

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For year ended June 30, 2017



ASHLAND PARKS AND RECREATION COMMISSION

(A Component Unit of the City of Ashland, Oregon)

**JACKSON COUNTY
STATE OF OREGON**

**ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON**

(A Component Unit of the City of Ashland, Oregon)

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended June 30, 2017**

Michael Black
Ashland Parks and Recreation Director
340 South Pioneer Street
Ashland, OR 97520

Prepared by:
City of Ashland
Administrative Services Department



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INTRODUCTORY SECTION





November 13, 2017

To the Chair and Commissioners
of the Ashland Parks and Recreation Commission:

State law requires that all general-purpose governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Ashland Parks and Recreation Commission (the "Commission") for the fiscal year ended June 30, 2017.

This report consists of management's representations concerning the finances of the Commission. Consequently, the Commission assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the Commission has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of the Commission's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Commission's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements issued will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The licensed and certified public accounting firm of Pauly, Rogers and Co., P.C. has audited the Commission's financial statements. The goal of the independent audit was to provide reasonable assurance that the Commission's financial statements for the fiscal year ended June 30, 2017, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the Commission; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion the Commission's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that the Commission provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Commission's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Turn of the century Ashland residents voted to establish the Ashland Parks and Recreation Commission (a component unit of the City of Ashland, Oregon) to provide a full range of parks and recreation services to the community. The Commission derives its authority from the City of Ashland's Charter, Articles XIX and XXII. The five-member Commission, elected by and directly accountable to Ashland's citizens, is responsible for the financing and administration of Ashland's parks and recreation system. The

2017 Introductory Section

parks and recreation system includes approximately 270 acres of developed parkland and approximately 491 acres of undeveloped parkland, including a network of 48 miles of maintained trails. Recreational facilities include a municipal golf course, five community centers, tennis courts, a swimming pool, and a seasonal ice rink.

The City Charter provides for a continuing millage levy dedicated to the care, maintenance, and development of Ashland's park system. Historically, the amount raised by the continuing millage levy changed as property tax values changed, but the millage rate remained constant. In 1997 a statewide ballot measure eliminated all existing special millage and serial levies, incorporating these levies into the overall rate that could be levied citywide. The Commission and City Council have completed a Memorandum of Understanding (MOU) identifying each body's responsibilities for the delivery and administration of duties associated with Ashland Parks and Recreation.

The Commission operates under a commission-director form of government. The Commission is responsible for, among other things, adopting the biennium budget, appointing the Parks Director, and setting Park policy. The Parks Director is responsible for carrying out the directives and policies of the Commission and overseeing the day-to-day operation of the Parks and Recreation Department.

The Commission maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council of the City of Ashland. The biennial budget serves as the foundation for the Commission's financial planning and control. The Parks Director develops a proposed Ashland Parks and Recreation budget every other year to present to the Commission. After review and gathering of public input, the Commission submits the proposed biennium budget to the City of Ashland for inclusion in the budget process. The City's Budget Committee holds public meetings before approving the budget and setting the property tax rate. City Council adoption of the budget for the following biennial year period must be done in a public hearing no later than June 30 every other year. The level of budgetary controls (i.e., the level at which expenditures cannot legally exceed the appropriated amounts) is established by function and activity within an individual fund. Appropriations are limited to each biennium year period. Therefore, all spending authority of the Commission lapses upon conclusion of the biennial period. Budget-to-actual comparisons are provided in this report for each of the three funds as part of the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Commission operates.

Local economy: Ashland's major economic sectors—retail, service, education and tourism—support the relatively strong and stable local economy. While Ashland's population numbers have dropped (based on ten-year census numbers issued), we are seeing higher collections rates for property tax revenues.

Long-term financial planning: In 1990, Ashland residents confirmed their commitment to parks and open space by passing a charter amendment that established an Open Space Plan and map. Working jointly with the Ashland City Council, the Commission has added approximately 400 acres of park and open space land to the City's inventory over the past 27 years.

The Commission is currently upgrading and replacing infrastructure items that are deteriorating as a result of age or use.

Major initiatives: The Commission has been focusing on a reorganization of the Ashland Senior Program while continuing to provide essential, core services for the senior community in Ashland. The

Commission is also committed to a Lithia Park Master Plan that will provide a vision over the next 100 years for this valuable community asset.

Relevant financial policies: Cost recoveries for all APRC programs and services are in the process of being evaluated, with possible adjustments made toward increasing revenues and reducing subsidies.

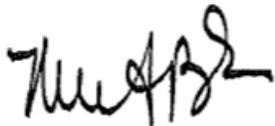
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2016. This was the twenty-ninth consecutive year that the Commission achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Commission published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and it is being submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Ashland Parks and Recreation Department. I express my appreciation to all members of the Department who assisted and contributed to its preparation. I also thank the Commissioners for their interest and support in planning and conducting the financial operations of the Department in a responsible and progressive manner.

Respectfully submitted,



Michael A. Black, Director
Ashland Parks and Recreation Commission



Government Finance Officers Association

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

Presented to

**Ashland Parks and Recreation
Commission, Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

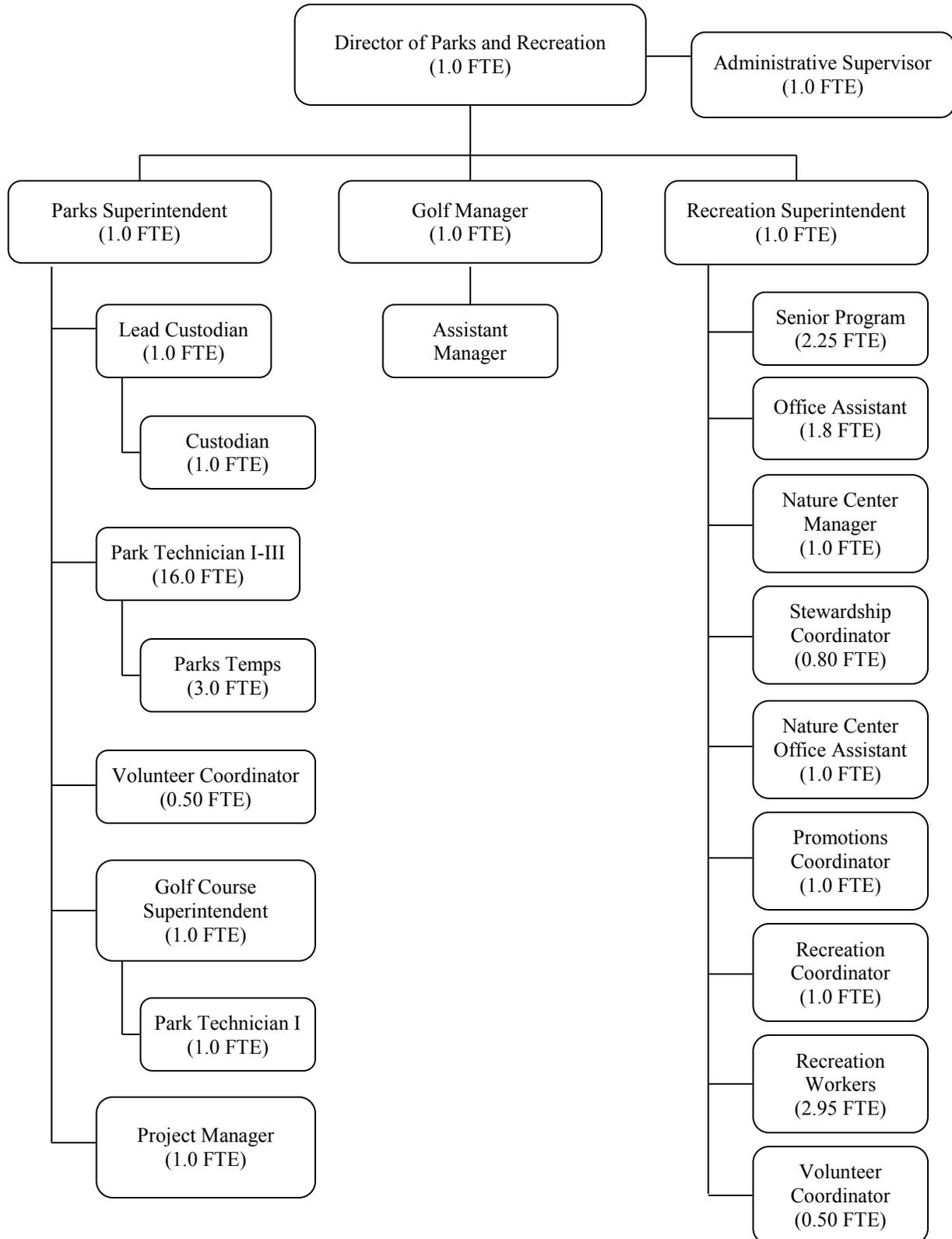
June 30, 2016

Executive Director/CEO

Parks and Recreation Department

44.80 FTE

(As budgeted 2015-2017)



**ASHLAND PARKS AND RECREATION DEPARTMENT
(A Component Unit of the City of Ashland, Oregon)
ELECTED OFFICIALS
as of June 30, 2017**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Mike Gardiner 349 Orange Street Ashland, OR 97520	Commissioner	December 2018
Rick Landt 468 Helman Street Ashland, OR 97520	Commissioner	December 2018
Jim Lewis 640 A Street Ashland, OR 97520	Commissioner	December 2020
Matt Miller 1290 Greenmeadows Way Ashland, OR 97520	Commissioner	December 2018
Joel Heller 2326 Greenmeadows Ashland, OR 97520	Commissioner	December 2020
<u>Appointed Official</u>		
Michael Black 941 Providence Way Grants Pass, OR 97526	Parks and Recreation Director	

ASHLAND PARKS AND RECREATION COMMISSION

340 S. PIONEER STREET • ASHLAND, OREGON 97520

COMMISSIONERS:

Mike Gardiner
Rick Landt
Jim Lewis
Matt Miller
Joel Heller



Michael A. Black, AICP
Director

TEL: 541.488.5340
FAX: 541.488.5314
parksinfo@ashland.or.us

November 13, 2017

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.

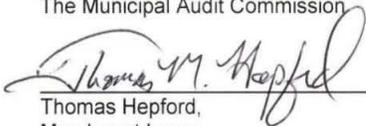
At the conclusion of the annual audit, the Commission meets with the City's auditor to discuss the results of their audit and their evaluation of the City and Parks financial reporting. The Commission also discusses the financial accounting and reporting processes with the City's auditor, including the 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 2017 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.

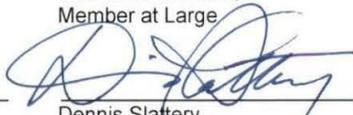
Respectfully submitted,

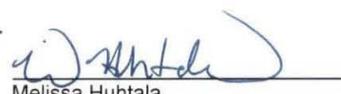
The Municipal Audit Commission


Thomas Heford,
Member at Large


Dee Anne Everson,
Member at Large

Vacant, Budget Liaison
Representing Budget Committee


Dennis Slattery,
City Council Liaison/Member


Melissa Huhtala,
City Recorder/Ex-Officio Member



FINANCIAL SECTION





PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 6, 2017

To the Chair and Commissioners of the
Ashland Parks and Recreation Commission
City of Ashland, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Ashland Parks and Recreation Commission (a blended component unit of the City of Ashland), as of and for the year ended June 30, 2017, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 and each major fund of Ashland Parks and Recreation Commission, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical and 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 6, 2017, 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'S DISCUSSION AND ANALYSIS

As management of the Ashland Parks and Recreation Commission, we offer readers of the Ashland Parks and Recreation Commission's financial statements this narrative overview and analysis of the financial activities of the Ashland Parks and Recreation Commission for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 11-13 of this report.

Financial Highlights

- The assets of the Ashland Parks and Recreation Commission exceeded its liabilities at the close of the most recent fiscal year by \$12,333,002 (net position).
- The Park and Recreation Commission's total net position has increased by \$3,352,726.
- As of the close of the current fiscal year, the Ashland Parks and Recreation Commission's governmental funds reported combined ending fund balances of \$1,238,593 a decrease of \$420,548 from the prior fiscal year.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Ashland Parks and Recreation Commission's basic financial statements. The Ashland Parks and Recreation Commission's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Ashland Parks and Recreation Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Ashland Parks and Recreation Commission's assets and liabilities, with the difference between the two reported as *net position*.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the Ashland Parks and Recreation Commission that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Ashland Parks and Recreation Commission include general park operations, recreation, and golf course operation.

The government-wide financial statements can be found on pages 30-31 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

2017 Financial Section

The Ashland Parks and Recreation Commission maintains two individual governmental funds.

The Ashland Parks and Recreation Commission develops a budget for its general & capital funds, which is included in the City's Biennium budget. A budgetary statement has been provided for all funds, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32-35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-50 of this report.

Ashland Parks and Recreation Commission Net Position

	June 30, 2017	June 30, 2016	Change
Current and other assets	\$ 1,468,799	\$ 2,096,774	-30.0%
Capital assets	14,402,273	10,112,652	42.4%
Total assets	15,871,072	12,209,426	30.0%
Deferred Outflows of Resources:			
Deferred outflows - pensions	3,238,648	672,510	381.6%
Long-term liabilities outstanding	230,206	437,637	-47.4%
Proportionate Share of Net Pension Liability	6,003,534	2,568,603	133.7%
Other liabilities	242,483	298,682	-18.8%
Total liabilities	6,476,223	3,304,922	96.0%
Deferred Inflows of Resources:			
Deferred inflows - pensions	300,495	596,742	-49.6%
Net Position			
Net investment in capital assets	14,402,273	10,112,652	42.4%
Unassigned	(2,069,271)	(1,132,376)	82.7%
Total net position	\$ 12,333,002	\$ 8,980,276	37.3%

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Ashland Parks and Recreation Commission, assets exceed liabilities by \$12,333,002 at the close of the most recent fiscal year

Ashland Parks and Recreation Commission's Net Position

At the end of the current fiscal year, the Ashland Parks and Recreation Commission is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its two separate governmental funds.

Governmental activities. Net Position has increased by \$3,352,276 or up by 3 times from last year. Revenues are up 39.5 percent from last year while expenses down by 21.0%.

**Ashland Parks and Recreation Commission
Change in Net Position
For the Year Ended June 30, 2017**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,139,709	\$ 1,153,455	-1.2%
Operating grants and contributions	-	92	N/A
General revenues:			
City of Ashland	5,681,770	6,210,271	-8.5%
Miscellaneous	33,303	17,204	93.6%
Interest	14,791	9,700	52.5%
OSF - Donated Capital Assets	3,440,453		N/A
Total revenues	<u>10,310,026</u>	<u>7,390,722</u>	39.5%
Expenses:			
Parks	4,947,282	6,151,387	-19.6%
Recreation	1,582,389	1,863,782	-15.1%
Golf course	427,630	786,922	-45.7%
Total expenses	<u>6,957,300</u>	<u>8,802,091</u>	-21.0%
Increase in net position	3,352,726	(1,411,369)	337.6%
Net Position - Beginning	<u>8,980,276</u>	<u>10,391,645</u>	-13.6%
Net position - Ending	<u>\$ 12,333,002</u>	<u>\$ 8,980,276</u>	37.3%

Significant factors leading to the increase in net position include:

- The largest change is an increase in Deferred Outflows of \$3,238,648 on a GAAP basis due to GASB 68, which is for Accounting and Financial Reporting for Pensions.
- General revenues increased due to recognizing OSF's Capital as a revenue, instead of a reduction of expense.

Governmental funds. As of the end of the current fiscal year, the Ashland Parks and Recreation Commission's governmental funds reported a combined ending fund balance of \$1,238,593, a decrease of \$420,548 from the prior fiscal year.

The General Fund is the chief operating fund of the Ashland Parks and Recreation Commission. As of the end of the current fiscal year, the General Fund's fund balance was \$386,186, an increase of \$73,046 from the prior year. The General Fund's balance represents 31 percent of the combined governmental funds balance.

2017 Financial Section

The Capital Projects Fund has a total fund balance of \$852,407 all of which is reserved for future capital projects. This decrease from prior year is due to the almost completion of the Garfield Park complete re-development, improvements made to the Oak Knoll clubhouse and the North Mountain Park Culvert Failure work.

General Fund Budgetary Highlights

The Ashland Parks and Recreation Commission did revise its budget once during the second year of this biennium. It was for unanticipated costs in Personal Services due to the new requirements to offer health care for eligible temporary employees.

The general fund's revenue ended just a little below budget of the biennium, this was due to the fact that charges for service remained stable. Expenditures ended at 96.14% of the 15-17 biennium budget, this was due mainly by not filling vacant positions.

Capital Asset and Debt Administration

Capital assets. The Ashland Parks and Recreation Commission's investment in capital assets for its governmental activity as of June 30, 2017, amounted to \$14,402,273 (net of accumulated depreciation.)

A major portion of the Ashland Parks and Recreation Commission's investment in capital assets include leasehold improvements of \$7,454,948, an increase of over \$3 million (net of accumulated depreciation) related to a long-term lease with the Oregon Shakespeare Festival Association. The detail is shown on page 60 of the Notes to the Basic Financial Statements section.

Long-term debt. At the end of the current fiscal year, the Ashland Parks and Recreation Commission had no long-term debt outstanding.

Requests for Information

This financial report is designed to provide a general overview of the Ashland Parks and Recreation Commission's finances for all those with an interest in the government's finances. Copies of this report may be obtained at:

340 South Pioneer Street
Ashland, OR 97520





BASIC FINANCIAL STATEMENTS

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
STATEMENT OF NET POSITION
June 30, 2017

	<u>Primary Government</u>
Assets:	
Cash and cash equivalents	\$ 1,442,365
Receivables:	
Accounts	26,434
Capital assets, net of Accumulated Depreciation	14,402,273
Total Assets	<u>15,871,072</u>
Deferred Outflows of Resources:	
Deferred outflows - pensions	3,238,648
Liabilities:	
Accounts payable	187,473
Payroll Liabilities	42,733
Non-Current Liabilities:	
Proportionate Share of Net Pension Liability	6,003,534
Due Within 1 Year:	
Vacation and Sick Payable	60,620
Due In More than 1 Year:	
Vacation and Sick Payable	181,863
Total Liabilities	<u>6,476,223</u>
Deferred Inflows of Resources:	
Deferred inflows - pensions	<u>300,495</u>
Net Position	
Net investment in Capital Assets	14,402,273
Unrestricted:	<u>(2,069,271)</u>
Total Net Position	<u><u>\$ 12,333,002</u></u>

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

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017**

<u>Functions</u>	<u>Expenses</u>	<u>Function Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	
Parks	\$ 4,947,282	\$ 468,444	\$ -	\$ (4,478,838)
Recreation	1,582,389	455,340		(1,127,049)
Golf Course	427,630	215,925	-	(211,705)
Total Governmental Activities	<u>\$ 6,957,300</u>	<u>\$ 1,139,709</u>	<u>\$ -</u>	<u>\$ (5,817,591)</u>
				\$ 5,681,770
				14,791
				33,303
				<u>3,440,453</u>
				Total General Revenues
				<u>9,170,317</u>
				Changes in Net Position
				3,352,726
				Net Position - Beginning
				<u>8,980,276</u>
				Net Position - Ending
				<u>\$ 12,333,002</u>

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

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017**

ASSETS	General	Capital Improvement	Total Governmental Funds
Assets:			
Cash and Investments	\$ 508,810	\$ 933,555	\$ 1,442,365
Receivables:			
Accounts	26,434	-	26,434
Total Assets	<u>535,244</u>	<u>933,555</u>	<u>1,468,799</u>
LIABILITIES, AND EQUITY			
Liabilities:			
Accounts payable	107,238	80,235	187,473
Payroll Liabilities	41,820	913	42,733
Total Liabilities	<u>149,058</u>	<u>81,148</u>	<u>230,206</u>
Fund Balances:			
Committed for:			
Open Space Improvements		852,407	852,407
Equipment Replacement	176,854		176,854
Unassigned:			
Unassigned	209,332	-	209,332
Total fund balances	<u>386,186</u>	<u>852,407</u>	<u>1,238,593</u>
Total liabilities and fund balances	<u>\$ 535,244</u>	<u>\$ 933,555</u>	<u>\$ 1,468,799</u>

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

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2017**

Total Fund Balances - Governmental Funds \$ 1,238,593

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The statement of Net Position includes those capital assets among the assets of the Commission as a whole.

Net Capital Assets 14,402,273

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. (3,065,383)

Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. (242,481)

Net Position \$ 12,333,002

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

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2017

	<u>Governmental Fund Types</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects</u>	
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for Services	6,019,709	801,770	6,821,479
Interest on Investments	4,259	10,532	14,791
Miscellaneous	16,748	16,555	33,303
Total Revenues	<u>6,040,716</u>	<u>828,857</u>	<u>6,869,573</u>
Expenditures:			
Current:			
Parks	3,905,581	138,423	4,044,004
Recreation	1,412,516	-	1,412,516
Golf Course	509,634	-	509,634
Capital Outlay	139,939	1,184,028	1,323,967
Total Expenditures	<u>5,967,670</u>	<u>1,322,451</u>	<u>7,290,121</u>
Excess(Deficiency) of Revenues over Expenditures	73,046	(493,594)	(420,548)
Other financing sources (uses):			
Transfers in		-	-
Transfers out		-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	73,046	(493,594)	(420,548)
Fund Balance, July 1, 2016	313,140	1,346,001	1,659,141
Fund Balance, June 30, 2017	<u>\$ 386,186</u>	<u>\$ 852,407</u>	<u>\$ 1,238,593</u>

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

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2017**

Total Net Changes in Fund Balances - Governmental Funds	\$	(420,548)
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Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Capital Asset Additions	\$	5,755,587	
Capital Asset Deletions		(801,879)	
Depreciation Expense		<u>(664,088)</u>	
			4,289,620

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.		(572,547)
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Change in compensated Absences is an expense on the Statement of Activities but it is not an expenditure to the governmental fund, unless matured.		<u>56,201</u>
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Change in Net Position of Governmental Activities	\$	<u><u>3,352,726</u></u>
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The accompanying notes are an integral part of the basic financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS

ASHLAND PARKS AND RECREATION COMMISSION JACKSON COUNTY, OREGON

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ashland Parks and Recreation Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (aka generally accepted accounting principles-GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant Parks and Recreation Commission accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The Ashland Parks and Recreation Commission (the Commission) was created by vote of qualified electors of the City of Ashland, Oregon (the City) , at a special election on December 15, 1908. The Commission presently operates under the charter of the City. Currently, the Commission has control of over 637 acres of park-designated lands, which includes 19 parks ranging in size from .33 to 270 acres and a network of over 29 miles of developed and maintained trails. The Commission also maintains and operates several athletic fields on property owned by Jackson County School Commission No. 5 and Southern Oregon University (SOU), under contractual agreements with Commission No. 5 and the State of Oregon. Five commissioners elected to serve four-year terms govern the Commission. The Commissioners serve without pay. The City charter also provides for an appointed director.

The basic financial statements include all financial activities, organizations, and functions for which the Commission is considered to be financially accountable and a financial benefit or burden exists. Financial accountability exists if the Commission appoints a voting majority of the component unit's board and the ability to impose will by the primary government. A financial burden/benefit exists between Parks and the City due to the fact that the City has access to most of the Parks resources, and that Parks doesn't have their own property tax levy, but instead gets an allocation of monies from the City to fund operations. The Commission has no component units, but is a blended component unit of the City and, as such, is included in the basic financial statements of the City as a blended component unit. Although the members of the Commission's governing board are elected by the voters, the Commission is fiscally dependent upon the City because, by state law and City charter, the Commission's budget and tax levy must be included as part of the City's. The City must also approve any debt issuance and has ultimate financial responsibility for the Commission.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of net position and Statement of Activities display information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for nonexchange Transactions."

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Commission's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Commission's general revenues.

The Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are

2017 Notes To Basic Financial Statements

those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as inter-fund activity and balances in the funds were eliminated or reclassified. Inter-fund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities.

FUND FINANCIAL STATEMENTS

The accounts of the Commission are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained in consistency with legal and managerial requirements.

GOVERNMENTAL FUND TYPES

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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 payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be measurable to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Commission reports the following major funds:

GENERAL FUND

This fund (also referred to as the Parks and Recreation Fund) accounts for all financial resources and expenditures of the Commission, except those required to be accounted for in another fund. The principal revenue sources are charges for services. Major expenditures are for personal services, operating supplies, maintenance, and supporting services related to the administrative functions of the Commission. The General Fund is also used to account for financial resources used for the operation and maintenance of the Oak Knoll Golf Course.

CAPITAL IMPROVEMENT FUND

The Parks Capital Improvement Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Principal resources and revenues are inter-fund transfers, charges for services, and interest earnings.

EQUIPMENT FUND

This fund is a new internal service fund that provides for the replacement of major motorized equipment and vehicles.

C. BUDGET

As a component unit of the City, the budget of the Commission is included in the budget of the City. A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles.

2017 Notes To Basic Financial Statements

The City begins its budget process early for the biennium budget with the establishment of the Budget Committee. Recommendations are developed through late winter, with the Budget Committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring, with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent (10%). The budget is then adopted. Appropriations are made and the tax levy is declared no later than June 30th.

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, operating transfers, and contingency for those funds with only one department or function at the levels of control established by resolution.

Expenditures cannot legally exceed the above appropriation levels, except in the case of grants that could not be estimated at the time of budget adoption. Appropriations lapse at the end of the biennium. Management may amend line items in the budget without Council approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Council approves them due to a need that exists that was not determined at the time the budget was adopted. Budget amounts shown in the Basic Financial Statements reflect the original budget and one appropriation transfer.

Expenditures of the various funds were within authorized appropriations.

D. ACCOUNTS RECEIVABLE

There is no allowance for bad debts based on historically low write offs.

E. CAPITAL ASSETS

Capital assets are recorded at the original or estimated cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The Commission defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life beyond a single reporting period. Interest incurred during construction, maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	33 to 50 years
Public domain infrastructure	15 to 25 years
Vehicles, furniture, and equipment	5 to 15 years

F. RETIREMENT PLAN

Substantially all of the Commission's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

G. VESTED COMPENSATED ABSENCES

It is the Commission's policy to permit employees to accumulate earned unused vacation and sick pay benefits. There is a liability for unpaid accumulated sick leave. The Commission approved the following "at separation, for employees with accrued sick leave balances between 101 and 1000 hours, a transfer of equivalent funding to their HRA VEBA accounts." All unused vacation and sick pay are accrued when

earned in the Government-wide Financial Statements.

H. ESTIMATES

In conformance to accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenditures during the reporting period when preparing financial statements. Actual results could differ from those estimates.

I. LONG TERM DEBT

In the Government-wide Financial Statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund Financial Statements, bond premiums and discounts are recognized when incurred and are not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. 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 funds were replaced with five new classifications nonspendable, restricted, committed, assigned, and unassigned. The specific purposes for the restriction and commitments are shown on the face of the balance sheet.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable 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 resolution by City of Ashland City Council.
- 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.
- 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.

2017 Notes To Basic Financial Statements

K. DEFERRED OUTFLOWS/INFLOWS 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 up on 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.

2. CASH AND INVESTMENTS

Cash and cash equivalents

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

	2017
Petty Cash	\$ 650
Demand Deposit	10,000
City Investment Pool	1,431,715
Total	<u>\$ 1,442,365</u>

2017 Notes To Basic Financial Statements

As of June 30, 2017, the Commission had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
State Treasurer's investment pool	\$ 1,431,715	\$1,431,715	-	-
Total	<u>\$ 1,431,715</u>	<u>\$1,431,715</u>	<u>-</u>	<u>-</u>

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, 2016. 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, 2017, the fair value of the position in the LGIP is 100.57% 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.

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.

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:

Under 30 days	10 % minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under 1 year	75% minimum
Under 18 months	80% minimum
Under 3 years	100% minimum

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 that Bankers Acceptances be guaranteed by, and carried on the books of, a qualified finan-

2017 Notes To Basic Financial Statements

cial 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, 2017, the City was in compliance with all percentage restrictions.

Oregon Revised Statutes require that no more than 25% 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 (BAs)	50%
Certificates of Deposit (CDs)	35%
State and Local Government Securities	35%
Repurchase Transactions	25%
Commercial Paper (AA,A1,P1)	10%
State of Oregon Investment Pool Securities	100%

3. CAPITAL ASSETS

The changes in capital assets for the 2016-2017 fiscal years are as follows:

	Balance June 30, 2016	Additions & Reclasses	Retirements & Reclasses	Balance June 30, 2017
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 784,540	\$ 1,607,042	\$ 784,540	\$ 1,607,042
Total capital assets, not being depreciated	\$ 784,540	\$ 1,607,042	\$ 784,540	\$ 1,607,042
Capital assets, being depreciated:				
Buildings	\$ 13,592,348	\$ 3,805,003	\$ -	\$ 17,397,351
Equipment	2,276,045	130,252	17,339	2,388,960
Improvements Other than Buildings	2,897,645	213,290	-	3,110,935
Total capital assets, being depreciated	18,766,038	4,148,545	17,339	22,897,246
Less accumulated depreciation for:				
Buildings	6,717,234	546,980	186,330	7,077,884
Equipment	1,443,340	186,289	16,100	1,613,529
Improvements Other than Buildings	1,277,352	133,249	-	1,410,601
Total accumulated depreciation	9,437,926	866,518	202,430	10,102,014
Total capital assets being depreciated, net	<u>\$ 10,112,652</u>	<u>\$ 4,889,069</u>	<u>\$ 599,449</u>	<u>\$ 14,402,274</u>

2017 Notes To Basic Financial Statements

Depreciation expense for the year was charged to the following functions:

	Depreciation Expense
	2017
Parks	\$ 283,742
OSF	435,945
Recreation	84,126
Golf	62,705
Total	<u>\$ 866,518</u>

4. LONG-TERM DEBT

The General Fund is used to liquidate the compensated absences. The balances of the compensated absences accounts are as follows:

	June 30, 2016 Balance	Additions	Reductions	June 30, 2017 Balance	Due Within a Year
Governmental Activities:	\$ 298,682	\$ 242,481	\$ 298,682	\$ 242,481	\$ 60,620
Total Compensated Absences Payable	<u>\$ 298,682</u>	<u>\$ 242,481</u>	<u>\$ 298,682</u>	<u>\$ 242,481</u>	<u>\$ 60,620</u>

5. 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/pages/financials/actuarial-financial-information.aspx>

If the link is expired please contact Oregon PERS for this information.

a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

i. **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% for police and fire employees, and 1.67% 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.

ii. **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 on 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,

2017 Notes To Basic Financial Statements

- 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.
- iii. **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.
- iv. **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.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **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:
Police and fire: 1.8% 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% 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.
- ii. **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% of the pension that would otherwise have been paid to the deceased member.
- iii. **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% of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. **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 Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. 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, 2017 were \$277,768, excluding amounts to fund employer specific liabilities. In addition approximately \$125,812 in employee contributions were paid or picked up by the Commission in fiscal 2017.

Pension Asset or Liability - At June 30, 2017, the Commission reported a net pension liability of \$6,003,534 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the Commission's proportion was .045%.

2017 Notes To Basic Financial Statements

	Deferred Outflow of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ 198,623	\$ -
Changes in assumptions	1,280,409	-
Net difference between projected and actual earnings on pension plan investments	1,186,046	-
Net changes in proportionate share and	39,112	255,557
Difference between the Commission contributions and proportionate share of contributions	56,530	44,939
Subtotal - Amortized Deferrals (below)	2,760,720	300,496
Parks Contributions subsequent to measuring date	477,927	
Net Deferred outflow (inflow) of resources	\$ 3,238,648	\$ 300,496

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
2018	\$ 431,483
2019	431,483
2020	869,017
2021	645,615
2022	82,627
Thereafter	
Total	\$ 2,460,225

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, 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.

2017 Notes To Basic Financial Statements

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2016. Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/EMP/Documents/GASB/2016/Oregon-PERS-GASB-68-Report.pdf>

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases 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	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)
Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> 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 static combined disabled mortality sex-distinct table.

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%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

Source: June 30, 2014 PERS CAFR; p. 54 – 55

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 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate – The discount rate used to measure the total pension liability was 7.5% 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.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
<i>Assumed Inflation</i>		<i>2.75%</i>

Source: June 30, 2014 PERS CAFR; p. 54 – 55

2017 Notes To Basic Financial Statements

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.

Sensitivity of the Commission’s proportionate share of the net pension liability to changes in the discount rate – The following presents the Commission’s proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 %) or 1-percentage-point higher (8.5 %) than the current rate.

	Decrease (6.5%)	Rate (7.5%)	Increase (8.5%)
Parks proportionate share of the net pension liability	\$ 9,693,705	\$ 6,003,534	\$ 2,919,196

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the Commission 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 Commission.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS’ members retain their existing OPERS accounts, but any future member contributions are deposited into the member’s IAP, not the member’s OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute 6 % of their salary covered under the plan which is invested in the IAP. The Commission makes this contribution on behalf of its employees.

6) RISK MANAGEMENT

As a component unit of the City of Ashland, the Ashland Parks and Recreation Commission is included in the City’s risk management program. The City directly manages the Commission’s participation. The City is exposed to various risks of loss related to general liability, property, automobile, and workers’ compensation. The City purchases its auto, property, and liability insurance from Citycounty Insurance Services, a member-owned trust. The City is self-insured for the first annual cumulative deductible of \$50,000 under its general liability insurance policy.

2017 Notes To Basic Financial Statements

Workers' compensation is self-insured for \$450,000 per occurrence for claims incurred; excess coverage above this retention limit is purchased from commercial insurers on a stop-loss basis. The Commission, and all participating City funds, pay contributions based on prior experience, exposure, insurance premiums, and administrative costs. Settlements have not exceeded insurance coverage in each of the past three years.

7) TRANSFERS

The purpose of the transfer was to help establish the new equipment fund.

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ -
Equipment Fund	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

8) TRANSACTIONS WITH PRIMARY GOVERNMENT (CITY OF ASHLAND)

The City of Ashland paid a total of \$5,681,770 to Ashland Parks Commission. Of the total, \$4,880,000 was paid to Parks General Fund to pay for parks and recreation services rendered to the community. \$801,770 was paid to the Capital Project Fund for their share of Food and Beverage revenue received per Ordinance # 3331.



REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information—the basis of budgeting is the same as GAAP

2017 Required Supplementary Information**REQUIRED SUPPLEMENTARY INFORMATION**

For the fiscal year ended June 30, 2017

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	Employer's proportion of the net pension liability (NPL) (a)	Employer's proportionate share of the net pension liability (NPL) (b)	covered payroll (c)	NPL as a percentage of covered payroll (b/c)	Plan fiduciary net position as a percentage of the total pension liability
2017	0.04%	\$ (6,003,534)	\$ 2,071,981	(289.7) %	80.5 %
2016	0.04%	(2,568,803)	1,848,032	(139.0)	91.9
2015	0.04%	947,255	1,962,898	48.3	103.6
2014	0.04%	(2,132,592)	1,734,423	(123.0)	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
2017	\$ 277,768	\$ 277,768	\$ -	\$ 2,174,306	12.8 %
2016	283,273	283,273	-	2,071,981	13.7
2015	411,657	411,657	-	1,848,032	22.3
2014	448,754	448,754	-	1,962,898	22.9

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.

2017 Required Supplementary Information

**ASHLAND PARKS AND RECREATION COMMISSION, ASHLAND , OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
GENERAL FUND
For the year ended June 30, 2017**

	BN 2015-2017		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget - Positive (Negative)
	Biennium Budget Amounts					
	Original	Final				
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 92		\$ 92	\$ 92
Charges for Services	11,365,000	11,365,000	5,664,276	5,773,251	11,437,527	72,527
Interest on Investments	14,000	14,000	3,522	2,445	5,967	(8,033)
Miscellaneous	100,000	100,000	17,204	16,748	33,952	(66,048)
Total Revenues	11,479,000	11,479,000	5,685,094	5,792,444	11,477,538	(1,462)
Expenditures:						
Parks:						
Personal Services	4,518,930	4,518,930	2,113,357	2,174,777	4,288,134	230,796
Materials and Services	3,522,917	3,522,917	1,781,938	1,730,804	3,512,742	10,175
Capital Outlay	86,000	86,000	2,631	9,687	12,318	73,682
Total Parks	8,127,847	8,127,847	3,897,926	3,915,268	7,813,194	314,653
Recreation:						
Personal Services	2,206,790	2,208,290	1,126,088	1,091,182	2,217,270	(8,980)
Materials and Services	621,840	694,340	283,120	321,334	604,454	89,886
Total Recreation	2,828,630	2,902,630	1,409,208	1,412,516	2,821,724	80,906
Golf Course:						
Personal Services	802,600	802,600	396,008	370,375	766,383	36,217
Materials and Services	302,050	302,050	151,272	139,259	290,531	11,519
Total Golf Course	1,104,650	1,104,650	547,280	509,634	1,056,914	47,736
Contingency	100,000	26,000	-	-	-	26,000
Total Expenditures	12,161,127	12,161,127	5,854,414	5,837,418	11,691,832	469,295
Other financing sources (uses):						
Transfer In	373,500	373,500	-	-	-	(373,500)
Transfer Out	(80,000)	(80,000)	(80,000)	-	(80,000)	-
Total other financing sources (uses):	293,500	293,500	(80,000)	-	(80,000)	(373,500)
Net Change in Fund Balance	(388,627)	(388,627)	(249,320)	(44,974)	(294,294)	94,333
Fund Balance, July 1, 2016	392,641	392,641	503,626	254,306	503,626	110,985
Fund Balance, June 30, 2017	\$ 4,014	\$ 4,014	\$ 254,306	\$ 209,332	\$ 209,332	\$ 205,318

(1) Appropriation Level
Reconciliation to GAAP fund balance :
Equipment fund balance:

176,854

Total GAAP fund balance

\$ 386,186



SUPPLEMENTARY INFORMATION

2017 Supplementary Information

ASHLAND PARKS AND RECREATION COMMISSION, ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL IMPROVEMENT FUND
For the year ended June 30, 2017

	BN 2015-2017		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget - Positive (Negative)
	Biennium Budget Amounts					
	Original	Final				
Revenues:						
Intergovernmental	\$ 3,517,252	\$ 3,517,252	\$ -	\$ -	\$ -	(3,517,252)
Charges for Services	212,930	212,930	1,490,908	801,770	2,292,678	2,079,748
Interest on Investments	4,000	4,000	5,928	10,532	16,460	12,460
Miscellaneous	-	-	-	16,555	16,555	16,555
Total Revenues	3,734,182	3,734,182	1,496,836	828,857	2,325,693	(1,408,489)
Expenditures:						
Personal Services	189,930	189,930	64,041	98,194	162,235	27,695
Materials and Services	-	85,052	23,840	40,229	64,069	20,983
Capital Outlay	3,817,889	3,732,837	272,256	1,184,028	1,456,284	2,276,553
Total Parks	4,007,819	4,007,819	360,137	1,322,451	1,682,588	2,325,231
Total Expenditures	4,007,819	4,007,819	360,137	1,322,451	1,682,588	2,325,231
Net Change in Fund Balance	(273,637)	(273,637)	1,136,699	(493,594)	643,105	916,742
Other financing sources (uses):						
Transfer In	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net Change in Fund Balance	(273,637)	(273,637)	1,136,699	(493,594)	643,105	916,742
Fund Balance, July 1, 2016	582,254	582,254	209,302	1,346,001	209,302	(372,952)
Fund Balance, June 30, 2017	\$ 308,617	\$ 308,617	\$ 1,346,001	\$ 852,407	\$ 852,407	\$ 543,790

ASHLAND PARKS AND RECREATION COMMISSION, ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
EQUIPMENT FUND

For the year ended June 30, 2017

	BN 2015-2017		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget - Positive (Negative)
	Biennium Budget Amounts					
	Original	Final				
Revenues:						
Charges for Services	\$ -	\$ -	\$ 208,542	\$ 246,458	\$ 455,000	\$ 455,000
Interest on Investments		-	250	1,814	2,064	2,064
Total Revenues	-	-	208,792	248,272	457,064	457,064
Expenditures:						
Capital Outlay	439,000	439,000	229,958	130,252	360,210	78,790
Total Parks	439,000	439,000	229,958	130,252	360,210	78,790
Total Expenditures	439,000	439,000	229,958	130,252	360,210	78,790
Net Change in Fund Balance	(439,000)	(439,000)	(21,166)	118,020	96,854	535,854
Other financing sources (uses):						
Interfund Loans	439,000	439,000	-	-	-	(439,000)
Transfer In	80,000	80,000	80,000	-	80,000	-
Interfund Loans	(40,000)	(40,000)	-	-	-	40,000
Total other financing sources (uses)	479,000	479,000	80,000	-	80,000	(399,000)
Net Change in Fund Balance	40,000	40,000	58,834	118,020	176,854	535,854
Fund Balance, July 1, 2016	-	-	-	58,834	-	-
Fund Balance, June 30, 2017	\$ 40,000	\$ 40,000	\$ 58,834	\$ 176,854	\$ 176,854	\$ 535,854

Per GASB 54 fund combined with
General Fund for GAAP reporting:

(176,854)

\$ -

(1) Appropriation Level

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
SCHEDULE OF CAPITAL ASSETS - BY SOURCES
For the year ended June 30, 2017

Capital Assets:	
Buildings and improvements	\$ 17,397,351
Equipment	2,388,960
Improvements other than Building	3,110,935
Construction in Process	<u>1,607,042</u>
Total capital assets	<u>\$ 24,504,288</u>
Sources of Investment in Capital Assets:	
General Fund	\$ 11,940,597
Shakespeare Festival	<u>12,563,691</u>
Total sources of investment in capital assets	<u>\$ 24,504,288</u>
Sources of Investment in Capital Assets:	
General Fund - depreciation	\$ 4,993,271
Shakespeare Festival- depreciation	<u>5,108,743</u>
Total sources of investment in capital assets	<u>\$ 10,102,014</u>

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY SOURCES
For the year ended June 30, 2017

	<u>Total</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Improvements other than Buildings</u>	<u>CIP</u>
Capital Assets, July 1, 2016	\$ 19,550,579	\$ 13,592,348	\$ 2,276,046	\$ 2,897,645	\$ 784,540
Additions:					
General Fund	2,065,519	114,935	130,252	213,290	1,607,042
Shakespeare Festival	3,690,068	3,690,068	-	-	-
	<u>5,755,587</u>	<u>3,805,003</u>	<u>130,252</u>	<u>213,290</u>	<u>1,607,042</u>
Deletions:					
General Fund	801,878	-	17,338	-	784,540
Shakespeare Festival	-	-	-	-	-
	<u>801,878</u>	<u>-</u>	<u>17,338</u>	<u>-</u>	<u>784,540</u>
Capital Assets, June 30, 2017	<u>\$ 24,504,288</u>	<u>\$ 17,397,351</u>	<u>\$ 2,388,960</u>	<u>\$ 3,110,935</u>	<u>\$ 1,607,042</u>

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
For the year ended June 30, 2017

Function and Activity	<u>Total</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Improvements other than Buildings</u>	<u>CIP</u>
Parks and Recreation	<u>\$ 24,504,288</u>	<u>\$ 17,397,351</u>	<u>\$ 2,388,960</u>	<u>\$ 3,110,935</u>	<u>\$ 1,607,042</u>

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON**

**SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
For the year ended June 30, 2017**

Function and Activity	Capital Assets July 1, 2016	Additions	Deletions	Capital Assets June 30, 2017
Parks and Recreation	<u>\$ 19,550,579</u>	<u>\$ 5,755,588</u>	<u>\$ 801,879</u>	<u>\$ 24,504,288</u>



STATISTICAL SECTION



**ASHLAND PARKS AND RECREATION COMMISSION
STATISTICAL SECTION
(Unaudited)**

This part of the Ashland Parks and Recreation Commission 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.

	Page
Financial Trends	
These tables contain trend information that may assist the reader in assessing the Commission's current financial performance by placing it in historical perspective.	68-77
Revenue Capacity	
These tables contain information that may assist the reader is assessing the viability of the revenue sources.	78-82
Debt Capacity	
These tables present information that may assist the reader in analyzing the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.	83
Economic & Demographic Information	
These tables offer economic and demographic indicators that are commonly used for financial analysis and that can help the reader understand the Commission's present and ongoing financial status.	84-85
Operating Information	
These tables contain service and infrastructure indicators that can help the reader understand how the information in the Commission's financial statements relates to the services the Commission provides and the activities it performs.	86-92

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the Ashland Parks Commission and the annual financial reports for the City of Ashland.

ASHLAND PARKS AND RECREATION COMMISSION
STATEMENT OF NET POSITION
For the last ten fiscal years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS				
Cash and cash equivalents	\$ 1,442,365	\$ 2,077,124	\$ 981,557	\$ 1,193,676
Receivables:				
Interest				
Accounts	26,434	19,650	85,472	99,470
Taxes				-
Proportional share of net pension assets			947,255	
Capital assets, net of Accumulated Depreciation	14,402,273	10,112,652	10,397,953	10,478,922
Total Assets	<u>15,871,072</u>	<u>12,209,426</u>	<u>12,412,237</u>	<u>11,772,068</u>
Deferred Outflows of Resources:				
Deferred outflows - pensions	3,238,648	672,510		
LIABILITIES:				
Accounts payable	187,473	225,677	187,564	232,706
Payroll liabilities	42,733	211,956	166,538	144,563
Vacation payable				
Noncurrent liabilities				
Proportionate share of net pension liability	6,003,534	2,568,603		
Due within one year	60,620	74,671	62,583	63,800
Due in more than one year	181,863	224,011	187,747	191,402
Total Liabilities	<u>6,476,223</u>	<u>3,304,918</u>	<u>604,432</u>	<u>632,471</u>
Deferred Inflows of Resources:				
Deferred inflows - pensions	300,495	596,742		
NET POSITION:				
Invested in capital assets, net of related debt	14,402,273	10,112,652	10,397,953	10,478,922
Restricted for: YAL	-	-	-	-
Unassigned	(2,069,271)	(1,132,376)	(6,308)	660,674
Total Net Position	<u>\$ 12,333,002</u>	<u>\$ 8,980,276</u>	<u>\$ 10,391,645</u>	<u>\$ 11,139,596</u>

Proportional share of net pension liability line item added due to GASB 68 implementation.

ASHLAND PARKS AND RECREATION COMMISSION
STATEMENT OF NET POSITION
For the last ten fiscal years (continued)

2013	2012	2011	2010	2009	2008
\$ 2,416,468	\$ 2,829,756	\$ 2,855,465	\$ 2,210,964	\$ 1,824,579	\$ 1,796,482
90,512	112,138	24,666	89,798	7,244	83,579
-	370,792	382,865	369,389	368,142	386,156
<u>9,527,217</u>	<u>9,592,447</u>	<u>9,114,880</u>	<u>9,388,309</u>	<u>9,799,880</u>	<u>9,909,134</u>
<u>12,034,197</u>	<u>12,905,133</u>	<u>12,377,876</u>	<u>12,058,460</u>	<u>11,999,845</u>	<u>12,175,351</u>
216,013	131,911	163,169	177,249	200,522	200,865
119,902	116,978	92,725	91,657	89,530	92,064
69,083	23,511	22,062	27,076	27,898	23,410
207,247	70,532	66,185	81,228	83,694	70,229
<u>612,245</u>	<u>342,932</u>	<u>344,141</u>	<u>377,210</u>	<u>401,644</u>	<u>386,568</u>
9,527,217	9,592,447	9,114,880	9,388,309	9,799,880	9,909,134
-	20,325	9,898			
1,894,735	2,949,429	2,908,957	2,292,941	1,798,320	1,879,647
<u>\$ 11,421,952</u>	<u>\$ 12,562,201</u>	<u>\$ 12,033,735</u>	<u>\$ 11,681,250</u>	<u>\$ 11,598,200</u>	<u>\$ 11,788,781</u>

ASHLAND PARKS AND RECREATION COMMISSION
CHANGE IN NET POSITION
For the last ten fiscal years

	2017	2016	2015	2014
Revenues:				
Program revenues:				
Charges for services	\$ 1,139,709	\$ 1,153,455	\$ 1,149,154	\$ 1,578,123
Operating grants and contributions	-	92	320,539	-
General revenues:				
City of Ashland	5,681,770	6,210,271	4,896,167	3,959,833
Property taxes	14,791			-
Interest	33,304	9,700	4,957	7,934
Other		17,204	17,620	53,234
Donated Capital Assets - OSF	3,440,453			
Total revenues	<u>10,310,027</u>	<u>7,390,722</u>	<u>6,388,437</u>	<u>5,599,124</u>
Expenses:				
Parks	4,947,282	6,151,387	3,921,790	4,372,964
Recreation	1,582,389	1,863,782	1,124,584	935,821
Golf course	427,630	786,922	406,176	572,695
Debt service	-	-	-	-
Total expenses	<u>6,957,301</u>	<u>8,802,091</u>	<u>5,452,550</u>	<u>5,881,480</u>
Increase (Decrease) in net position	3,352,726	(1,411,369)	935,887	(282,356)
Net position - Beginning, Restated	8,980,276	10,391,645	9,455,758	11,421,952
Prior period adjustment				
Net position - Ending	<u>\$ 12,333,002</u>	<u>\$ 8,980,276</u>	<u>\$ 10,391,645</u>	<u>\$ 11,139,596</u>

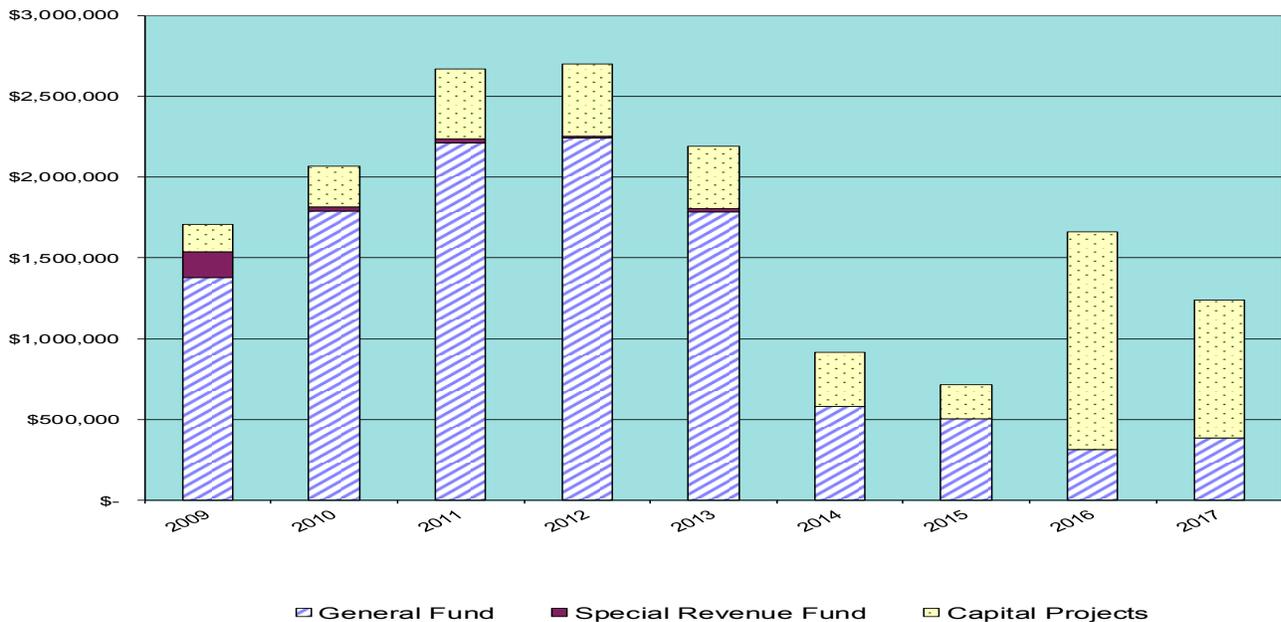
ASHLAND PARKS AND RECREATION COMMISSION
CHANGE IN NET POSITION
For the last ten fiscal years (continued)

2013	2012	2011	2010	2009	2008
\$ 932,235	\$ 968,436	\$ 1,101,358	\$ 1,010,118	\$ 1,019,780	\$ 890,905
-	33,117	21,140	9,983	-	733,847
4,082,108	4,349,737	4,210,320	4,082,522	3,970,602	6,434,459
16,133	20,698	16,096	23,515	22,455	104,150
67,690	35,648	47,888	21,785	256,122	137,340
5,098,166	5,407,636	5,396,802	5,147,923	5,268,959	8,300,701
4,515,960	3,363,614	3,557,166	3,452,280	3,884,152	3,600,415
1,207,171	1,060,887	1,141,094	1,135,400	1,151,793	3,472,763
371,911	454,669	346,057	477,193	423,595	401,429
-	-	-	-	-	-
6,095,042	4,879,170	5,044,317	5,064,873	5,459,540	7,474,607
(996,876)	528,466	352,485	83,050	(190,581)	826,094
12,562,201	12,033,735	11,681,250	11,598,200	11,788,781	10,962,687
(143,373)					
\$ 11,421,952	\$ 12,562,201	\$ 12,033,735	\$ 11,681,250	\$ 11,598,200	\$ 11,788,781

ASHLAND PARKS AND RECREATION COMMISSION
FUND BALANCES
For the last ten fiscal years

	2017	2016	2015	2014
General Fund				
Unassigned, reported in: General Fund	\$ 386,186	\$ 313,140	\$ 503,626	\$ 583,394
Total General Fund	<u>386,186</u>	<u>313,140</u>	<u>503,626</u>	<u>583,394</u>
Special Revenue Fund				
Restricted, reported in: Special revenue funds	-	-	-	-
Total Special Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Projects				
Committed, reported in: Capital projects funds	852,407	1,346,001	209,302	332,482
Total Capital Projects	<u>852,407</u>	<u>1,346,001</u>	<u>209,302</u>	<u>332,482</u>
Total Governmental Funds	<u>\$ 1,238,593</u>	<u>\$ 1,659,141</u>	<u>\$ 712,928</u>	<u>\$ 915,876</u>

Fund Balance Comparison
Governmental Funds
Last Ten Years



ASHLAND PARKS AND RECREATION COMMISSION
FUND BALANCES
For the last ten fiscal years (continued)

2013	2012	2011	2010	2009	2008
\$ 1,783,433	\$ 2,242,227	\$ 2,214,031	\$ 1,787,781	\$ 1,379,752	\$ 1,201,443
<u>1,783,433</u>	<u>2,242,227</u>	<u>2,214,031</u>	<u>1,787,781</u>	<u>1,379,752</u>	<u>1,201,443</u>
-	20,325	9,898	22,534	27,356	160,591
<u>-</u>	<u>20,325</u>	<u>9,898</u>	<u>22,534</u>	<u>27,356</u>	<u>160,591</u>
387,632	449,132	432,867	252,864	166,991	263,343
<u>387,632</u>	<u>449,132</u>	<u>432,867</u>	<u>252,864</u>	<u>166,991</u>	<u>263,343</u>
<u>\$ 2,171,065</u>	<u>\$ 2,711,684</u>	<u>\$ 2,656,796</u>	<u>\$ 2,063,179</u>	<u>\$ 1,574,099</u>	<u>\$ 1,625,377</u>

ASHLAND PARKS AND RECREATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENT FUNDS
For the last ten fiscal years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
REVENUES:				
Property Taxes:	\$ -	\$ -	\$ -	\$ -
City of Ashland	5,681,770	6,210,271	4,896,167	3,959,833
Intergovernmental revenues	-	92	320,539	724,634
Charges for services	1,139,709	1,153,455	1,149,154	853,490
Interest revenue	14,791	9,700	4,957	7,934
Miscellaneous revenue	33,303	17,204	17,620	53,234
Total Revenues	<u>6,869,573</u>	<u>7,390,722</u>	<u>6,388,437</u>	<u>5,599,125</u>
EXPENDITURES:				
Current:				
Parks	4,044,004	3,895,295	3,753,591	3,719,517
Recreation	1,412,516	1,409,208	1,300,196	1,207,579
Golf Course	509,634	547,280	501,458	524,969
Capital Outlay	1,323,967	592,727	1,036,140	1,402,249
Debt Service	-	-	-	-
Ratio of debt service to non capital expenditures	0.00%	0.00%	0.00%	0.00%
Total Expenditures	<u>7,290,121</u>	<u>6,444,510</u>	<u>6,591,385</u>	<u>6,854,314</u>
Excess of revenues over, (under)				
Expenditures	(420,548)	946,213	(202,948)	(1,255,189)
Other Financing Sources, (Uses)				
Transfers in		80,000	320,000	602,000
Transfers out		(80,000)	(320,000)	(602,000)
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	(420,548)	946,213	(202,948)	(1,255,189)
Fund Balance - Beginning of Year,	1,659,141	712,928	915,876	2,171,065
Prior period adjustment	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,238,593</u>	<u>\$ 1,659,141</u>	<u>\$ 712,928</u>	<u>\$ 915,876</u>

ASHLAND PARKS AND RECREATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENT FUNDS
For the last ten fiscal years (continued)

	2013	2012	2011	2010	2009	2008
\$	4,434,223	\$ 4,349,737	\$ 4,210,320	\$ 4,082,522	\$ 3,982,698	\$ 6,425,334
	-	33,117	21,140	9,983	-	79,026
	932,235	968,436	1,101,358	1,010,118	1,019,781	811,879
	16,133	20,698	16,096	23,515	22,455	104,150
	67,690	35,648	47,888	21,785	256,122	137,340
	<u>5,450,281</u>	<u>5,407,636</u>	<u>5,396,802</u>	<u>5,147,923</u>	<u>5,281,056</u>	<u>7,557,729</u>
	3,855,744	3,800,834	3,277,305	3,121,588	3,487,474	3,460,324
	1,184,863	1,032,591	1,080,917	1,081,399	1,315,635	3,426,125
	419,249	414,374	281,834	437,285	370,199	361,825
	531,044	104,949	163,129	18,571	159,026	133,051
	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>5,990,900</u>	<u>5,352,748</u>	<u>4,803,185</u>	<u>4,658,843</u>	<u>5,332,334</u>	<u>7,381,325</u>
	(540,619)	54,888	593,617	489,080	(51,278)	176,404
	370,325	-	-	-	-	110,000
	(370,325)	-	-	-	-	(110,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(540,619)	54,888	593,617	489,080	(51,278)	176,404
	2,711,684	2,656,796	2,063,179	1,574,099	1,625,377	1,448,973
	-	-	-	-	-	-
\$	<u><u>2,171,065</u></u>	<u><u>2,711,684</u></u>	<u><u>2,656,796</u></u>	<u><u>2,063,179</u></u>	<u><u>1,574,099</u></u>	<u><u>1,625,377</u></u>

ASHLAND PARKS AND RECREATION COMMISSION
ADOPTED AND ACTUAL FUND BALANCE
For the last ten fiscal years

Fund Balances	2017	2016	2015	2014
	Adopted	Adopted	Adopted	Adopted
Parks Component				
Parks and Recreation Fund	\$ 4,014	\$ 184,915	\$ 666,289	\$ 666,289
Youth Activities Levy Fund	-	-		-
Parks Capital Improvements Fund	308,617	(674,924)	302,132	302,132
Parks Equipment Fund	40,000	192,000		
Total Budget	352,631	(298,009)	968,421	968,421
For the Fiscal Year Ended June 30,				
Fund Balances	2017	2016	2015	2014
	Actual	Actual	Actual	Actual
Parks Component				
Parks and Recreation Fund	209,332	254,306	503,626	583,394
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	852,407	1,346,001	209,302	332,482
Parks Equipment Fund	176,854	58,834		
Total Budget	\$ 1,238,593	\$ 1,659,141	\$ 712,928	\$ 915,876

ASHLAND PARKS AND RECREATION COMMISSION
ADOPTED AND ACTUAL FUND BALANCE
For the last ten fiscal years (continued)

2013 Adopted	2012 Adopted	2011 Adopted	2010 Adopted	2009 Adopted	2008 Adopted
\$ 1,290,439	\$ 1,703,840	\$ 1,409,225	\$ 1,450,910	\$ 1,190,614	\$ 877,245
-	-	-	10,591	-	216,893
242,067	193,504	167,739	287,239	107,590	26,926
1,532,506	1,897,344	1,576,964	1,748,740	1,298,204	1,121,064
2013 Actual	2012 Actual	2011 Actual	2010 Actual	2009 Actual	2008 Actual
1,783,433	2,242,227	2,214,031	1,787,781	1,379,752	1,201,443
-	20,325	9,898	22,534	27,356	160,591
387,632	449,132	432,867	252,864	166,991	263,343
\$ 2,171,065	\$ 2,711,684	\$ 2,656,796	\$ 2,063,179	\$ 1,574,099	\$ 1,625,377

2017 Statistical Section

ASHLAND PARKS AND RECREATION COMMISSION
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
For the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Real (1)	Mobile Home	Personal	Utilities	Total	Property Tax Rate	Taxable ratio (True Cash Value to Assessed)
2016-17	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015-16	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014-15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013-14	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012-13	\$ 2,079,286,927	\$ 6,060,300	\$ 36,739,550	\$ 26,166,700	\$ 2,148,253,477	2.09	73.3%
2011-12	2,055,111,118	6,318,010	40,939,090	26,290,929	2,128,659,147	2.09	67.7%
2010-11	2,000,563,826	5,956,110	41,057,580	24,422,710	2,072,000,226	2.09	61.0%
2009-10	1,937,303,620	5,881,825	40,133,110	24,860,300	2,008,178,855	2.09	53.0%
2008-09	1,871,896,544	5,744,350	44,282,840	21,243,990	1,943,167,724	2.09	48.4%
2007-08	1,802,639,910	5,762,080	44,536,050	22,372,000	1,875,310,040	3.47	46.9%

All property is evaluated once every six years as required by State Statute.

N/A: As of July 1st, 2013 the Ashland Parks and Recreation does not receive Property Taxes

Source: County Assessor tax roll property values.

**ASHLAND PARKS AND RECREATION COMMISSION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
For the last ten fiscal years - Unaudited**

Fiscal Year	Parks Commission	Parks YAL	City of Ashland Permanent	City of Ashland Bonded Debt	City of Ashland Local Option Levies	City of Ashland Total Tax Rate	Net General Government Tax Rate	Net School Support Tax Rate	Total
2016-17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015-16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014-15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013-14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012-13	2.09	-	2.10	0.24	0.19	4.62	7.16	8.38	15.54
2011-12	2.09	-	2.10	0.24	0.19	4.63	7.18	8.38	15.56
2010-11	2.09	-	2.10	0.32	0.19	4.70	7.25	7.14	14.39
2009-10	2.09	-	2.10	0.20	0.19	4.59	7.17	7.14	14.31
2008-09	2.09	-	1.99	0.21	0.13	4.42	6.90	8.42	15.31
2007-08	2.09	1.38	1.85	0.20	0.20	5.72	8.12	6.90	15.01

N/A: As of July 1st, 2013 the Ashland Parks and Recreation does not receive Property Taxes

(1) Oregon Measure 5 limited the effective tax rates of General Government and School Support after December 7, 1990. At the present time, only school support tax rates have been compressed and limited.

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

Source: Jackson County Assessor and Tax Collector

**ASHLAND PARKS AND RECREATION COMMISSION
PROPERTY VALUE AND NEW CONSTRUCTION HISTORY
FOR THE CITY OF ASHLAND, OREGON
For the last ten fiscal years - Unaudited**

Fiscal Year Ended June 30	Property Value (1)	Commercial Construction		Residential Construction	
		Number of Units	Value	Number of Units	Value
2016-17	N/A		N/A		N/A
2015-16	N/A		N/A		N/A
2014-15	N/A		N/A		N/A
2013-14	N/A		N/A		N/A
2012-13	\$ 2,079,286,927	8	\$ 1,632,075	56	\$ 11,568,784
2011-12	2,148,253,477	10	34,221,808	33	6,123,270
2010-11	2,072,000,226	11	1,989,421	47	7,531,926
2009-10	2,008,178,855	4	611,406	89	14,985,434
2008-09	1,943,167,724	15	1,812,635	21	5,108,099
2007-08	1,875,310,040	23	16,269,379	82	8,258,031

N/A: As of July 1st, 2013 the Ashland Parks and Recreation does not receive Property Taxes

(1) Property value is assessed valuation

Sources: State of Oregon Department of Insurance and Finance,
Division of Finance and Corporate Securities

City of Ashland, Department of Community Development

Jackson County Assessor

**ASHLAND PARKS AND RECREATION COMMISSION
PRINCIPAL PROPERTY TAX PAYERS
Current year and ten years ago**

Taxpayers	Type of Business	2017 Assessed Valuation	Percentage of Total Assessed Valuation
Avista Corp	Housing	\$ 14,147,000	0.56%
Deluca Ronald L Trustee	Utility	11,720,110	0.46%
Deluca Ronald L Trustee ET AL	Utility	11,344,970	0.45%
Ashland Hills Hotel LLC	Motel	10,013,110	0.39%
Ashland Community Hopsital	Hospital	9,553,580	0.38%
Financial Pacific INC	Financial	7,429,560	0.29%
Ashland Shopping Center LLC	Retail	6,169,520	0.24%
Mark Antony Hist Prop LLC	Motel	6,153,000	0.24%
Centurylink Property	Utility	6,094,800	0.24%
Ashland Assisted Living LLC	Assisted Care	6,064,240	0.24%
All other		2,446,365,978	96.50%
Total		\$ 2,535,055,868	100.00%

Taxpayers	Type of Business	2008 Assessed Valuation	of Total Assessed Valuation
Qwest Corporation	Utility	\$ 10,510,100	0.56%
Windmill Inns of America, Inc	Motels	10,375,160	0.55%
Ronald L. Deluca	Housing	8,983,710	0.48%
Avista Corp.	Utility	7,342,900	0.39%
North Mountan Land Company	Housing	6,302,400	0.34%
Pacific Financial, Inc.	Financial	5,694,300	0.30%
Michael E & Beverly Rydbom	Retail	4,728,500	0.25%
Skylark Assisted Living	Assisted Care	4,647,770	0.25%
Bard's Inn Limited	Motels	4,449,330	0.24%
Summit Investment	Retail	4,407,650	0.24%
Plaza Hospitality	Printing	3,896,970	0.21%
All other		1,803,971,250	96.20%
Total		\$ 1,875,310,040	100.00%

Source: Jackson County Assessor

2017 Statistical Section

**ASHLAND PARKS AND RECREATION COMMISSION
PROPERTY TAX LEVIES AND COLLECTIONS
For the last ten fiscal years - Unaudited**

Fiscal Year Ended June 30	Total Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Tax Collections (2)(3)	Total Tax Collections	Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Delinquent Taxes to Tax Levy
2016-17	N/A	N/A	N/A	N/A	N/A	N/A		
2015-16	N/A	N/A	N/A	N/A	N/A	N/A		
2014-15	N/A	N/A	N/A	N/A	N/A	N/A		
2013-14	N/A	N/A	N/A	N/A	N/A	N/A		
2012-13	4,566,229	4,290,892	94.0%	143,331	4,434,223	97.1%	\$ - **	
2011-12	4,444,689	4,150,020	93.4%	199,717	4,349,737	97.9%	370,792	8.3%
2010-11	4,303,634	4,033,202	93.7%	177,118	4,210,320	97.8%	382,865	8.9%
2009-10	4,188,739	3,876,127	92.5%	206,395	4,082,522	97.5%	369,388	8.8%
2008-09	4,082,000	3,769,727	92.4%	212,971	3,982,698	97.6%	368,142	9.0%
2007-08	6,437,000	6,120,830	95.1%	304,504	6,425,334	99.8%	386,155	6.0%

N/A: As of July 1st, 2013 the Ashland Parks and Recreation does not receive Property Taxes

**Note: The City of Ashland has retained the rights to taxes and receivables for FY 2013-2014 and the foreseeable future thus no receivable is recorded for Ashland Park Commission.

Sources: Basic financial statements; Ashland Parks and Recreation Commission financial records

ASHLAND PARKS AND RECREATION COMMISSION
COMPUTATION OF DIRECT AND OVERLAPING BONDED DEBT - GENERAL OBLIGATION
BONDS

For the year ended June 30, 2017 - Unaudited

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to Parks</u>
Direct:			
Parks Commission	N/A	(1)	N/A
Overlapping:			
Jackson County	1,609,542	14.60%	234,993
School District #5	9,265,841	80.82%	7,488,653
Rogue Community College	5,895,742 (2)	14.60%	860,778
Jackson County Housing Authority	687,914	14.60%	100,435
Rogue Valley Transit District	47,422	19.15%	9,081
	<u>\$ 17,506,461</u>		<u>\$ 8,693,941</u>

(1) Excluding general obligation bonds reported in the Enterprise
Funds supported by non-tax revenue sources

(2) Net tax supported debt

Source: City of Ashland Financial Statements and Records
County Treasurer Statements of Bonded Indebtedness.

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

<u>2017</u>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Southern Oregon University	700	9.03%
Oregon Shakespeare Festival	650	5.26%
Ashland Public Schools	591	3.02%
Asante Ashland Community Hospital	276	2.80%
City of Ashland	270	2.47%
Subtotal	2,487	22.59%
Estimated total city employment	9,922	

<u>2008</u>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Southern Oregon University	850	9.44%
Ashland Community Hospital	410	4.56%
Ashland Shakespeare Festival	398	4.42%
Ashland Public Schools	350	3.89%
City of Ashland**	229	2.54%
Subtotal	2,237	24.86%
Butler Ford	160	1.78%
Pathway Enterprises	140	1.56%
Ashland Food Cooperative	130	1.44%
Professional Tool Mfg. LLC	100	1.11%
Prestige Care (dba Linda Vista)	75	0.83%
Total	2,842	31.58%
Estimated total city employment	9,000	

** 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

ASHLAND PARKS AND RECREATION COMMISSION
DEMOGRAPHIC STATISTICS FOR THE CITY OF ASHLAND, OREGON
For the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Population (1)	Percentage Change	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate Jackson Co. (2)
2016-17	20,620	1.05%	N/A	2,720	5.2%
2015-16	20,405	-1.35%	N/A	2,775	6.2%
2014-15	20,684	1.56%	N/A	2,735	6.6%
2013-14	20,366	0.20%	N/A	2,800	8.4%
2012-13	20,325	-5.29%	N/A	2,700	8.3%
2011-12	21,460	6.79%	N/A	2,720	8.3%
2010-11	20,095	-6.56%	N/A	2,737	11.9%
2009-10	21,505	0.09%	N/A	2,819	12.1%
2008-09	21,485	-1.44%	\$ 18,219	2,767	13.6%
2007-08	21,800	1.73%	19,770	2,846	6.7%

Sources:

- (1) Center for Population and Research and Census,
Portland State University
- (2) State of Oregon Employment Division,
Department of Human Resources
- (3) Ashland School District

ASHLAND PARKS AND RECREATION COMMISSION
COMMISSION EMPLOYEE BY FUNCTION/PROGRAM (UNAUDITED)
For the last ten fiscal years

Function/Program	2017	2016	2015	2014
Parks Division				
Director	1.00	1.00	1.00	1.00
Parks Superintendent	1.00	1.00	1.00	1.00
Irrigation & Western Parks Supervisor	1.00	1.00		
Open Space & Outer Parks Supervisor	1.00	1.00		
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00		
Office Assistant I	0.40	0.40		
Lead Custodian	1.00	1.00	1.00	1.00
Custodian	1.00	1.00	1.00	1.00
Volunteer Coordinator	1.00	1.00	1.00	1.00
Park Worker				
Park Technician I	10.00	10.00	12.20	12.20
Park Technician II	4.00	4.00	3.00	3.00
Park Technician III	2.00	2.00	3.00	3.00
Temps	0.50	0.50	3.00	3.00
Recreation Division				
Recreation Superintendent	1.00	1.00	1.00	1.00
CC/Recreation Facilities Manager			0.25	0.25
Recreation Manager	1.00	1.00	1.00	1.00
Nature Center Manager	1.00	1.00		
Office Assistant I	1.40	1.40		
Environmental Education Coordinator	0.80	0.80	1.80	1.80
Promotions Coordinator	1.00	1.00	1.00	1.00
Senior Program Manager	1.00	1.00	1.00	1.00
Senior Program Specialist	0.25	0.25	0.70	0.70
Senior Program Support Specialist	0.50	0.50	0.55	0.55
Office Assistant II	1.00	1.00	1.00	1.00
Environmental Ed Assistant			1.00	1.00
Temps	9.15	9.15	3.70	3.70
Golf Division				
Golf Operations Coordinator	1.00	1.00	1.00	1.00
Clubhouse Assistant	1.00	1.00	0.80	0.80
Greens Superintendent	1.00	1.00	1.00	1.00
Park Technician I	1.00	1.00	0.80	0.80
	<u>48.00</u>	<u>48.00</u>	<u>43.80</u>	<u>43.80</u>

ASHLAND PARKS AND RECREATION COMMISSION
COMMISSION EMPLOYEE BY FUNCTION/PROGRAM (UNAUDITED)
For the last ten fiscal years (continued)

2013	2012	2011	2010	2009	2008
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	2.00
1.00	1.00	1.00	1.00	1.00	2.00
		5.00	5.00	8.00	8.00
12.20	12.20	6.00	5.00	6.00	6.00
3.00	3.00	6.00	7.00	7.00	7.00
3.00	3.00	2.00	4.00	5.00	5.00
3.00	3.00	3.00	3.00	6.70	6.70
1.00	1.00	1.00	1.00	1.00	1.00
0.25	0.25		1.00	1.00	1.00
1.00	1.00	1.00	1.00	2.00	2.00
1.80	1.80	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	0.80	0.80	0.80	0.80
0.70	0.70	0.80	0.80	0.70	0.70
0.55	0.55	0.35	0.35	0.35	0.35
1.00	1.00	0.00	0.00	1.00	1.00
1.00	1.00	2.00	2.00	1.00	1.00
3.70	3.70	3.70	3.70		
1.00	1.00	1.00	1.00		
0.80	0.80				
1.00	1.00	1.00	1.00	1.00	1.00
0.80	0.80	1.00	1.00		
43.80	43.80	43.65	45.65	48.55	49.55

**ASHLAND PARKS AND RECREATION COMMISSION
OPERATING INDICATORS AND CAPITAL ASSETS AND
INFRASTRUCTURE BY FUNCTION/PROGRAM
For the last ten fiscal years**

Function/Program	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Forestry, Trails, and Natural Resources				
Acres treated/retreated for fuel reduction	265	239	197	166
Miles of trail maintained	48	41	40	29
Horticulture				
Trees maintained	5,140	5,125	5,058	5,058
Number of trees planted	45	30	58	58
Number of plants planted	1,450	1,350	11,093	11,093
Acres mowed- athletic area	46	46	46	46
Parks and Recreation Community Facilities				
Community Center Rentals	37%	37%	39%	38%
Pioneer Hall Rentals	26.00%	26.00%	28.00%	28.00%
Hunter Park usage	40%	44%	49%	49%
Lithia Park Reservations	5%	5%	3%	4%
The Grove usage (% rented of available rental hours)	20.00%	25.00%	25.00%	20.00%
Aquatic Facilities				
Recreational swimmers	9,246	8,500	9,299	10,000 (est)
Lesson participants	358	337	341	317
Accidents per season	2	4	6	-
Number of seasonal employees	18	22	23	23*
Ice Rink Facilities				
Number of admissions	20,397	18,462	15,049	14500 (est)
Accidents per season	2	2	9	1
Number of seasonal employees	23*	17	17	14
Golf Division				
Total rounds of golf	14300**	13,109	16,998	17,859

*more staff hired to decrease overtime

** Includes punch card sales but not individual sales (157 punch cards sold).

**ASHLAND PARKS AND RECREATION COMMISSION
OPERATING INDICATORS AND CAPITAL ASSETS AND
INFRASTRUCTURE BY FUNCTION/PROGRAM
For the last ten fiscal years (continued)**

Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008
166	142	98	63	63	40
29	29	29	25	25	25
5,058	5,000	5,000	5,000	5,000	5,000
58	40	40	40	40	100
11,093	15,250	15,250	15,250	15,250	15,100
46	46	46	46	46	46
42%	42%	38%	37%	290	300
22.00%	17.00%	22.50%	20%	270	297
21%	25%	21%	21%	88	70
4%	3%	3%	7%	108	109
11.00%	11.00%	10.50%	7.50%	31	50
10,000	10,000 (est)	10,000 (est)	10,500	10,500	11,000
275	282	286	475	475	500
-	-	-	-	-	-
14	13	17	19	19	14
14500 (est)	14,500	14,500	14,850	1,500	11,500
1	-	-	-	-	-
12	10	10	10	6	9
17,916	17,528	16,820	18,093	12,209	17,159

ASHLAND PARKS AND RECREATION COMMISSION
MISCELLANEOUS STATISTICS
For the year ended June 30, 2016

Dedicated Park Land 761 Acres

Dedicated Park Sites: 19

- Lithia Park
- Greenway Park Property
- Hunter Park
- Garden Way Park
- Clay Street Park
- Sherwood Park
- Triangle Park
- YMCA City Park
- Garfield Park
- Glenwood Park
- Bluebird Park
- Railroad District Park
- Water Street Park
- Siskiyou Mountain Park
- North Mountain Park
- Oak Knoll Golf Course
- Todd - Oredson Woods
- Strawberry/Hald Property
- Vogel Property

Number of Parks and Recreation Facilities

- Community Centers 3
- Swimming Pool 1
- Tennis Courts 12
- Playgrounds 10
- Golf Course 1
- Seasonal Ice Rink 1
- Skateboard Facility 1
- Trails 48 Miles

Number of Parks and Recreation Employees 36.00

(not including temporary or part time employees)

Usage Agreements:

The Ashland Parks and Recreation Commission has joint usage agreements with the Ashland School District for community/school park sites located at all the elementary schools in Ashland.

The Ashland Parks and Recreation Commission has a usage agreement with Southern Oregon University for usage of the North Campus Athletic Fields.

ASHLAND PARKS AND RECREATION COMMISSION
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1)
For the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Parks and Recreation	Equipment Fund (2)	Capital Outlay	Debt Service	Total Expenditures
2016-17	\$ 5,837,418	\$ 130,252	\$ 1,322,451	\$ -	7,290,121
2015-16	5,854,414	229,958	360,137	-	6,444,509
2014-15	5,555,245		1,036,140	-	6,591,385
2013-14	5,452,065		1,402,249	-	6,854,314
2012-13	5,459,855		531,044	-	5,990,899
2011-12	5,247,799		101,949	-	5,349,748
2010-11	4,633,591		94,830	-	4,728,421
2009-10	4,596,836		18,571	-	4,615,407
2008-09	5,173,308		159,026	-	5,332,334
2007-08	7,248,274		133,051	-	7,381,325

(1) Includes General, Special Revenue and Capital Projects Funds

(2) This fund is a new internal service fund that provides for the replacement of major motorized equipment and vehicles.

Sources: Basic financial statements; Ashland Parks
and Recreation Commission financial records

2017 Statistical Section

**ASHLAND PARKS AND RECREATION COMMISSION
GENERAL GOVERNMENT REVENUES BY SOURCE (1)
For the last ten fiscal years - Unaudited**

Fiscal Year Ended June 30	Property Taxes	City of Ashland	Intergovernmental	Charges for Services	Interest	Miscellaneous	Total Revenues
2016-17	\$ -	\$ 5,681,770	\$ -	\$ 1,139,709	\$ 14,791	\$ 33,303	\$ 6,869,573
2015-16	-	6,210,271	92	1,153,455	9,700	17,204	7,390,722
2014-15	-	4,896,167	320,539	1,149,154	4,957	17,620	6,388,437
2013-14	-	3,959,833	-	1,578,123	7,934	53,234	5,599,124
2012-13	4,082,108	-	-	932,235	16,133	67,690	5,098,166
2011-12	4,349,737	33,117	33,117	968,436	20,698	35,648	5,407,636
2010-11	4,210,320	21,140	21,140	1,101,358	16,096	47,888	5,396,802
2009-10	4,082,522	9,983	9,983	1,010,118	17,639	21,785	5,142,047
2008-09	3,982,698	-	-	1,019,781	22,455	256,122	5,281,056
2007-08	6,425,334	79,026	79,026	811,879	104,150	137,340	7,636,755

(1) Includes General, Special Revenue and Capital Projects Funds

Source: Basic financial statements; Ashland Parks
and Recreation Commission financial records





2016-17 AUDITORS' COMMENTS AND DISCLOSURES



PAULY, ROGERS AND CO., P.C.
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(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

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, 2017, and have issued our report thereon dated November 6, 2017. 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:

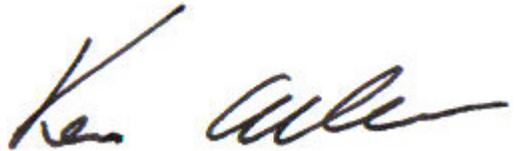
- Deposit of public funds with financial institutions (ORS Chapter 295)
 - Indebtedness limitations, restrictions and repayment.
 - Budgets legally required (ORS Chapter 294).
 - Insurance and fidelity bonds in force or required by law.
 - Programs funded from outside sources.
 - Highway revenues used 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.

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 positioned above the printed name and title.

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

