2,374,574)	(1,859,097)	(479,600)	(1,502,763)
\$ 33,154,895	\$ 21,973,241	\$ 20,638,098	\$ 21,555,924	\$ 19,766,198	\$ 19,346,608
5.56%	12.53%	10.53%	11.89%	11.28%	12.22%

2018 Statistical Section

**CITY OF ASHLAND, OREGON
FUND BALANCE COMPARISON
Last ten years
For the year ended June 30**

Fund Balances	2018 Adopted	2017 Adopted	2016 Adopted	2015 Adopted
City Component				
General Fund	\$ 2,464,474	\$ 252,360	\$ 1,646,957	\$ 777,434
Housing Fund	-	-	-	-
Community Development Block Grant Fund	1	1	1	-
Reserve Fund	25,085	38,580	221,580	454,910
Street Fund	3,959,022	2,022,280	3,694,376	1,059,860
Airport Fund	143,947	70,236	71,735	64,468
Capital Improvements Fund	1,705,906	1,536,953	1,363,411	1,890,308
Debt Service Fund	1,208,002	849,354	803,151	606,593
Water Fund	8,954,820	2,072,024	4,711,984	3,559,316
Wastewater Fund	6,872,543	2,193,032	2,803,471	2,305,611
Stormwater Fund	1,544,630	-	-	-
Electric Fund	819,118	368,237	537,900	590,117
Telecommunications Fund	200,299	327,302	172,269	30,968
Central Services Fund	490,440	16,549	232,353	392,031
Insurance Services Fund	623,899	136,638	318,938	429,287
Health Benefits Fund	84,755	33,370	(291,630)	86,718
Equipment Fund	2,385,539	1,968,694	1,657,459	1,280,781
Cemetery Trust Fund	984,270	974,046	948,546	937,744
Total city component	32,466,750	12,859,656	18,892,501	14,466,146
Parks Component				
Parks and Recreation Fund	(24,876)	4,014	184,915	666,289
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	(743,870)	308,617	(674,924)	302,132
Parks Equipment Fund	164,364	40,000	192,000	-
Total parks component	(604,382)	352,631	(298,009)	968,421
Total budget	\$ 31,862,368	\$ 13,212,287	\$ 18,594,492	\$ 15,434,567

Fund Balances	2018 Actual	2017 Actual	2016 Actual	2015 Actual
City Component				
General Fund	\$ 4,792,507	\$ 4,687,675	\$ 3,603,674	\$ 3,620,264
Housing Fund	263,903	-	-	-
Community Development Block Grant Fund	33,801	33,801	33,804	33,797
Reserve Fund	37,524	28,168	166,465	196,279
Street Fund	4,835,107	5,663,436	5,414,967	5,278,231
Airport Fund	202,016	173,227	138,905	117,516
Capital Improvements Fund	1,139,950	2,315,236	2,802,016	2,749,488
Debt Service Fund	1,027,296	976,090	1,028,912	861,560
Water Fund	9,432,724	7,795,562	6,081,537	5,208,592
Wastewater Fund	7,636,846	7,842,215	6,499,438	5,095,342
Stormwater Fund	1,768,991	-	-	-
Electric Fund	2,468,855	2,026,665	1,863,131	900,609
Telecommunications Fund	834,108	599,420	365,637	305,058
Central Services Fund	1,092,453	281,575	579,888	870,190
Insurance Services Fund	586,216	1,017,579	1,160,957	1,766,284
Health Benefits Fund	4,695	396,418	140,764	473,726
Equipment Fund	3,579,502	3,404,966	3,134,593	2,937,105
Cemetery Trust Fund	970,305	955,357	944,553	922,667
Total city component	40,706,799	38,197,390	33,959,241	31,336,708
Parks Component				
Parks and Recreation Fund	661,453	209,332	254,306	503,628
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	981,825	852,407	1,346,001	209,302
Parks Equipment Fund	126,854	176,854	58,834	-
Total parks component	1,770,132	1,238,593	1,659,141	712,930
Total actual	\$ 42,476,931	\$ 39,435,983	\$ 35,618,382	\$ 32,049,638

**CITY OF ASHLAND, OREGON
FUND BALANCE COMPARISON**

**Last ten years
For the year ended June 30 (continued)**

2014 Adopted	2013 Adopted	2012 Adopted	2011 Adopted	2010 Adopted	2009 Adopted
\$ 2,594,256	\$ 1,563,870	\$ 1,729,188	\$ 1,484,490	\$ 1,332,508	\$ 1,190,469
-	-	-	-	-	-
-	(34,424)	-	-	-	11,799
336,910	1,018,502	869,172	151,500	215,000	-
1,403,337	1,669,993	2,205,420	2,199,998	1,447,363	3,634,173
34,564	99,276	44,387	10,804	9,024	31,727
1,858,486	545,638	1,828,450	1,493,676	2,137,061	1,753,706
637,043	949,626	1,020,546	790,646	1,149,113	1,166,758
3,575,115	2,383,044	1,121,531	4,302,000	836,814	3,041,343
2,415,670	2,235,859	233,204	2,328,958	3,020,769	4,069,588
-	-	-	-	-	-
1,012,411	1,077,114	1,091,591	1,387,036	649,494	2,067,545
210,594	153,998	339,464	281,732	325,135	396,498
754,268	32,508	10,026	70,593	12,531	106,614
622,602	477,568	646,302	394,466	543,266	977,803
348,359	-	-	-	-	-
1,233,835	2,553,013	1,124,500	88,202	1,322,161	1,252,898
912,244	892,603	852,797	826,753	812,948	790,918
17,949,694	15,618,188	13,116,578	15,810,854	13,813,187	20,491,839
583,396	1,290,439	1,703,840	1,409,225	1,450,910	1,190,614
-	-	-	-	10,591	-
270,032	242,067	193,504	195,991	287,239	107,590
-	-	-	-	-	-
853,428	1,532,506	1,897,344	1,605,216	1,748,740	1,298,204
\$ 18,803,122	\$ 17,150,694	\$ 15,013,922	\$ 17,416,070	\$ 15,561,927	\$ 21,790,043

2014 Actual	2013 Actual	2012 Actual	2011 Actual	2010 Actual	2009 Actual
\$ 3,719,809	\$ 3,385,681	\$ 3,495,819	\$ 2,938,556	\$ 2,474,570	\$ 2,185,456
-	-	-	-	-	-
33,801	33,801	33,798	34,424	37,424	69,618
336,167	1,019,580	1,013,910	509,502	148,072	-
4,737,624	4,417,121	3,043,292	2,236,300	2,820,517	2,402,258
80,488	116,697	83,710	60,083	32,160	99,978
1,923,374	2,094,707	4,449,285	2,132,661	2,138,176	1,433,904
1,159,490	1,150,618	982,649	809,248	762,199	1,072,785
6,273,413	6,437,576	2,708,910	2,212,401	1,851,885	2,323,768
4,271,386	4,290,774	2,794,806	3,250,111	3,496,009	3,710,771
-	-	-	-	-	-
1,899,104	2,327,540	2,418,099	2,476,294	2,054,733	1,642,543
479,997	587,624	586,943	517,916	953,315	929,945
870,190	853,280	-	491,546	266,820	161,163
1,584,721	848,857	761,552	605,943	640,110	696,071
169,366	-	-	-	-	-
2,540,413	3,357,663	2,479,905	1,858,969	1,760,305	844,150
896,572	874,045	861,243	831,602	870,797	788,753
30,975,915	31,795,564	25,713,921	20,965,556	20,307,092	18,361,163
583,396	1,783,433	2,242,227	2,214,031	1,787,781	1,379,752
-	-	20,326	9,899	22,534	27,356
332,482	387,632	449,131	432,866	252,864	166,991
-	-	-	-	-	-
915,878	2,171,065	2,711,684	2,656,796	2,063,179	1,574,099
\$ 31,891,793	\$ 33,966,629	\$ 28,425,605	\$ 23,622,352	\$ 22,370,271	\$ 19,935,262

**CITY OF ASHLAND, OREGON
 ASSESSED AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 Last ten years - Unaudited**

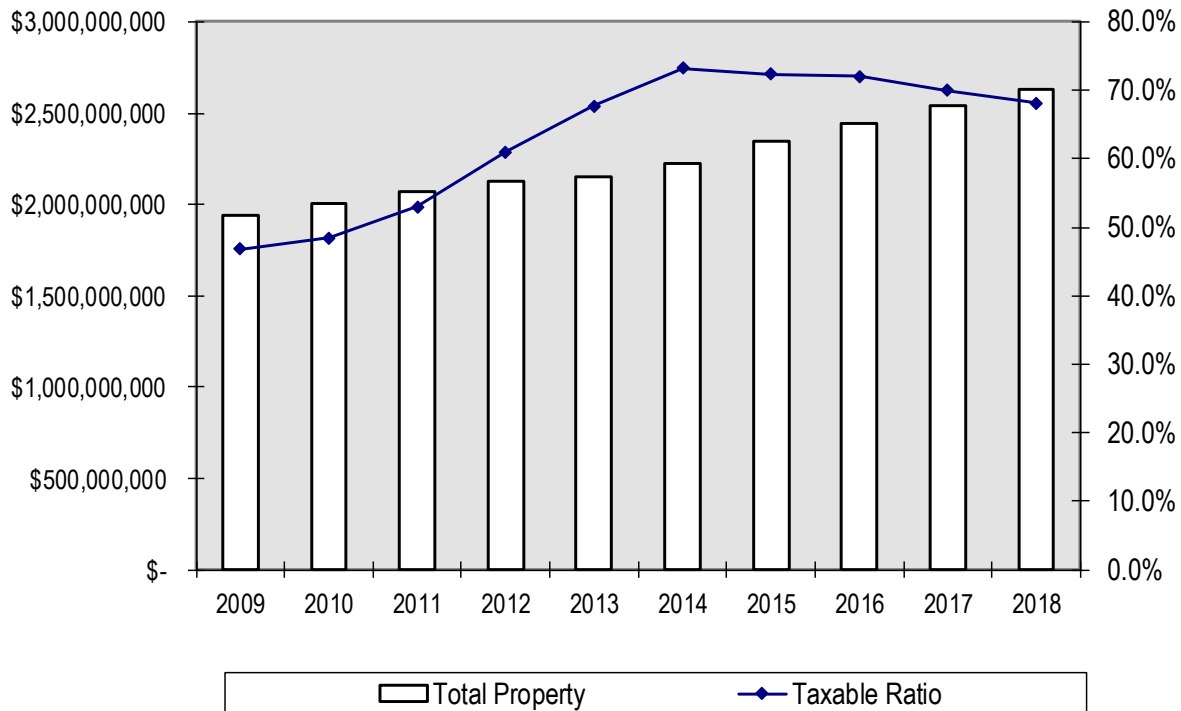
Fiscal Year Ended June 30,	Real Property	Mobile Home	Personal (1)	Utilities	Total	Property Tax Rate	Taxable ratio (True Cash Value to Assessed)
2018	\$ 2,550,677,170	\$ 6,701,376	\$ 37,518,450	\$ 38,356,118	\$ 2,633,253,114	\$ 4.44	70.7%
2017	2,458,564,994	6,700,924	37,949,290	34,169,600	2,537,384,808	4.40	68.2%
2016	2,367,355,356	6,526,881	40,417,280	31,573,600	2,445,873,117	4.41	70.0%
2015	2,274,534,883	6,445,605	38,438,560	29,027,740	2,348,446,788	4.61	72.1%
2014	2,154,231,164	6,060,576	36,756,490	24,858,300	2,221,906,530	4.61	72.3%
2013	2,079,286,927	6,060,300	36,739,550	26,166,700	2,148,253,477	4.63	73.3%
2012	2,055,111,118	6,318,010	40,939,090	26,290,929	2,128,659,147	4.71	67.7%
2011	2,000,563,826	5,956,110	41,057,580	24,422,710	2,072,000,226	4.60	61.0%
2010	1,937,303,620	5,881,825	40,133,110	24,860,300	2,008,178,855	4.59	53.0%
2009	1,871,896,544	5,744,350	44,282,840	21,243,990	1,943,167,724	4.42	48.4%
2008	1,802,639,910	5,762,080	44,536,050	22,372,000	1,875,310,040	5.73	46.9%

All property is evaluated once every six years as required by state statute

(1) Includes non-profit housing

Source: Jackson County Assessor tax roll property values

**Real Property Value and Taxable Ratio
 Last Ten Years**

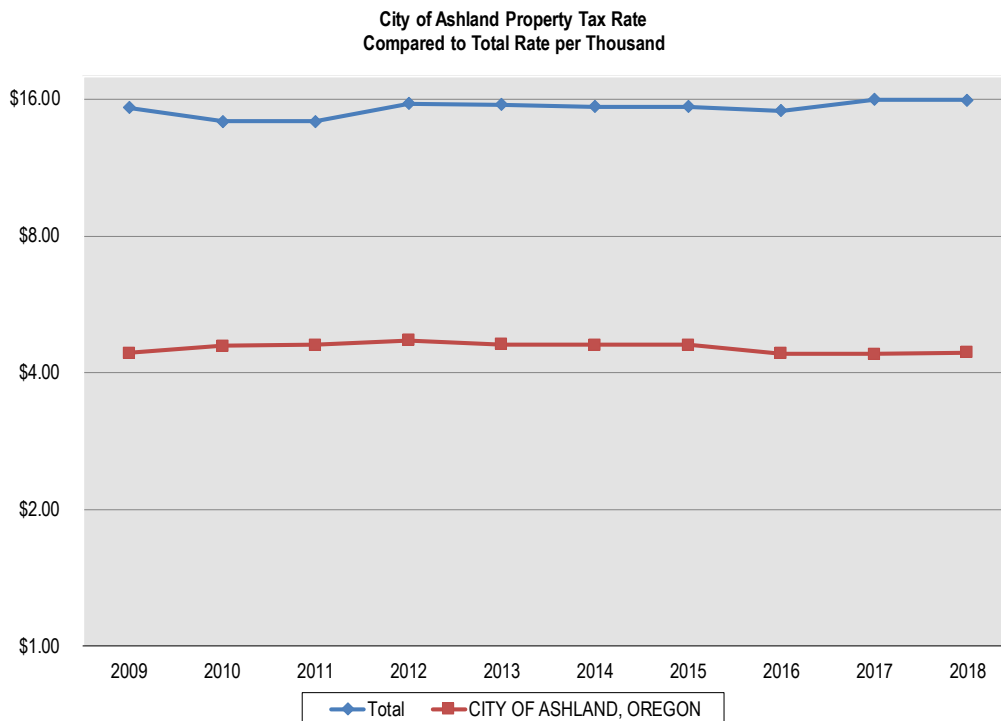


**CITY OF ASHLAND, OREGON
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Assessed Valuation)
Last ten years - Unaudited**

Fiscal Year Ended June 30,	City of Ashland Permanent rate	City of Ashland Local Option Levies	City of Ashland Bonded Debt	City of Ashland Component Unit	City of Ashland Total Tax Rate	Net Jackson Co Tax Rate	Net General Government Tax Rate	Net School Support Tax Rate	Total
2018	\$ 4.24	\$ -	\$ 0.20	\$ -	\$ 4.44	\$ 3.12	\$ 7.55	\$ 8.38	\$ 15.93
2017	4.20	-	0.20	-	4.40	3.14	7.54	8.45	15.98
2016	4.20	-	0.21	-	4.41	2.28	6.69	8.41	15.10
2015	4.20	0.19	0.22	-	4.61	2.47	7.08	8.33	15.41
2014	4.20	0.19	0.22	-	4.61	2.47	7.08	8.34	15.41
2013	2.10	0.19	0.24	2.09	4.62	2.55	7.17	8.38	15.55
2012	2.10	0.19	0.32	2.09	4.71	2.55	7.26	8.38	15.64
2011	2.12	0.19	0.20	2.09	4.60	2.55	7.15	7.14	14.29
2010	2.10	0.19	0.20	2.09	4.59	2.58	7.17	7.14	14.31
2009	1.99	0.13	0.21	2.09	4.42	2.48	6.90	8.42	15.31

(1) Oregon Measure 47 combined with Jackson County tax rate since 1997-98

Source: Jackson County Assessor and Tax Collector

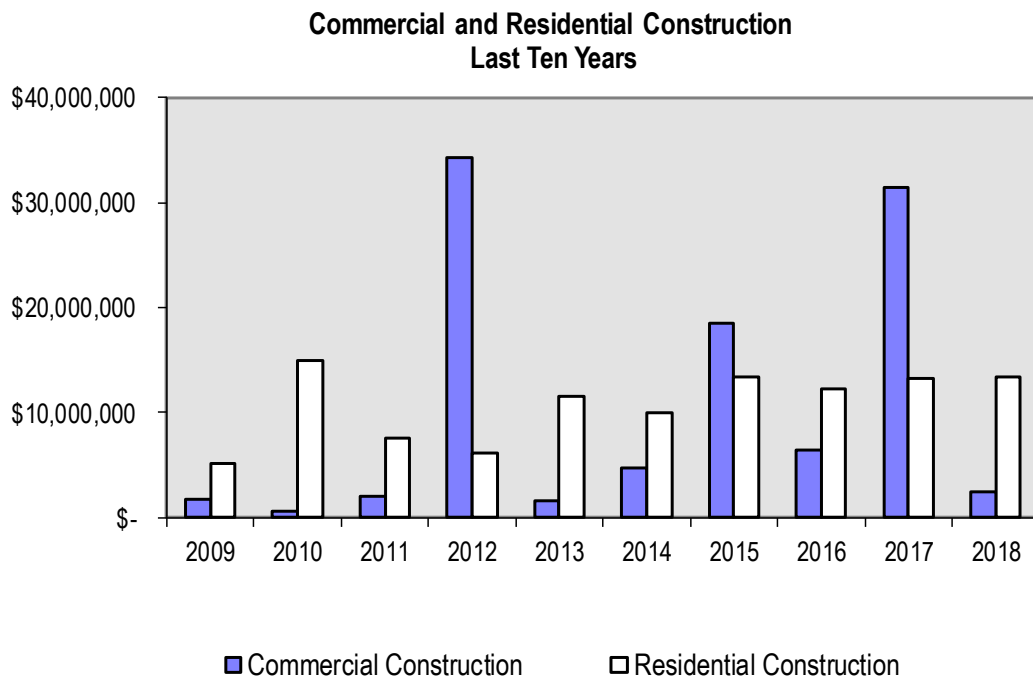


**CITY OF ASHLAND, OREGON
PROPERTY VALUE AND NEW CONSTRUCTION HISTORY
Last ten years - Unaudited**

Fiscal Year Ended June 30,	Property Value (1)	Commercial Construction		Residential Construction	
		Number of Units	Value	Number of Units	Value
2018	2,633,253,114	6	\$ 2,525,849	80	\$ 13,441,485
2017	2,537,384,808	7	31,479,266	70	13,313,136
2016	2,445,873,117	6	6,513,734	57	12,204,836
2015	2,348,446,788	8	18,530,998	62	13,371,460
2014	2,262,503,440	9	4,770,334	50	10,032,795
2013	2,079,286,927	8	1,632,075	56	11,568,784
2012	2,128,659,147	10	34,221,808	33	6,123,270
2011	2,072,000,226	11	1,989,421	47	7,531,926
2010	1,937,303,620	4	611,406	89	14,985,434
2009	1,943,167,724	15	1,812,635	21	5,108,099
2008	1,875,310,040	23	16,269,379	82	8,258,031

(1) Property value is assessed valuation

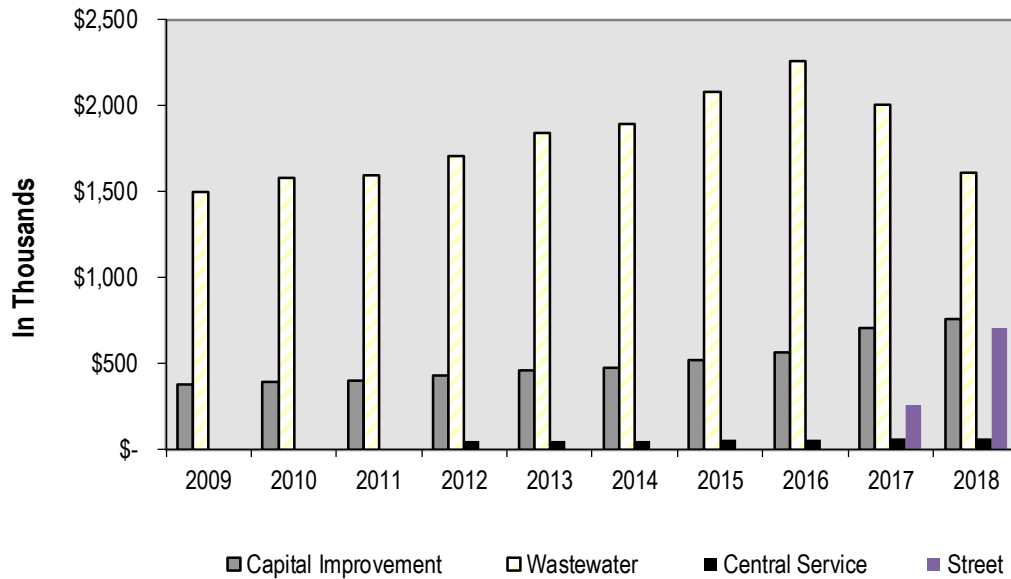
Source: City of Ashland, Community Development Department
Jackson County Assessor



**CITY OF ASHLAND, OREGON
FOOD AND BEVERAGE TAX REVENUES BY FUND
(amounts expressed in thousands)
Last ten years - Unaudited**

Fiscal Year Ended June 30,	Street Fund	Capital Improvement	Wastewater	Central Service	Total	Cumulative
2018	\$ 708	\$ 758	\$ 1,608	\$ 61	\$ 3,135	\$ 47,235.00
2017	255	709	2,005	61	3,030	44,100
2016	-	565	2,260	58	2,883	41,070
2015	-	520	2,080	53	2,653	38,187
2014	-	473	1,892	48	2,413	35,534
2013	-	460	1,840	47	2,347	33,121
2012	-	427	1,707	47	2,181	30,774
2011	-	398	1,593	31	2,022	28,593
2010	-	396	1,584	-	1,980	26,571
2009	-	374	1,495	-	1,869	24,591
2008	-	392	1,567	-	1,959	22,722

**Food and Beverage Tax Revenues by Fund
Last Ten Years**



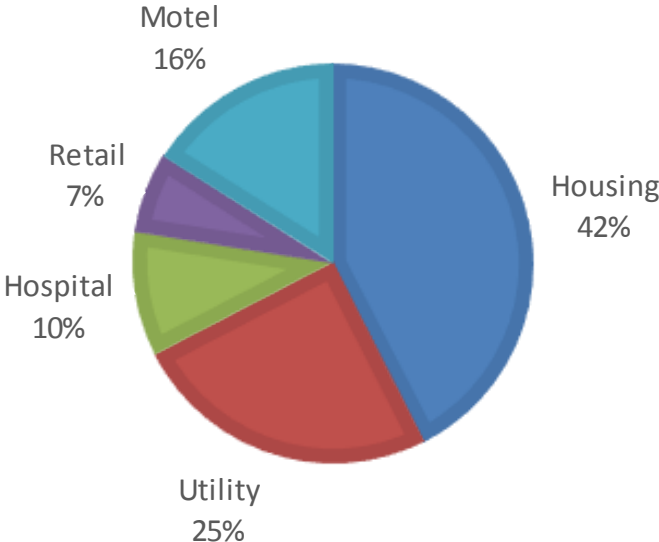
**CITY OF ASHLAND, OREGON
PRINCIPAL PROPERTY TAXPAYERS
Current and ten years ago**

Taxpayers	Type of Business	2018 Assessed Valuation	Percentage of Total Assessed Valuation
Avista Corp	Utility	\$ 16,386,700	0.62%
Deluca Ronald L Trustee ET AL	Housing	13,173,880	0.50%
Deluca Ronald L Trustee	Housing	12,071,418	0.46%
Ashland Community Hopsital	Hospital	9,840,160	0.37%
Ashland Hills Hotel LLC	Motel	9,295,490	0.35%
Deluca Revocable Trust ET AL	Housing	8,598,360	0.33%
Charter Communications	Utility	7,942,400	0.30%
Ashlander Ashland LLC	Housing	7,652,430	0.29%
Ashland Shopping Center LLC	Retail	6,354,590	0.24%
Mark Anthony Hist Prop LLC	Motel	6,337,590	0.24%
All other		2,535,600,096	96.29%
Total		\$ 2,633,253,114	100.00%

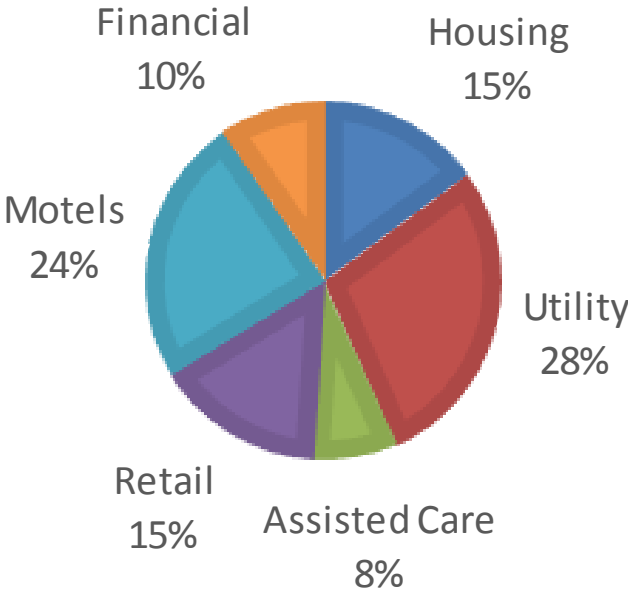
Taxpayers	Type of Business	2009 Assessed Valuation	Percentage of Total Assessed Valuation
Windmill Inns of America, Inc	Motels	\$ 10,533,210	0.54%
Qwest Corporation	Utility	9,867,700	0.51%
Ronald L. Deluca	Housing	9,253,040	0.48%
Avista Corp.	Utility	7,779,000	0.40%
Pacific Financial, Inc.	Financial	5,865,120	0.30%
Michael D & Beverly Rydbom	Retail	4,870,350	0.25%
Skylark Assisted Living	Assisted Care	4,787,200	0.25%
Bard's Inn Limited	Motels	4,582,790	0.24%
North Mountain Land Company	Housing	4,577,330	0.24%
Summit Investment	Retail	4,539,860	0.23%
All other		1,876,512,124	96.57%
Total		\$ 1,943,167,724	100.00%

Source: Jackson County Assessor

2018 PRINCIPAL PROPERTY TAX PAYERS



2009 PRINCIPAL PROPERTY TAX PAYERS

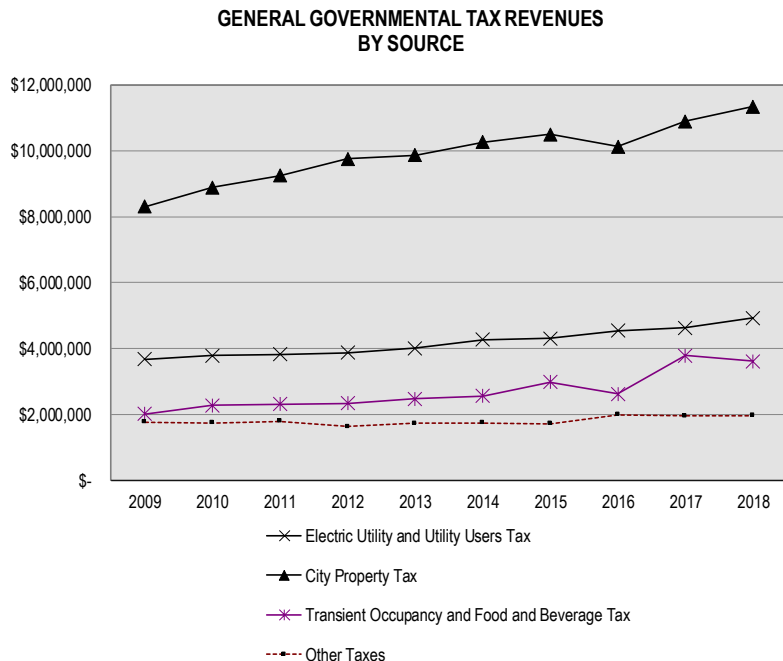


**CITY OF ASHLAND, OREGON
GENERAL GOVERNMENTAL TAX REVENUES
BY SOURCE
(amounts expressed in thousands)
Last ten years - Unaudited**

Fiscal Year Ended June 30,	Combined Property Taxes	Electric Utility Franchise (1)	Utility Users Tax (1)	Other Franchise and Privilege Taxes	Transient Occupancy Tax	Food and Beverage Tax (2)	Business License Tax	Total
2018	\$ 11,347	\$ 1,598	\$ 3,330	\$ 1,967	\$ 2,910	\$ 708	\$ 234	\$ 22,094
2017	10,898	1,496	3,130	1,949	2,819	964	248	21,504
2016	10,508	1,466	3,077	1,604	2,055	565	237	19,512
2015	10,133	1,390	2,923	1,513	2,460	520	209	19,148
2014	10,268	1,373	2,895	1,530	2,091	473	208	18,838
2013	9,874	1,311	2,704	1,518	2,009	460	208	18,084
2012	9,759	1,251	2,627	1,436	1,911	427	202	17,613
2011	9,246	1,228	2,603	1,591	1,918	398	197	17,181
2010	8,896	1,232	2,557	1,552	1,880	396	197	16,710
2009	8,313	1,207	2,468	1,567	1,639	374	201	15,769
2008	10,573	1,170	2,375	1,362	1,508	392	201	17,581

(1) Derived from city-owned electric utility operations

(2) Tax enacted July 1, 1993



**CITY OF ASHLAND, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
Last ten years - Unaudited**

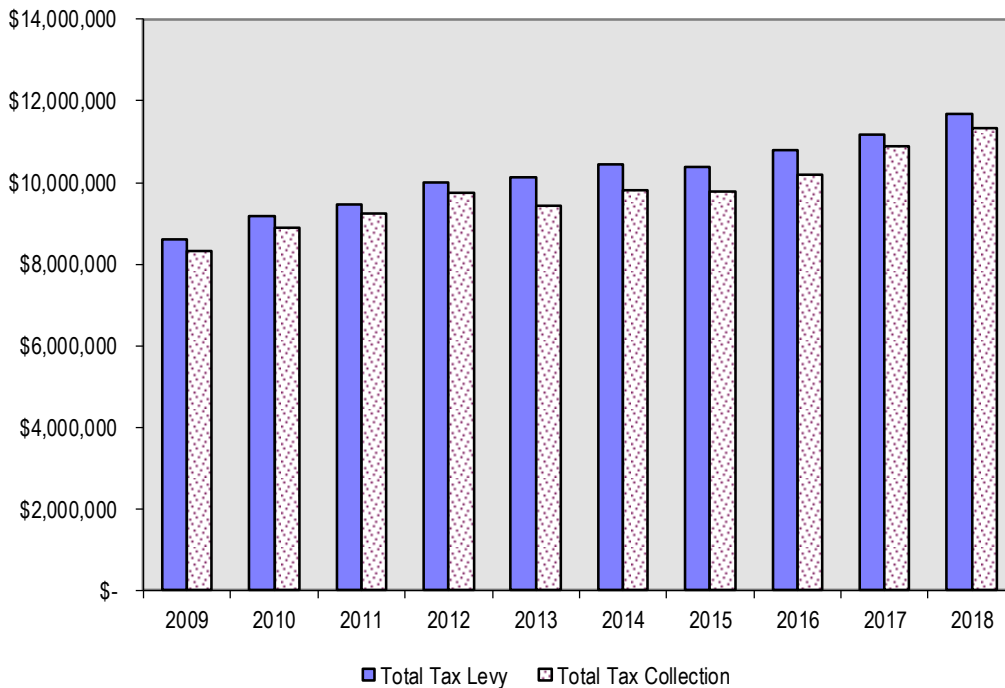
Fiscal Year Ended June 30,	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collections (2)(3)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2018	\$ 11,686,504	\$ 11,077,325	94.79%	\$ 270,018	\$ 11,347,343	97.10%	\$ 744,932	6%
2017	11,165,588	10,584,077	94.79%	292,706	10,876,783	97.41%	718,956	6%
2016	10,782,252	10,204,495	94.64%	303,781	10,508,276	97.46%	698,038	6%
2015	10,374,563	9,774,296	94.21%	358,851	10,133,147	97.67%	768,885	7%
2014	10,453,597	9,799,116	93.74%	468,669	10,267,785	98.22%	704,806	7%
2013	10,119,532	9,440,360	93.29%	394,679	9,835,039	97.19%	785,377	8%
2012	9,997,229	9,322,678	93.25%	436,198	9,758,876	97.62%	755,098	8%
2011	9,470,164	8,885,987	93.83%	359,767	9,245,754	97.63%	773,714	8%
2010	9,176,778	8,511,729	92.75%	384,362	8,896,091	96.94%	699,122	8%
2009	8,616,000	7,981,337	92.63%	331,445	8,312,782	96.48%	684,345	8%
2008	10,609,706	10,273,879	96.83%	298,774	10,572,653	99.65%	636,512	6%

(1) Includes levy within the tax base, levy for bonded indebtedness, miscellaneous assessment payments in lieu of tax, and tax levy shared offsets

(2) Includes adjustments, rounding and discounts

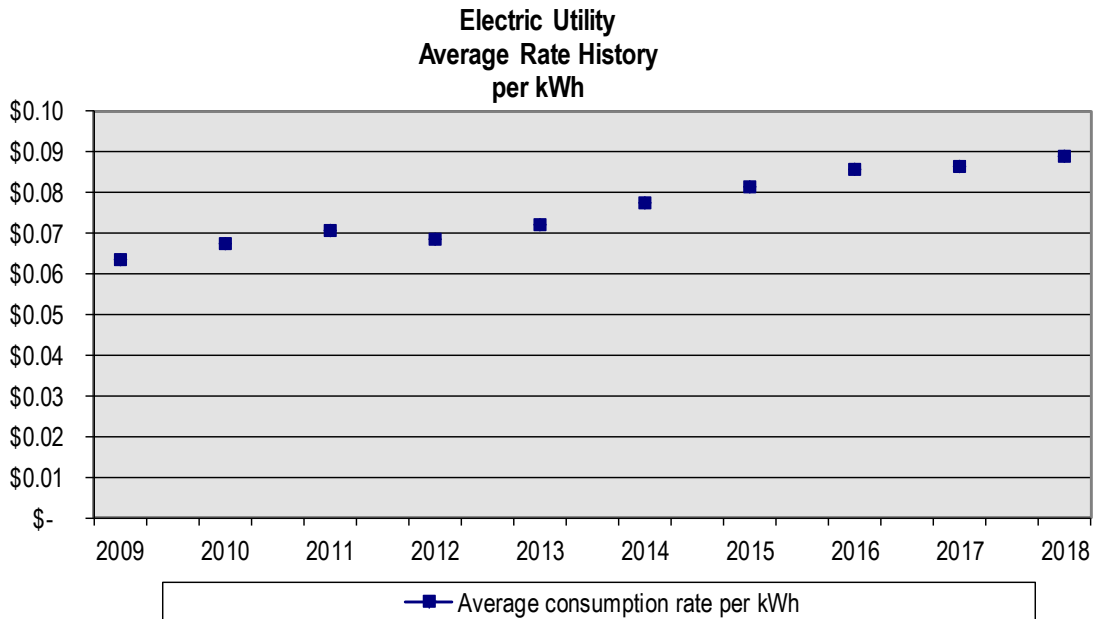
(3) Delinquent taxes collected represent accumulative amounts for the specific fiscal year

PROPERTY TAX LEVIES AND COLLECTIONS



**CITY OF ASHLAND, OREGON
ELECTRIC UTILITY USAGE
IN KILOWATT HOURS (kWh)
Last ten years - Unaudited**

	2018	2017	2016	2015
Electric:				
Commercial	56,199,380	54,212,204	55,434,978	57,241,622
Governmental	20,663,724	16,881,982	17,084,620	18,894,191
Municipal	7,642,747	6,489,407	7,607,560	6,439,200
Residential	89,213,217	89,500,760	86,749,323	85,448,299
Electric usage total	173,719,068	167,084,353	166,876,481	168,023,312
Total electric revenue	\$ 15,486,694	\$ 14,465,963	\$ 14,338,555	\$ 13,700,057
Average consumption rate per kWh	\$ 0.089	\$ 0.087	\$ 0.086	\$ 0.082

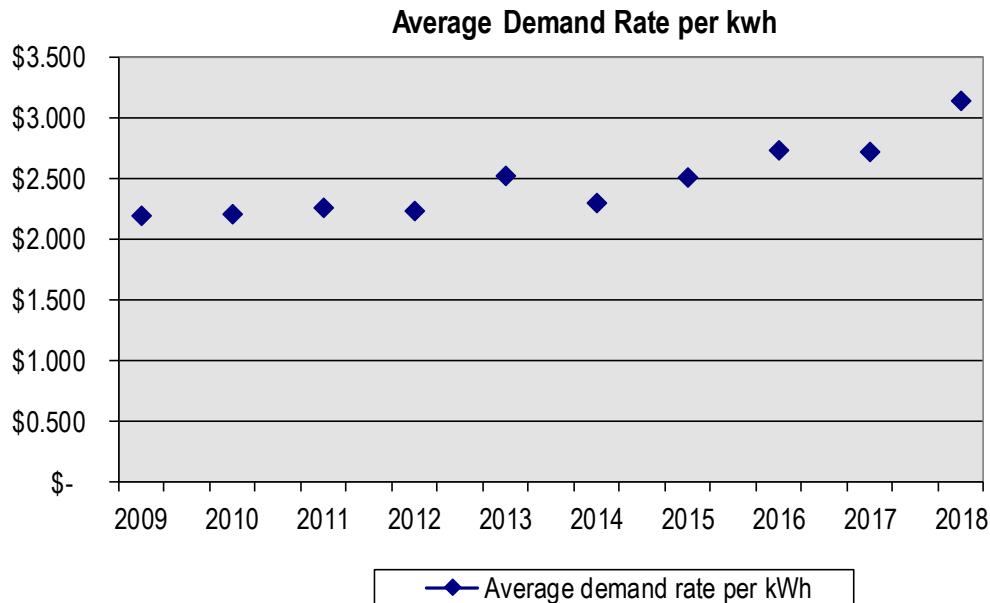


(1) Council implemented the surcharge due to increasing costs and changes in the wholesale power industry in FY 2002

	2018	2017	2016	2015
Demand:				
Commercial	157,991	152,791	159,344	209,020
Governmental/Municipal	67,663	67,095	67,850	66,037
Demand usage total	225,654	219,886	227,194	275,057
Total demand revenue	\$ 709,540	\$ 597,188	\$ 620,772	\$ 691,225
Average demand rate per kWh	\$ 3.144	\$ 2.716	\$ 2.732	\$ 2.513

**CITY OF ASHLAND, OREGON
ELECTRIC UTILITY USAGE
IN KILOWATT HOURS (kwh)
Last ten years - Unaudited (continued)**

2014	2013	2012	2011	2010	2009
57,351,533	58,984,152	55,628,874	55,617,369	56,996,490	56,893,914
19,552,546	19,934,831	20,136,246	20,539,286	19,467,344	18,283,476
6,410,372	5,978,193	6,164,885	6,107,945	6,407,172	6,288,095
91,309,827	89,637,162	91,550,691	94,402,343	93,634,626	91,638,620
174,624,278	174,534,338	173,480,696	176,666,943	176,505,632	173,104,105
\$ 13,536,923	\$ 12,575,449	\$ 12,305,176	\$ 12,126,401	\$ 11,931,379	\$ 11,028,224
\$ 0.078	\$ 0.072	\$ 0.071	\$ 0.069	\$ 0.068	\$ 0.064



2014	2013	2012	2011	2010	2009
158,829	175,675	164,566	162,175	151,072	147,155
67,481	67,388	71,111	68,480	63,445	70,242
226,310	243,063	235,677	230,655	214,517	217,397
\$ 519,458	\$ 614,862	\$ 533,947	\$ 515,481	\$ 475,273	\$ 476,024
\$ 2.295	\$ 2.530	\$ 2.266	\$ 2.235	\$ 2.216	\$ 2.190

**CITY OF ASHLAND, OREGON
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
Last ten years - Unaudited**

Fiscal Year Ended June 30,	Population (1)	Percentage Change	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Fund Monies Available
2018	20,700	0.39%	\$ 2,633,253,114	\$ 11,760,000	\$ 1,025,376
2017	20,620	1.05%	2,537,384,808	13,395,000	973,878
2016	20,405	0.32%	2,445,873,117	14,880,000	855,545
2015	20,340	0.22%	2,348,446,788	37,195,894	861,561
2014	20,295	-0.15%	2,262,503,440	37,462,187	794,695
2013	20,325	-5.29%	2,186,388,026	38,111,076	785,823
2012	21,460	6.79%	2,128,659,147	35,728,075	976,265
2011	20,095	-6.56%	2,072,000,226	35,331,935	804,633
2010	21,505	0.09%	2,008,178,855	39,708,269	762,199
2009	21,485	-1.44%	1,943,167,724	42,560,804	1,072,785

Source:

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

(2) Jackson County Assessor tax roll property value records

(3) City of Ashland financial records - includes all long-term general obligation debt, including general obligation special assessments, general obligation bonds, and general obligation warrants.

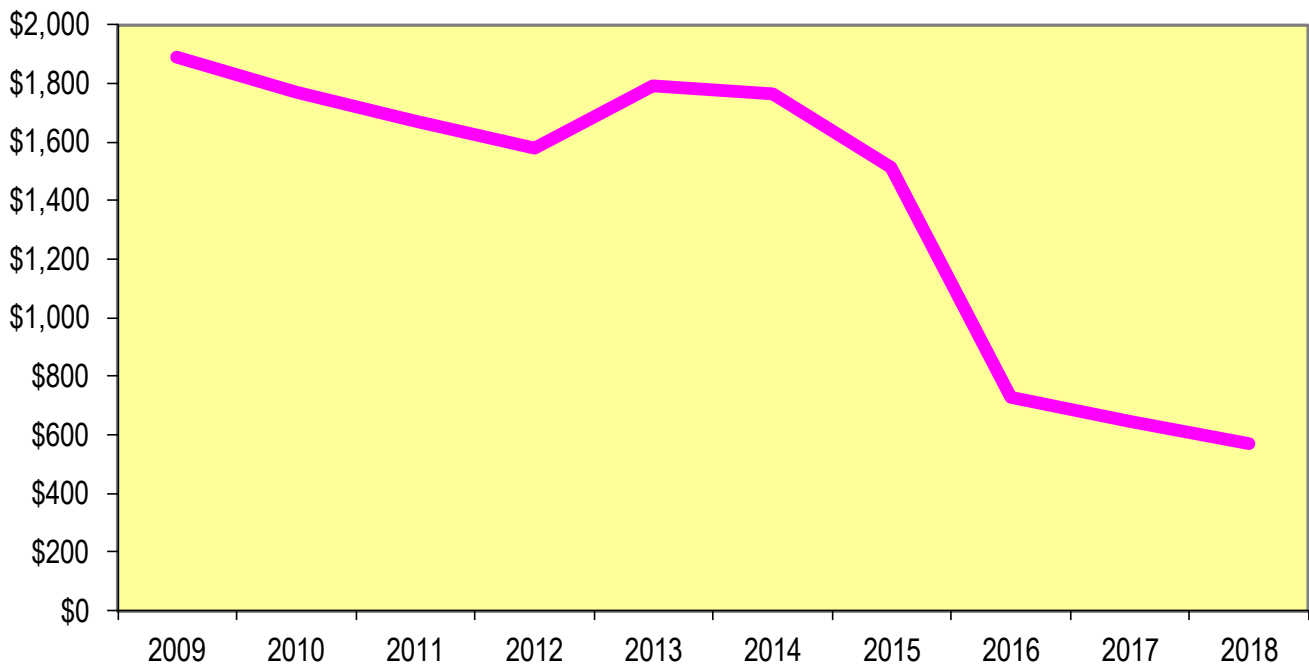
(4) Includes general obligation debt paid from Hospital Enterprise Fund operations, Utility Services Revenue, fund operations, and special assessment payments from benefited property owners.

(5) Includes Gross Bonded Debt reduced by Debt Service Fund and Enterprise Fund monies available to pay General Obligation Bonded Debt.

**CITY OF ASHLAND, OREGON
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
Last ten years - Unaudited (continued)**

Enterprise Fund Monies Available	Debt Payable for Enterprise Revenues (4)	Net General Obligation Bonded Debt (5)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
\$ 875,490	\$ 16,985,043	11,760,000	0.45%	\$ 568.12
875,490	17,774,620	13,395,000	0.53%	649.61
875,490	19,219,172	14,880,000	0.61%	729.23
875,490	20,392,351	30,764,962	1.31%	1,512.53
875,490	19,102,713	35,792,002	1.58%	1,763.59
875,490	18,320,823	36,449,763	1.67%	1,793.35
875,490	16,821,156	33,876,320	1.59%	1,578.58
875,490	18,578,931	33,651,812	1.62%	1,674.64
875,490	21,389,684	38,070,580	1.90%	1,770.31
875,490	23,059,454	40,612,529	2.09%	1,890.27

**Net Bonded Debt Per Capita
Last Ten Years**

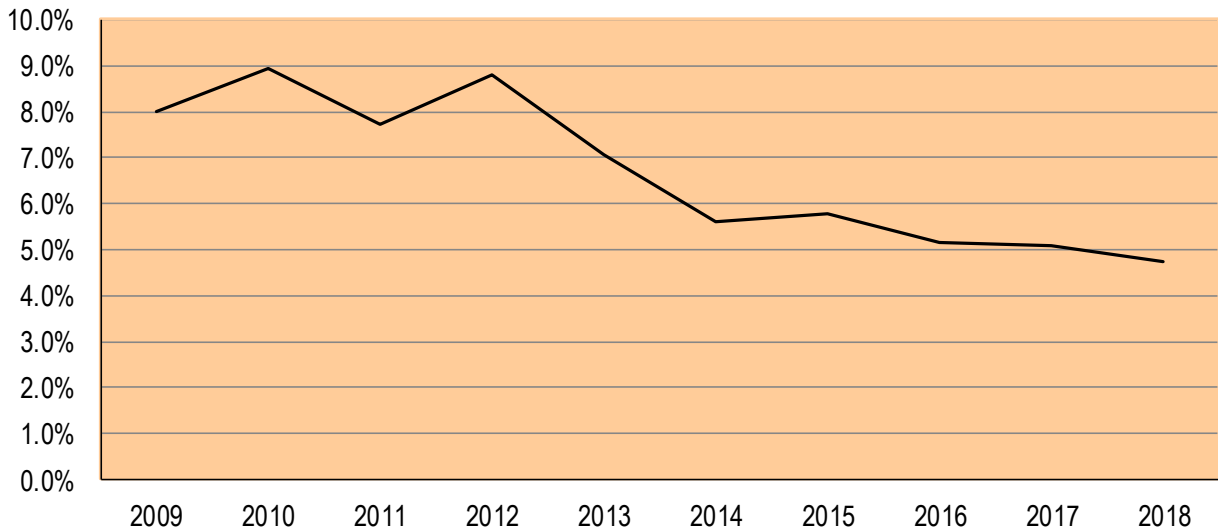


CITY OF ASHLAND, OREGON
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
Last ten years - Unaudited

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service (1)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2018	\$ 1,455,000	\$ 318,747	\$ 1,773,747	\$ 37,564,475	4.7%
2017	1,485,000	375,091	1,860,091	36,555,232	5.1%
2016	1,445,000	418,422	1,863,422	36,033,961	5.2%
2015	1,495,000	415,879	1,902,924	32,988,739	5.8%
2014	1,320,000	522,374	1,842,374	32,948,928	5.6%
2013	1,000,000	906,689	1,906,689	26,957,272	7.1%
2012	1,105,000	916,434	2,021,434	23,012,672	8.8%
2011	905,000	904,149	1,809,149	23,415,021	7.7%
2010	865,000	943,917	1,808,917	20,245,798	8.9%
2009	695,000	976,738	1,671,738	20,849,371	8.0%

(1) Includes General, Special Revenue Funds, and Debt Service Funds

**Ratio of Debt Service
to General Governmental Expenditures
Last Ten Years**



**CITY OF ASHLAND, OREGON
PLEGGED REVENUE COVERAGE
WATER FUND
Last ten years - Unaudited**

Fiscal Year Ended June 30,	Gross Revenues (1)	Operating Expenses (2)	Future Rate Stabilization Offset (3)	Net Revenues Available for Debt Service	Debt Service Requirements (4)			Coverage
					Principal	Interest	Total	
2018	\$ 8,290,162	\$ 6,520,984	\$ -	\$ 1,769,178	\$ 464,164	\$ 150,069	\$ 614,233	2.88
2017	7,756,012	4,706,339	-	3,049,673	453,835	161,855	615,690	4.95
2016	7,289,715	4,225,107	-	3,064,608	443,717	173,330	617,046	4.97
2015	6,604,339	4,256,299	-	2,348,040	899,952	147,300	1,047,251	2.24
2014	6,322,142	4,244,890	-	2,077,252	584,414	129,093	713,507	2.91
2013	8,280,514	5,776,098	-	2,504,416	412,533	82,471	495,004	5.06
2012	5,745,624	3,597,970	-	2,147,654	580,742	127,436	708,178	3.03
2011	4,806,603	3,597,701	-	1,208,902	394,036	135,574	529,610	2.28
2010	4,455,767	3,439,267	-	1,016,500	345,000	112,206	457,206	2.22
2009	4,543,609	3,451,254	-	1,092,355	335,000	120,288	455,288	2.40

(1) Total Operating Revenues, including System Development Charges

(2) Total operating expenses, not including Interfund Loan, Capital Outlay, Existing Debt, and Franchise Taxes paid

(3) Gross revenues in excess of those necessary to meet current debt service obligations by covenant available to assure coverage in future fiscal periods

(4) Includes Revenue Bond principal and interest amounts transferred to registered paying agent irrespective of actual bond maturities

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CITY OF ASHLAND, OREGON
RATIOS OF OUTSTANDING DEBT
BY TYPE
Last ten years

Governmental Activities			Notes and Contracts		
Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value	Promissory Notes	OECD (1) Loans	Per Capita (2)
2018	\$ 11,760,000	0.45%	\$ 2,591,936	\$ -	\$ 693.33
2017	13,395,000	0.53%	1,104,821	-	703.19
2016	14,880,000	0.61%	1,251,707	-	790.58
2015	16,325,000	0.70%	478,543	-	812.39
2014	17,820,000	0.79%	539,474	-	901.48
2013	19,140,000	0.88%	650,253	-	973.69
2012	17,550,000	0.82%	681,780	675,138	853.51
2011	15,695,000	0.76%	354,502	703,502	833.69
2010	16,600,000	0.83%	488,197	1,230,388	851.83
2009	17,465,000	0.90%	622,313	1,412,321	907.59

Business - Type Activities					
Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value	Revenue Bonds and Notes	DEQ (3) Loan	Per Capita (2)
2018	\$ 9,429,200	0.36%	\$ 5,406,100	\$ 2,149,744	\$ 820.53
2017	11,077,669	0.44%	4,634,074	2,062,878	932.06
2016	12,777,871	0.52%	4,628,555	1,812,747	941.89
2015	14,439,962	0.61%	4,193,067	1,759,323	985.90
2014	16,054,089	0.71%	3,048,624	-	937.97
2013	17,490,395	0.80%	830,429	-	901.39
2012	14,034,014	0.66%	2,787,143	-	783.84
2011	15,400,074	0.74%	3,178,857	-	924.55
2010	1,298,697	0.06%	3,560,571	16,530,415	994.64
2009	1,505,000	0.08%	3,927,286	17,627,168	1,073.28

Total Outstanding Debt			
Fiscal Year Ended June 30,	Total Outstanding Debt	Personal Income (4)	Debt as a Percentage of Personal Income
2018	\$ 31,336,980	unavailable	NA
2017	32,274,442	unavailable	NA
2016	35,350,879	631,468,000	5.60%
2015	37,195,894	609,934,000	6.10%
2014	37,462,187	574,277,000	6.52%
2013	38,111,077	512,899,000	7.43%
2012	35,728,075	608,663,000	5.87%
2011	35,331,935	437,910,000	8.07%
2010	39,708,269	423,604,000	9.37%
2009	42,559,088	391,431,000	10.87%

(1) OECD - Oregon Economic and Community Development Department

(2) *Per Capita* is calculated using the total debt for the category divided by population shown on *Ratio of Net General Obligation Bonded Debt to Assessed Value* Schedule

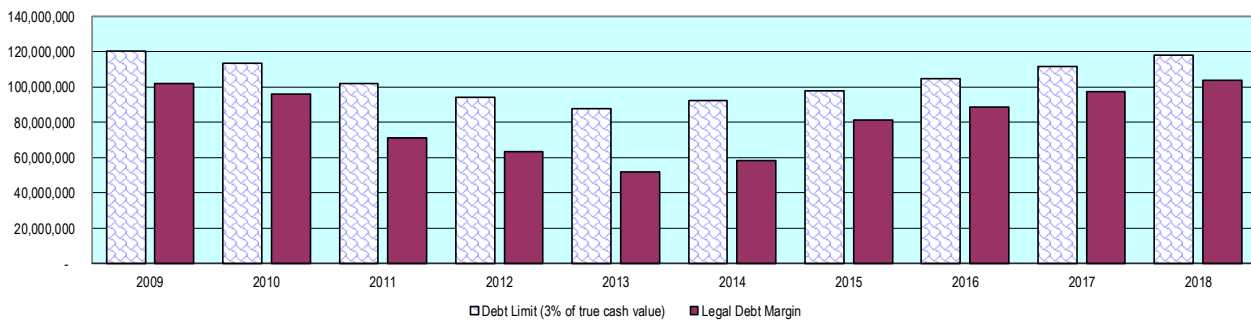
(3) DEQ - Oregon Department of Environmental Quality

(4) Oregon Department of Revenue Personal Income Tax Statistics

CITY OF ASHLAND, OREGON
LEGAL DEBT MARGIN
Last ten years
For the year ended June 30

	2018	2017	2016	2015	2014
True Cash Value	\$ 3,937,719,581	\$ 3,722,306,182	\$ 3,493,732,448	\$ 3,258,618,439	\$ 3,072,079,759
Legal Debt Margin					
Debt limit (3% of true cash value)	118,131,587	111,669,185	104,811,973	97,758,553	92,162,393
Net Bonded Debt:					
Gross bonded debt	14,351,936	14,499,821	16,131,707	16,325,000	34,295,413
Less amounts exempted:					
Water	-	-	-	-	-
Special assessment	-	-	-	-	-
Re-funding	-	-	-	-	-
Water re-funding	-	-	-	-	(250,000)
Total debt applicable to margin	14,351,936	14,499,821	16,131,707	16,325,000	34,045,413
Legal Debt Margin	\$ 103,779,652	\$ 97,169,364	\$ 88,680,267	\$ 81,433,553	\$ 58,116,980

Legal Debt Margin
Compared to Debt Limit
Last Ten Years



CITY OF ASHLAND, OREGON
LEGAL DEBT MARGIN
Last ten years
For the year ended June 30 (continued)

2013	2012	2011	2010	2009
\$ 2,931,862,235	\$ 3,145,655,451	\$ 3,394,416,254	\$ 3,790,236,802	\$ 4,011,032,636
87,955,867	94,369,664	101,832,488	113,707,104	120,330,979
36,630,395	31,584,014	31,095,074	17,898,697	18,970,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(375,000)	(370,000)	(360,000)	(345,000)	(505,000)
36,255,395	31,214,014	30,735,074	17,553,697	18,465,000
\$ 51,700,472	\$ 63,155,650	\$ 71,097,414	\$ 96,153,407	\$ 101,865,979

**CITY OF ASHLAND, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2018 - Unaudited**

True cash value	\$	3,937,719,581	
3% of true cash value		<u>0.03</u>	
			\$ 118,131,587
NET BONDED DEBT:			
Gross bonded debt		14,351,936	
Less amounts exempted:			
Water			
Water re-funding		<u>-</u>	
Total debt applicable to margin			<u>14,351,936</u>
LEGAL DEBT MARGIN			<u><u>\$ 103,779,651</u></u>

ORS 287.004 provides a debt limit of three percent of the true cash value of all taxable property within the Municipality's boundaries. According to ORS 287.004, the three percent 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.

Source: Jackson County Assessor's Office
Audited Financial Statements
Oregon Revised Statutes (ORS) 287.004

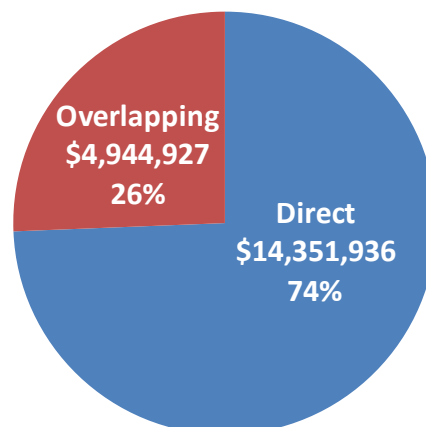
**CITY OF ASHLAND, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
June 30, 2018 - Unaudited**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct:			
City of Ashland - Governmental Activities only	\$ 14,351,936	100.00%	\$ 14,351,936
Overlapping:			
Jackson County	835,107	14.41%	120,339
School District No. 5	4,807,671	80.80%	3,884,598
Rogue Community College	5,598,198	14.41%	806,700
Jackson County Housing Authority	782,702	14.41%	112,787
Rogue Valley Transit District	107,059	19.15%	20,502
	<u>\$ 12,130,737</u>		<u>\$ 4,944,927</u>
	<u>\$ 26,482,673</u>		<u>\$ 19,296,863</u>

(1) Percentage of overlap is calculated on real market value.

Source: State of Oregon, Office of Treasurer - overlapping debt report, debt for governmental activities only

**City of Ashland
Direct Bonded Debt for Governmental
Activities and Applicable Overlapping Debt**



**CITY OF ASHLAND, OREGON
PRINCIPAL EMPLOYERS
Current and ten years ago**

Employer	<u>2018</u>	Employees
Southern Oregon University		703
Oregon Shakespeare Festival		747
Ashland Public Schools		378
Asante Ashland Community Hospital		275
City of Ashland**		254
	Subtotal	2,357

Employer	<u>2009</u>	Employees
Southern Oregon University		748
Ashland Community Hospital		452
Ashland Shakespeare Festival		450
Ashland Public Schools		380
City of Ashland**		260
Pathway Enterprises		140
Ashland Food Cooperative		150
Professional Tool Mfg. LLC		80
Prestige Care (dba Linda Vista)		75
	Total	2,735

** Excludes Ashland Parks Commission

Source: Ashland Chamber of Commerce

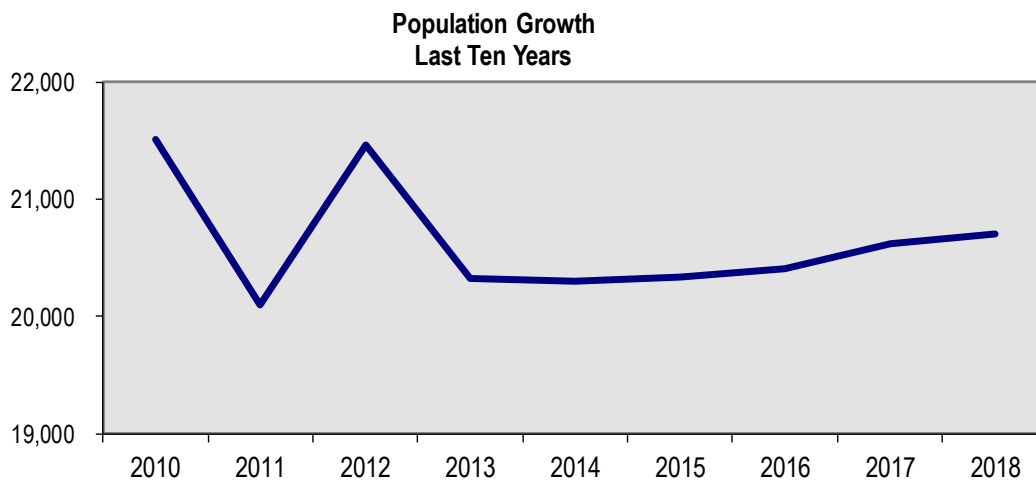
Note: Ashland Chamber of Commerce has changed their reporting method and now only tracks the top five employers in the city

**CITY OF ASHLAND, OREGON
DEMOGRAPHIC STATISTICS
Last ten years - Unaudited**

Fiscal Year Ended June 30, 2018	Population (1)	Percentage Change	Per Capita Income	Total Personal Income (2)	School Enrollment (3)	Jackson County Unemployment Rate (4)
2018	20,700	0.39%	-	unavailable	2,940	4.6%
2017	20,620	1.05%	-	unavailable	2,921	4.9%
2016	20,405	0.32%	30,947	631,468	2,883	6.2%
2015	20,340	0.22%	29,987	609,934	2,782	7.1%
2014	20,295	-0.15%	28,296	574,277	2,765	8.4%
2013	20,325	-5.29%	25,235	512,899	2,759	9.9%
2012	21,460	6.79%	28,363	608,663	2,720	11.3%
2011	20,095	-6.56%	21,792	437,910	2,737	12.1%
2010	21,505	0.09%	19,698	423,604	2,819	12.7%
2009	21,485	-1.44%	18,219	391,431	2,767	13.3%

Sources:

- (1) Center for Population and Research and Census, Portland State University
- (2) Oregon Department of Revenue
- (3) Ashland School District
- (4) US Bureau of Labor Statistics



2018 Statistical Section

**CITY OF ASHLAND, OREGON
SCHEDULE OF MAJOR INSURANCE IN FORCE
June 30, 2018**

Company	Coverage	Policy Period	Annual Aggregate/Each Occurrence	Premium
City County Insurance Services	General Liability			\$ 237,456
	Commercial General Liability	07/01/2017-07/01/2018	\$15,000,000 / \$5,000,000	
	Public Officials Liability	07/01/2017-07/01/2018	\$15,000,000 / \$5,000,000	
	Employment Practices	07/01/2017-07/01/2018	\$15,000,000 / \$5,000,000	
	Automobile Liability			40,326
	Scheduled Autos	07/01/2017-07/01/2018	None / \$5,000,000	
	Hired Autos/Non Owned	07/01/2017-07/01/2018	None / \$5,000,000	
	Uninsured Motorist	07/01/2017-07/01/2018	None / \$5,000,000	
	Auto Physical Damage			18,609
	Scheduled Autos	07/01/2017-07/01/2018	Per Filed Value	
	Rented or Leased	07/01/2017-07/01/2018	Per Filed Value	
	Newly Acquired Autos	07/01/2017-07/01/2018	Per Filed Value	
	Property			92,431
	Buildings	07/01/2017-07/01/2018	Per Filed Value	
	Mobile Equipment	07/01/2017-07/01/2018	Per Filed Value	
	Boiler and Machinery	07/01/2017-07/01/2018	Replacement Cost of Machinery & Equipment not covered elsewhere	Included above
	Excess Crime	07/01/2017-07/01/2018	Per Loss / \$750,000	1,923
	Excess Cyber Liability	07/01/2017-07/01/2018	\$450,000 / \$450,000	8,593
	Excess Earthquake	07/01/2017-07/01/2018	Each Occur. \$5,000,000	13,500
	Excess Flood	07/01/2017-07/01/2018	Each Occur. \$5,000,000	2,250
ACE Group	Airport Liability	07/01/2017-07/01/2018	\$4,000,000 / \$4,000,000	2,505
Wright National Flood Ins. Co.	Flood	10/23/2017-10/23/2018	\$100,000	870
Safety National Casualty Corp.	Workers' Compensation Self-Insured Bond	07/01/2017-07/01/2018		6,000
Midwest Employers Casualty Co	Excess Workers' Compensation	07/01/2017-07/01/2018	Statutory / \$1,000,000	71,101
AIG/Chartis	Volunteer Accident Ins	07/01/2017-07/01/2018	\$50,000	2,000
ACE Group	Underground Storage Tank Pollution Liability	07/01/2017-07/01/2018	\$2,000,000 / \$1,000,000	946

CITY OF ASHLAND, OREGON
CITY EMPLOYEE BY FUNCTION/PROGRAM
Last ten years
For the year ended June 30

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administration	4.00	3.00	3.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Legal	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Information Technology	9.00	8.75	8.75	8.80	8.80	8.80	8.80	8.80	7.95	7.95
Finance	16.75	16.75	16.75	16.25	16.25	16.25	16.25	16.25	17.25	17.25
Municipal Court	4.07	4.15	4.15	4.15	4.15	4.15	3.15	3.65	3.65	3.65
City Recorder/Treasurer	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police	40.00	36.75	36.75	36.75	36.75	36.30	35.30	34.80	34.80	36.80
Fire	37.40	37.60	37.60	34.75	34.75	34.75	33.75	32.00	32.40	33.40
Streets	8.35	10.70	10.70	10.70	10.70	10.95	9.90	9.90	10.20	10.20
Water	14.00	15.00	15.00	14.50	14.50	14.50	14.50	14.50	16.30	16.30
Wastewater	13.65	11.30	11.30	11.30	11.30	11.30	10.30	10.30	12.80	12.80
Public Works Administration	8.50	7.00	7.00	7.00	7.00	7.00	6.00	7.50	7.00	7.00
Engineering	7.00	7.00	7.00	7.00	7.00	7.00	6.00	5.00	6.00	6.00
Facilities Maintenance / Cemetery	5.50	5.50	5.50	4.00	4.00	4.50	4.50	4.50	4.00	4.00
Fleet Maintenance	5.00	4.00	4.00	4.80	4.80	4.80	4.80	5.00	3.50	3.50
Planning	10.90	9.00	9.00	9.00	9.00	9.00	8.90	8.90	8.70	8.70
Building	4.10	4.00	4.00	4.00	4.00	4.00	3.70	3.60	3.85	3.85
Electric	17.00	17.00	17.00	17.25	17.25	17.25	17.75	17.75	18.50	18.50
Telecommunication	5.50	5.75	5.75	5.70	5.70	5.70	6.70	6.20	7.55	7.55
Conservation	5.00	4.00	4.00	3.50	3.50	3.50	3.00	3.00	3.00	3.00
Subtotal	221.72	214.25	214.25	210.45	210.45	210.75	205.30	202.65	208.45	211.45
Parks	37.25	48.00	48.00	43.80	43.80	43.80	43.80	43.45	45.65	48.55
Total	258.97	262.25	262.25	254.25	254.25	254.55	249.10	246.10	254.10	260.00

**CITY OF ASHLAND, OREGON
OPERATING INDICATORS
BY FUNCTION / PROGRAM
Last ten years**

Function/Program	2018	2017	2016	2015
Police				
Physical arrests, juvenile and adult	2,439	2,083	2,042	2,591
Traffic violations	2,849	2,155	2,065	2,969
Fire				
Fire alarm responses	994	1,004	819	462
Emergency medical responses	2,873	2,900	2,718	3,144
Non-emergency public service responses	316	274	248	261
Fire & Life Safety code enforcements	746	486	507	499
Total calls for service	4,183	4,178	4,063	3,867
Total ambulance patient transports	2,069	1,972	1,942	1,895
Water				
Service connections	8,841	9,155	7,689	8,738
Daily average consumption in millions of gallons	3.00	2.70	4.10	3.00
Maximum daily capacity of plant in million gallons	8.00	8.00	8.00	8.00
Sewer				
Service connections	8,440	8,394	8,414	8,308
Daily average treatment in million of gallons	2.15	2.20	2.20	2.40
Maximum daily capacity in millions of gallons	4.00	4.00	4.00	4.00
Electric				
Service connections	12,817	11,864**	12,706	12,678
Telecommunications				
Cable TV	1,125	1,200	1,350	1,306
Cable modem	4,020	3,933	3,962	3,800
Potential station capacity	140	140	140	140

** Actual service connections, previous information provided was by billed services

**CITY OF ASHLAND, OREGON
OPERATING INDICATORS
BY FUNCTION / PROGRAM
Last ten years (continued)**

2014	2013	2012	2011	2010	2009
2,509	2,868	2,670	2,343	2,073	2,098
3,461	3,061	2,679	2,868	3,160	2,784
398	390	379	291	359	363
3,098	2,927	3,105	2,694	2,705	2,761
155	97	94	79	75	46
404	380	246	215	293	262
3,533	3,414	3,577	3,327	3,128	3,170
1,600	1,523	1,635	1,611	1,456	1,476
8,870	9,038	9,071	8,678	8,433	8,126
2.90	2.70	2.70	4.61	2.70	3.30
8.00	8.00	8.00	8.00	8.00	8.00
8,295	8,181	7,850	8,181	7,995	8,008
2.25	2.20	2.20	2.10	2.20	2.20
4.00	4.00	4.00	4.00	4.00	4.00
12,662	11,914	12,148	11,985	11,275	11,944
1,400	1,840	0	0	0	0
3,961	4,082	4,066	4,454	4,094	4,160
140	140	140	140	140	80

CITY OF ASHLAND, OREGON
CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS
BY FUNCTION/PROGRAM
Last ten years

Function/Program	2018	2017	2016	2015
Police				
Stations	1	1	1	1
Contact station	1	1	1	1
Patrol units (vehicles)	8	8	8	8
Sworn officers	32	28	28	28
Fire				
Stations	2	2	2	2
Firefighters	30	30	26	27
Streets				
Miles of paved streets	93.84	93	93	92
Miles of gravel streets	9.54	10	10	9
Miles of storm sewers	94.54	94	94	93
Water				
Miles of water mains	133	132	132.76	130
Hydrants	1266	1263	1263	1267
Water treatment plant	1	1	1	1
Sewer				
Miles of sanitary sewers	111.7	110	110	110
Treatment plant	1	1	1	1

¹ Identifies integration of Cartegraph System with GIS that has provided more accurate figures.

CITY OF ASHLAND, OREGON
CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS
BY FUNCTION/PROGRAM
Last ten years (continued)

2014	2013	2012	2011	2010	2009
1	1	1	1	1	1
1	1	1	1	1	1
8	8	8	8	8	8
28	28	25	25	26.5	26.5
2	2	2	2	2	2
27	27	26	26	26	29
92	92	92	92	92	92
9	9	9	9	14	14
93	93	93	93	93	90
130	130	130	130	130	130
1,266	1,262	1,248	1,248	1,245	1,237
1	1	1	1	1	1
110	110	110	110	110	110
1	1	1	1	1	1

CITY OF ASHLAND, OREGON
CAPITAL ASSETS AND INFRASTRUCTURE
STATISTICS BY FUNCTION/PROGRAM
Last ten years (continued)

Function/Program	2018	2017	2016	2015
Electric				
Street lights	1,884	1,865	1,865	1,864
Electrical transformers	2,071	2,052	2,049	2,040
Poles	3,601	3,600	3,600	3,602
Substations	3	3	3	3
Telecommunications				
Miles of fiber	60	25	25	25
Miles of coax	119	119	119	119
Parks and Recreation				
Community centers	3	3	3	3
Parks	18	19	19	19
Park acreage	772	778.35	831	642
Golf courses	1	1	1	1
Swimming pools	1	1	1	1
Ice skating rinks	1	1	1	1
Skateboard parks	1	1	1	1
Tennis courts	1	12	12	12
Trails (miles)	48	48	41	40
Health Care				
Hospital	1	1	1	1
Hospital beds	49	49	49	49
Education				
Elementary schools	4	4	4	4
Elementary school instructors	71	70	78	75
Secondary schools	2	2	2	2
Secondary school instructors	135	101	105	103
State universities	1	1	1	1

CITY OF ASHLAND, OREGON
CAPITAL ASSETS AND INFRASTRUCTURE
STATISTICS BY FUNCTION/PROGRAM
Last ten years (continued)

2014	2013	2012	2011	2010	2009
1,864	1,858	1,827	1,827	1,832	1,811
2,032	2,025	2,007	2,007	2,002	1,996
3,605	3,600	3,506	3,506	3,560	3,557
3	3	3	3	3	3
25	25	25	25	25	25
119	119	119	119	119	118
3	3	3	3	3	3
19	16	16	16	19	19
642	642	642	642	642	640
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
12	12	12	12	12	12
29	29	29	29	25	25
1	1	1	1	1	1
49	49	49	49	49	49
4	4	4	4	4	4
69	69	69	69	59	59
2	2	2	2	2	2
91	91	91	91	106	106
1	1	1	1	1	1

AUDIT COMMENTS AND DISCLOSURES

Required by State Regulations

Oregon Administrative Rules 162-10-050 through 162-10-320, the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in audit reports. The required financial statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth following.



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Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Ashland as of and for the year ended June 30, 2018, and have issued our report thereon dated November 14, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the City of Ashland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

2018 Audit Comments and Disclosures

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the Council, Audit Committee, management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read "Ken Allen", is written over a light gray rectangular background.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.



**GOVERNMENT AUDITING STANDARDS
COMPLIANCE REPORTS**



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November 14, 2018

To the Mayor and City Council
City of Ashland
20 East Main Street
Ashland, OR 97520

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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, each major fund, and the aggregate remaining fund information of the City of Ashland as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 14, 2018.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Ken Allen", is positioned above the printed name and title.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.



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November 14, 2018

To the Mayor and City Council
City of Ashland
20 East Main Street
Ashland, OR 97520

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited City of Ashland's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2018. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, City of Ashland, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

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

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



Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

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2018 Government Auditing Standard Compliance Reports

CITY OF ASHLAND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2018

Program Title	Federal CFDA Number	Pass-Through Organization	Identifying Number	Year to Date Disbursements / Expenditures	Passed Through to Subrecipients
GRANTS					
DEPARTMENT OF AGRICULTURE					
Schools and Roads - Grants to States Title III - FY17/FY18 CWPP Grant 07/01/2016-06/30/2018 Project# 000517	10.665	Jackson County/Oregon	3517	6,422.92	-
Schools and Roads - Grants to States Title III - FY17/FY17 Firewise Grant 07/01/2016-06/30/2018 Project# 000518	10.665	Jackson County/Oregon	3511	52,593.55	-
Cooperative Forestry Assistance Fire Adapted Communities Learning Grant 09/20/2017-06/30/2018 Project# 000583	10.664	The Water Research and Training Center	194-2017-312	25,571.21	-
Cooperative Forestry Assistance TNC PERFACT Grant 09/01/2017-12/15/2017 Project# 000592	10.664	The Nature Conservancy	COA_SPR3marketing20170828	30,795.45	-
Cooperative Forestry Assistance TNC State & Private Grant 01/30/2018-01/31/2022 Project# 000609	10.664	The Nature Conservancy	COA_S&PF_2018123	-	-
Cooperative Forestry Assistance TNC Fire Ecology Trail Grant 03/22/2018-06/30/2018 Project# 000615	10.664	The Nature Conservancy	COA_Intep 20180322	4,000.00	-
Wildland Fire Management Ashland Forest Resiliency Grant 10/17/2016-01/01/2020 Project# 000199	10.688	Lomakatsi Restoration Project	2016-SA-11061000-037	82,035.31	-
Total Department of Agriculture				\$ 201,418.44	\$ -
DEPARTMENT OF HOMELAND SECURITY					
Assistance to Firefighters Grant Federal Emergency Management Agency FY2014 Assistance to Firefighters Grant 8/6/2015-12/31/2017 Project# 000480	97.044	Direct	EMW-2014-FP-00609	21,606.96	-
Assistance to Firefighters Grant Federal Emergency Management Agency FY2016 Assistance to Firefighters Grant 05/05/2017-05/04/2018 Project# 000602	97.044	Direct	EMW-2016-FO-03785	\$ 69,629.25	\$ -
State Homeland Security Program Grant Oregon Military Department CERT Grant 9/15/2016-9/30/2017	97.067	Oregon Military Department	16-201	382.00	-
Total Department of Homeland Security				\$ 91,618.21	\$ -
DEPARTMENT OF INTERIOR					
Historic Preservation Fund Grant-In-Aid CLG Grant 03/16/2018-08/30/2019 Project# 000618	15.904	State of Oregon, Park & Rec Department	OR-18-02	-	-
Total Department of Interior				\$ -	\$ -
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/Entitlement Grants 07/01/2016-06/30/2017-Grant Award	14.218	Direct	B16MC410008	3,654.27	-
07/01/2017-06/30/2018-Grant Award	14.218	Direct	B17MC410008	110,326.95	-
Total Department of Housing and Urban Development				\$ 113,981.22	\$ -
DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program 04/01/2014-08/31/2017 Project # 000445	16.607	Direct	ASHLAND CITY	831.60	-
Public Safety Partnership and Community Policing Grants Community Policing Development Program COPS Grant 9/01/2015-8/31/2017 Project# 000519	16.710	Direct	2015CKWXXD19	-	-
Total Department of Justice				\$ 831.60	\$ -
DEPARTMENT OF TRANSPORTATION					
State and Community Highway Safety Ashland Safety Belt Grant 11/07/2016-not specific Project# 000479	20.600	Direct	M1HVE-16-46-03 BBB	1,874.57	-
Airport Improvement Program Federal Aviation Administration Ashland Municipal Airport Grant 7/3/2014-not specific Project# 201312	20.106	Direct	3-41-0002-010-2014	-	-
Total of Department of Transportation				\$ 1,874.57	\$ -
TOTAL GRANTS EXPENDED or PASSED THROUGH to SUBRECIPIENTS				\$ 409,724.04	\$ -
Program Title	Federal CFDA Number	Pass-Through Organization	Identifying Number	Year to Date Disbursements / Expenditures	Loan Balance at End of Period
LOANS					
ENVIRONMENTAL PROTECTION AGENCY					
Capitalization Grants for Drinking Water State Revolving Funds Loop Road Reservoir, PS and TAP Interlie 7/19/2014 - 7/19/2017 Project # 200808	66.468	Oregon Infrastructure Finance Authority	S14005	389,369.05	739,249.69
STATE OF OREGON					
Safe Drinking Water Revolving Loan Fund 2.5 MGD Water Treatment Plant Project # 201531	66.468	Oregon Infrastructure Finance Authority	S16021	272,254.00	14,307,401.00
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 1,071,347.09	

2018 Government Auditing Standard Compliance Reports

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515 (d)(2) of the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

2018 Government Auditing Standard Compliance Reports

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance when allowed.

3. FEDERAL LOAN PROGRAMS

The federal loan programs listed subsequently are administered directly by the entity and balances and transactions relating to the programs are included in the entity's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding are clearly stated on the face of the schedule of federal award.