

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the year ended June 30, 2011**

Don Robertson
Ashland Parks and Recreation Director
340 South Pioneer Street
Ashland, OR 97520

Prepared by:
City of Ashland
Administrative Services Department
Lee Tuneberg, Administrative Services/Finance Director



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ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

INTRODUCTORY SECTION





October 24, 2011

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 for the fiscal year ended June 30, 2011.

This report consists of the commission's representations concerning the finances of the Ashland Parks and Recreation 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 Ashland Parks and Recreation Commission's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Ashland Parks and Recreation 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. As a commission, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The licensed certified public accounting firm of Pauly, Rogers and Co., P.C. has audited the Ashland Parks and Recreation Commission's financial statements. The goal of the independent audit was to provide reasonable assurance that the Ashland Parks and Recreation Commission's financial statements for the fiscal year ended June 30, 2011 are 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 Ashland Parks and Recreation Commission's financial statements for the fiscal year ended June 30, 2011, 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 require 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 Ashland Parks and Recreation Commission's MD&A can be found immediately following the report of the independent auditors.

2011 introductory section

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 Ashland Parks and Recreation Commission derives its authority from the City of Ashland's Charter, Articles XIX and XXII. The five-member Commission, elected by and directly responsible to Ashland's citizens, is responsible for the financing and administration of Ashland's parks and recreation system. The parks and recreation system includes approximately 180 acres of developed parkland and approximately 465 acres of undeveloped parkland, including a network of over 29 miles of maintained trails. Recreational facilities include a municipal golf course, four 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 which could be levied citywide. Although the statewide ballot measure restructured the manner of accounting for property tax monies, it is anticipated that the Commission will continue to receive the same percentage of citywide tax dollars as in previous years for parks and recreation purposes.

The Ashland Parks and Recreation Commission operates under a commission-director form of government. The Commission is responsible for, among other things, adopting the annual budget, appointing the Park Director, and setting Park policy. The Park 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 Ashland Parks and Recreation 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 annual budget serves as the foundation for the Ashland Parks and Recreation Commission's financial planning and control. The Park Director develops a proposed APRC budget each year to present to the Commission. After review and gathering public input, the Commission submits the proposed budget to the City of Ashland for inclusion in the annual 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 fiscal year must be done in a public hearing no later than June 30. The level of budgetary controls (that is, 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 a single fiscal year. Therefore, all spending authority of the Commission lapses at fiscal year end. 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 Ashland Parks and Recreation Commission operates.

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

Long-term financial planning: In 1990, Ashland's 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 ten years.

The Commission is currently working on the development of an infrastructure inventory, to begin putting a long-term plan in place for upgrade and replacement or removal of current infrastructure that is deteriorating as a result of age or use.

Major initiatives: With the recent update of the food and beverage tax approval, the Parks Commission has focused its efforts on updating and expanding its Capital Improvements Plan. New to the updated and voter-approved food and beverage tax are provisions that allow for major improvements to, or rehabilitation of, existing facilities under the management of the Parks and Recreation Commission. The result is Commission discussion occurring on the potential use of leveraging future funds to front load certain projects that would benefit the citizens of Ashland.

Relevant financial policies: Periodically, the Commission's ending fund balance exceeds its budgeted projections. This is usually the result of collection of more revenue than originally anticipated, expending less on services than originally anticipated, or a combination of both. Last year, the Commission and Council transferred some of the balance to the City reserve account. The Commission is currently working on a policy to set criteria that will designate when, where and how much funds should be transferred to which accounts when additional funds result in larger ending fund balances.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ashland Parks and Recreation Commission for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the twenty-first 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,



Donald E. Robertson, Director
Ashland Parks and Recreation Department



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, 2010

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

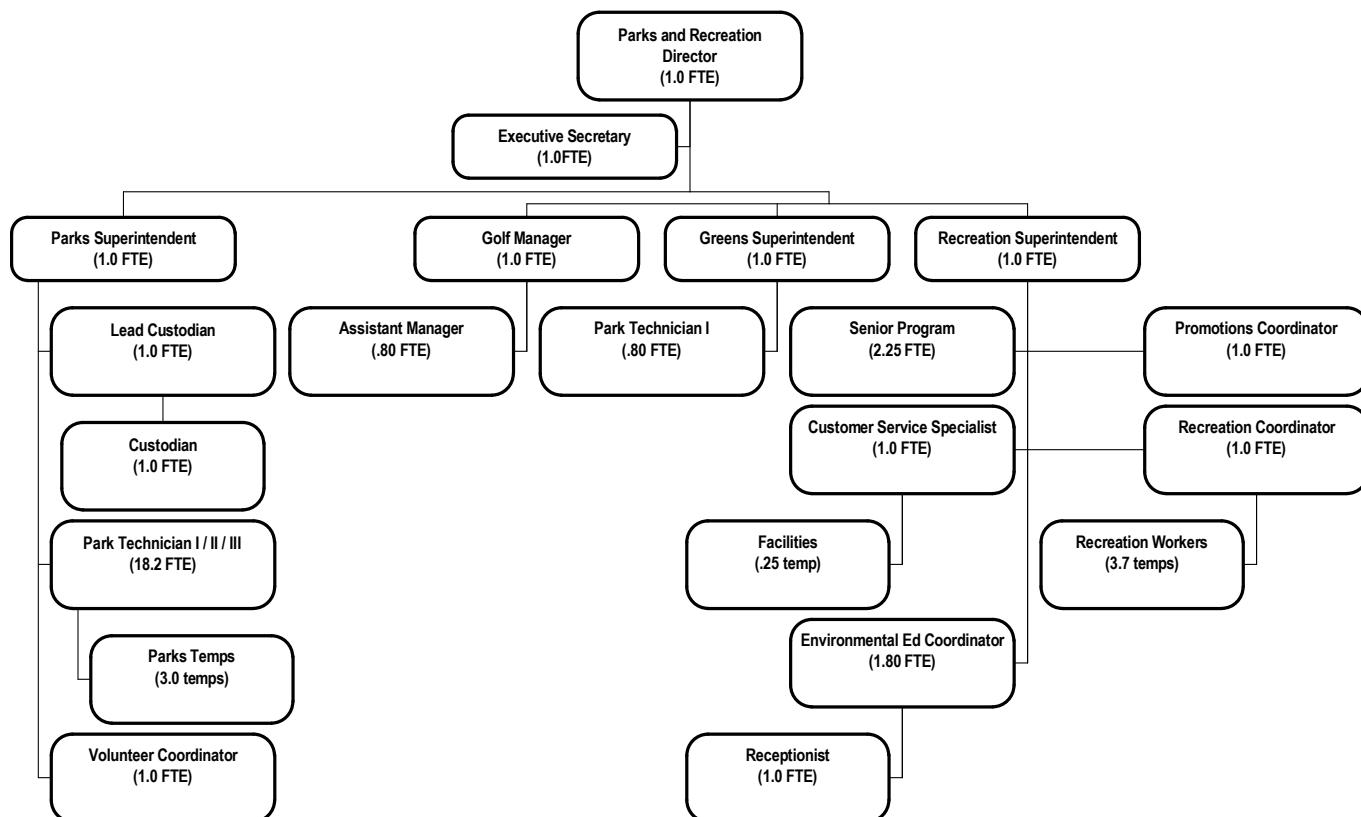


President

Executive Director

PARKS AND RECREATION DEPARTMENT

43.80 FTE



ASHLAND PARKS AND RECREATION COMMISSION
(A Component Unit of the City of Ashland, Oregon)
ELECTED OFFICIALS
as of June 30, 2011

<u>Name</u>	<u>Position</u>
JoAnne Eggers 221 Granite Street Ashland, OR 97520	Commissioner/Chair
Rick Landt 468 Helman Street Ashland, OR 97520	Commissioner
Jim Lewis 640 A Street Ashland, OR 97520	Commissioner
Rich Rosenthal 1228 Rose Lane Ashland, OR 97520	Commissioner
Stefani Seffinger 448 Taylor Street Ashland, OR 97520	Commissioner
<u>Appointed Official</u>	
Don Robertson 3786 Windgate Medford, OR 97504	Parks & Recreation Director



ASHLAND PARKS AND RECREATION COMMISSION

340 SO. PIONEER STREET • ASHLAND, OREGON 97520

COMMISSIONERS:

JoAnne Eggers
Rick Landt
Jim Lewis
Rich Rosenthal
Stefani Selfinger



Don Robertson
Director

TEL: (541) 488-5340
FAX: (541) 488-5314

October 24, 2011

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

The Municipal Audit Committee 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 Committee for their annual audit process.

In fulfilling its responsibilities, the Committee participates in selecting the City's auditor on a regular basis. The Committee interviews qualified, independent certified public accountants and discusses the overall scope and specific plans for the audit. The Committee 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 Committee meets with the City's auditor to discuss the results of their audit and their evaluation of the City and Parks financial reporting. The Committee 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.

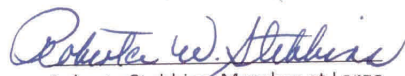
After receiving the annual reports and related documentation from the auditor and staff, evaluating the information, and considering the potential for changes, the Committee makes recommendations to both elected bodies on acceptance of the respective annual reports and changes deemed appropriate through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

Based upon the above, we accept the 2010-2011 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 Committee


Guy Nutter, Member at Large, Chair


Roberta Stebbins, Member at Large
Representing Budget Committee


Barbara Christensen, City Recorder/
Treasurer Ex-Officio Member


Dennis Slattery, Member
City Council Liaison

Administrative Services Department
D.L. Tuneberg, Director
20 East Main Street
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Home of Famous Lithia Park



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

FINANCIAL SECTION





PAULY, ROGERS AND CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

- 12700 S.W. 72nd Avenue • Tigard, Oregon 97223
- PHONE (503) 620-2632 • FAX (503) 684-7523

September 15, 2011

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information for the Ashland Parks and Recreation Commission (a component unit of the City of Ashland, Oregon) as of and for the year ended June 30, 2011, as listed in the table of contents. The basic financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Parks and Recreation Commission at June 30, 2011, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management Discussion and Analysis and the budgetary comparison information, as listed on the table of contents, are not a required part of the basic financial statements, but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ashland Parks and Recreation Commission's basic financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pauly, Rogers and Co., P.C.
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, 2011. 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 i-iii 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 \$12,033,735 (net assets).
- The Park and Recreation Commission's total net assets have increased by \$352,485.
- As of the close of the current fiscal year, the Ashland Parks and Recreation Commission's governmental funds reported combined ending fund balances of \$2,656,796, an increase of \$593,617 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 assets* presents information on all of the Ashland Parks and Recreation Commission's assets and liabilities, with the difference between the two reported as *net assets*.

The *statement of activities* presents information showing how the government's net assets 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 8 and 9 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.

2011 financial section

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.

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

The Ashland Parks and Recreation Commission adopts an annual appropriated budget for its general fund. 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 10-13 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 15-24 of this report.

Government-wide Financial Analysis

Net assets 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 \$12,033,735 at the close of the most recent fiscal year.

The largest portion of the Ashland Parks and Recreation Commission's assets (73.6%) reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

Ashland Parks and Recreation Commission Net Assets

	June 30, 2011	June 30, 2010	Change
Current and other assets	\$ 3,262,996	\$ 2,670,151	22.2%
Capital assets	9,114,880	9,388,309	-2.9%
Total assets	12,377,876	12,058,460	2.7%
Long-term liabilities outstanding	88,247	81,228	8.6%
Other liabilities	255,894	295,982	-13.5%
Total liabilities	344,141	377,210	-8.8%
Net Assets			
Invested in capital assets, net of related debt	9,114,880	9,388,309	-2.9%
Restricted	9,898		
Unassigned	2,908,957	2,292,941	26.9%
Total net assets	\$ 12,033,735	\$ 11,681,250	3.0%

Ashland Parks and Recreation Commission's Net Assets

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 assets, both for the government as a whole, as well as for its three separate governmental funds.

Governmental activities. Net Assets have increased from the prior fiscal year mainly due to increased revenues, as expenses have stayed comparable to last year, at only -.4 percent decrease.

Ashland Parks and Recreation Commission Change in Net Assets for the Fiscal Year Ended June 30, 2011

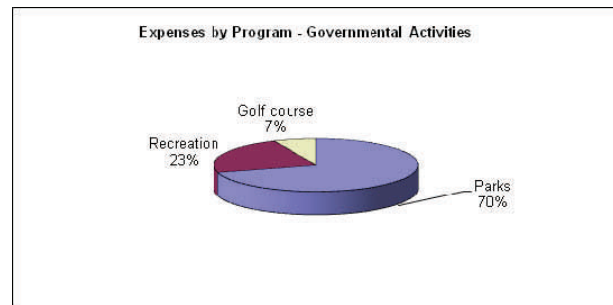
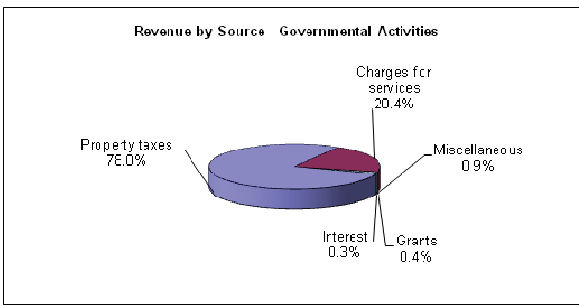
REVENUES:	June 30, 2011	June 30, 2010	Change
Program revenues:			
Charges for services	\$ 1,101,358	\$ 1,010,118	9.0%
Operating grants and contributions	21,140	9,983	111.8%
General revenues:			
Property taxes	4,210,320	4,082,522	3.1%
Miscellaneous	47,888	21,785	119.8%
Interest	16,096	23,515	-31.6%
Total revenues	5,396,802	5,147,923	4.8%
EXPENSES:			
Parks	3,557,166	3,452,280	3.0%
Recreation	1,141,094	1,135,400	0.5%
Golf course	346,057	477,193	-27.5%
Total expenses	5,044,317	5,064,873	-0.4%
INCREASE IN NET ASSETS	352,485	83,050	324.4%
Net assets - Beginning	11,681,250	11,598,200	0.7%
Net assets - Ending	<u>\$12,033,735</u>	<u>\$11,681,250</u>	3.0%

Ashland Parks Commission's Changes in Net Assets

Significant factors leading to the increase in net assets include:

- Property tax collections were higher than expected by over \$100,000.
- A grant was received for fuels reductions from Oregon Department of Forestry.
- Miscellaneous revenue increased due to insurance money that was received from a theft last year.
- Parks operation transferred \$215,000 to the Capital Improvement Fund, which increased Charges for Services. This transfer is to fund equipment replacement.
- Golf's Personal Services dropped significantly due to staff reorganization prompted by the retirement of the Greens Superintendent. This is a onetime savings.

2011 financial section



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 \$2,656,796, an increase of \$593,617 from the prior fiscal year. Please see the previous page for significant factors leading to the increase.

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 unreserved fund balance was \$2,214,031, an increase of \$426,250 from the prior year. The General Fund's balance represents 83.33 percent of the combined governmental funds balance.

The Capital Projects Fund has a total fund balance of \$432,867, all of which is reserved for future capital projects and equipment replacement. This fiscal year, \$215,000 was received from Parks operations to catch up on their replacement schedule, to ensure adequate funding is available to replace equipment as needed.

The ending fund balance for the Youth Activity Levy has been reduced to \$9,898.

General Fund Budgetary Highlights

The Ashland Parks and Recreation Commission did not revise its budget during the year.

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, 2011, amounted to \$9,114,880 (net of accumulated depreciation.)

A major portion of the Ashland Parks and Recreation Commission's investment in capital assets include leasehold improvements of \$5,093,635 (net of accumulated depreciation) related to a long-term lease with the Oregon Shakespeare Festival Association. The detail is shown on page 22 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

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

BASIC FINANCIAL STATEMENTS

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Statement of Net Assets
June 30, 2011

	<u>Primary Government</u>
Assets:	
Cash and cash equivalents	\$ 2,855,465
Receivables:	
Accounts	24,666
Taxes	382,865
Capital assets, net of accumulated depreciation	<u>9,114,880</u>
Total assets	<u>12,377,876</u>
Liabilities:	
Accounts payable	163,169
Payroll liabilities	92,725
Non-current liabilities:	
Due within one year:	
Vacation payable	22,062
Due in more than one year:	
Vacation payable	<u>66,185</u>
Total liabilities	<u>344,141</u>
Net Assets:	
Invested in capital assets, net of related debt	9,114,880
Restricted for:	
Youth Activity Levy - Ashland School District	9,898
Unrestricted	<u>2,908,957</u>
Total net assets	<u>\$ 12,033,735</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, 2011

Functions	Expenses	Function Revenues		Net (Expense) Revenue and Change in Net Assets
		Charges for Service	Operating Grants and Contributions	
Parks	\$ 3,557,166	\$ 487,155	\$ 21,140	\$ (3,048,871)
Recreation	1,141,094	321,091	-	(820,003)
Golf course	346,057	293,112	-	(52,945)
Total governmental activities	<u>\$ 5,044,317</u>	<u>\$ 1,101,358</u>	<u>\$ 21,140</u>	<u>\$ (3,921,819)</u>
General Revenues				
Property taxes				4,210,320
Interest and investment earnings				16,096
Miscellaneous				<u>47,888</u>
Total general revenues				<u>4,274,304</u>
Change in net assets				352,485
Net assets - Beginning				<u>11,681,250</u>
Net assets - Ending				<u>\$ 12,033,735</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, 2011**

ASSETS	General	Special Revenue	Capital Improvement	Total Governmental Funds
Assets:				
Cash and investments	\$ 2,418,135	\$ 8,297	\$ 429,033	\$ 2,855,465
Receivables:	-	-	-	-
Accounts	20,832		3,834	24,666
Taxes	337,809	45,056	-	382,865
Total assets	<u>\$ 2,776,776</u>	<u>\$ 53,353</u>	<u>\$ 432,867</u>	<u>\$ 3,262,996</u>
LIABILITIES AND EQUITY				
Liabilities:				
Accounts payable	\$ 163,169	\$ -	\$ -	163,169
Payroll liabilities	92,725	-	-	92,725
Deferred revenue	306,851	43,455	-	350,306
Total liabilities	<u>562,745</u>	<u>43,455</u>	<u>-</u>	<u>606,200</u>
Fund Balances:				
Restricted for:				
Youth Activity Levy - Ashland School District	-	9,898	-	9,898
Committed for:				
Equipment replacement	-	-	432,867	432,867
Unassigned:				
Unassigned	2,214,031	-	-	2,214,031
Total fund balances	<u>2,214,031</u>	<u>9,898</u>	<u>432,867</u>	<u>2,656,796</u>
Total liabilities and fund balances	<u>\$ 2,776,776</u>	<u>\$ 53,353</u>	<u>\$ 432,867</u>	<u>\$ 3,262,996</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 Assets
June 30, 2011

Total fund balances - Governmental Funds	\$ 2,656,796
--	--------------

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 Assets includes those capital assets among the assets of the Commission as a whole.

Net capital assets	9,114,880
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Accrued vacation payable not accounted for in governmental funds	(88,247)
--	----------

Deferred revenue related to property taxes	<u>350,306</u>
--	----------------

Net assets	<u><u>\$ 12,033,735</u></u>
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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 Balance
GOVERNMENTAL FUNDS
for the year ended June 30, 2011

	Governmental Fund Types			Total
	General	Special Revenue	Capital Projects	Governmental Funds
Revenues:				
Taxes	\$ 4,192,179	\$ 18,141	\$ -	\$ 4,210,320
Intergovernmental	21,140	-	-	21,140
Charges for services	879,023	-	222,335	1,101,358
Interest on investments	14,441	-	1,655	16,096
Miscellaneous	47,888	-	-	47,888
Total revenues	<u>5,154,671</u>	<u>18,141</u>	<u>223,990</u>	<u>5,396,802</u>
Expenditures:				
Current:				
Parks	3,277,305	-	-	3,277,305
Recreation	1,050,140	30,777	-	1,080,917
Golf course	281,834	-	-	281,834
Capital outlay	119,142	-	43,987	163,129
Total expenditures	<u>4,728,421</u>	<u>30,777</u>	<u>43,987</u>	<u>4,803,185</u>
Net change in fund balance	426,250	(12,636)	180,003	593,617
Fund balance, July 1, 2010	<u>1,787,781</u>	<u>22,534</u>	<u>252,864</u>	<u>2,063,179</u>
Fund balance, June 30, 2011	<u>\$ 2,214,031</u>	<u>\$ 9,898</u>	<u>\$ 432,867</u>	<u>\$ 2,656,796</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, 2011

Total net changes in fund balances - Governmental Funds	\$	593,617
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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. This is the amount by which depreciation additions exceeds capital asset.

Capital asset additions	\$	169,768	
Capital asset deletions		-	
Depreciation expense		(443,196)	
Depreciation deletions		-	
			(273,428)

Change in compensated absences is an expense on the Statement of Activities, but it is not an expenditure to the governmental fund, unless matured.		20,056
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Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the Commission recognizes a deferred revenue for all property taxes levied but not received. However, in the Statement of Activities, there is no deferred revenue and the full property tax receivable is accrued.		12,240

Change in net assets of governmental activities	\$	352,485
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The accompanying notes are an integral part of the 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 Park 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, at a special election on December 15, 1908. The Commission presently operates under the charter of the City of Ashland. 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 District No. 5 under contractual agreements with District 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. Financial accountability exists if the Commission appoints a voting majority of the component unit's board, and either: a) the ability to impose will by the primary government (Commission), or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Commission. The Commission has no component units, but is a component unit of the City of Ashland, Oregon (the City) and, as such, is included in the basic financial statements of the City of Ashland as a discretely presented 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 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 Assets and Statement of Activities display information about the reporting government as a whole.

The Statement of Net Assets 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.

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

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (continued)

The Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are 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 Assets 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 property taxes, charges for services, donations, and interest earnings. Major expenditures are for personal services, operating supplies, maintenance, and supporting services related to the administrative functions of the Commission. The General Fund is now also used to account for financial resources used for the operation and maintenance of the Oak Knoll Golf Course.

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

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (continued)

SPECIAL REVENUE FUND

The Ashland Youth Activities Serial Levy Fund is used to account for proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The revenue sources are serial levy revenues. Expenditures are related to specific youth programs provided by local schools and the Parks and Recreation Commission. The serial levy ended in fiscal year 2008. The fund will remain for two-to-three years for collections of past due property taxes that will be turned over to the Ashland School District.

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 interfund transfers, charges for services, and interest earnings.

C. BUDGET

As a component unit of the City of Ashland, 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.

The City begins its budget process early in each fiscal year 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. 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 fiscal year end. 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.

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

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. PROPERTY TAXES RECEIVABLE

In the Government-wide Financial Statements, uncollected property taxes are recorded on the Statement of Net Assets. In the Fund Financial Statements, property taxes that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as deferred revenue because it is not deemed available to finance operation of the current period. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are levied on all taxable property as of July 1, the beginning of the fiscal year, and become a lien on that date. Property taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

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 in excess of three years. 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

Commission employees are participants in the Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis, as required by the plan, and are charged to expenditures as funded.

G. VESTED COMPENSATED ABSENCES

It is the Commission's policy to permit employees to accumulate earned unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service with the Commission. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, e.g., as a result of employee resignations and/or retirements.

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.

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. LONG TERM DEBT

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the 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, as well as bond issuance costs, 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 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.

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

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

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

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

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.

2011 notes to basic financial statements

ASHLAND PARKS AND RECREATION COMMISSION JACKSON COUNTY, OREGON

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. FUND EQUITY (continued)

To preserve a sound financial system and provide a stable financial base, the governing body has adopted a minimum fund balance policy. Resolution No. 2010-05 was established on February 9, 2010, and calls for the Commission's General Fund to have a target ending fund balance of twenty-five percent of annual operating revenues.

2. CASH AND INVESTMENTS

State statutes govern the Commission's cash management policies. Statutes authorize the Commission to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool (LGIP).

The City of Ashland maintains a cash and investment pool that is used by all funds, including Commission funds. The Commission's cash and investments at June 30, 2011, consisted of the following:

	2011
Petty Cash	\$ 350
City Investment Pool	2,855,115
Total	<u>\$ 2,855,465</u>

INVESTMENTS

Policies officially adopted by the City's board allows the entity to invest in: U.S. Treasury Obligations (bills, notes and bonds), U.S. Government Agency Securities and Instrumentalities of Government Sponsored Corporations, Bankers' Acceptances (BAs), Certificates of Deposit (at commercial banks that have a branch in Oregon and Savings & Loan Associations that have a branch in Oregon), State and Local Government Securities, Commercial Paper (A1, AA,P1), State of Oregon Investment Pool, and Repurchase transactions. The State Treasurer's investment policies are government by Oregon Revised Statutes and the Oregon Short-Term Fund Board (OSTFB). There were no known violations of legal or contractual provisions for deposits.

As of June 30, 2011, 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	\$ 2,855,115	\$ 2,855,115	-	-
Total	<u>\$ 2,855,115</u>	<u>\$ 2,855,115</u>	<u>\$ -</u>	<u>\$ -</u>

Investments are valued at fair value as required by GASB 31. As of June 30, 2011, the fair value of the position in the LGIP is 100 percent of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

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

Notes to Basic Financial Statements

2. CASH AND INVESTMENTS (continued)

INVESTMENTS (continued)

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 financial institution eligible for discount by the Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Concentration of Credit Risk

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2011, the City was in compliance with all percentage restrictions.

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

2011 notes to basic financial statements

ASHLAND PARKS AND RECREATION COMMISSION JACKSON COUNTY, OREGON

Notes to Basic Financial Statements

2. CASH AND INVESTMENTS (continued)

INVESTMENTS (continued)

Concentration of Credit Risk (continued)

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 2010-2011 fiscal year are as follows:

	Balance June 30, 2010	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2011
Governmental activities:				
Capital assets being depreciated:				
Buildings	\$ 12,896,558	\$ 6,639	\$ -	\$ 12,903,197
Machinery and equipment	899,587	89,482	-	989,069
Infrastructure	596,322	-	-	596,322
Vehicles	310,277	36,966	-	347,243
Furniture and fixtures	917,365	36,681	-	954,046
Construction in process	-	-	-	-
Total capital assets being depreciated	15,620,109	169,768	-	15,789,877
Less accumulated depreciation for:				
Buildings	4,670,945	286,660	-	4,957,605
Machinery and equipment	546,431	64,161	-	610,592
Infrastructure	411,303	23,790	-	435,093
Vehicles	251,624	23,049	-	274,673
Furniture and fixtures	351,497	45,537	-	397,034
Total accumulated depreciation	6,231,800	443,197	-	6,674,997
Total capital assets being depreciated, net	\$ 9,388,309	\$ (273,429)	\$ -	\$ 9,114,880

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

Notes to Basic Financial Statements

3. CAPITAL ASSETS (continued)

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

Depreciation Expense	
	2011
Parks	\$ 346,299
Recreation	58,857
Golf	38,041
Total	<u>\$ 443,197</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, 2010 Balance	Additions	Reductions	June 30, 2011 Balance	Due Within a Year
Governmental Activities:	\$ 108,304	\$ 88,247	\$ 108,304	\$ 88,247	\$ 22,062
Total Compensated Absences Payable	<u>\$ 108,304</u>	<u>\$ 88,247</u>	<u>\$ 108,304</u>	<u>\$ 88,247</u>	<u>\$ 22,062</u>

5. PENSION PLAN

Plan Description and Provisions:

As part of the City of Ashland, the Commission's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries through the State of Oregon Public Employees Retirement System (PERS). PERS is an agent multiple-employer pension plan, administered by the Oregon Public Employees Retirement System. The Public Employees Retirement Board (PERB) administers PERS according to Oregon Revised Statutes (ORS) Chapter 237. PERB has the authority to establish and amend the benefit provisions of the plans that participate in the PERS to the respective employer entities. The Oregon Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

Description of Funding Policy:

Plan members are required to contribute six percent of their annual covered salary. The Commission is required to contribute at an actuarially determined rate. In 2003, the Oregon Legislature revised PERS operations, including how benefits for existing and new employees are calculated and funded. The current rates are 8.67 percent for existing and 9.43 percent for new employees, respectively, of covered annual payroll. The Commission has "picked up" employee contributions at a rate of six percent, as allowed under ORS 237.075. The contribution requirement of plan members and their employers are established, and may be amended, by the PERS Board.

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

Notes to Basic Financial Statements

5. PENSION PLAN (continued)

The Commission's Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/2011	\$ 231,748	100%
06/30/2010	266,990	100%
06/30/2009	359,119	100%

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. 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.

7. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for non-school operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less ten percent and limiting future tax value growth of each property to no more than three percent per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax (and many fee) increases and new bond issues, and requires the State to minimize the impact of tax cuts on school districts.



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

REQUIRED SUPPLEMENTARY INFORMATION

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

ASHLAND, OREGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
GENERAL FUND
for the year ended June 30, 2011

		Budget Amounts		Variance with Final Budget Positive (Negative)
	Actual	Original	Final	
Revenues:				
Taxes	\$ 4,192,179	\$ 4,074,100	\$ 4,074,100	\$ 118,079
Intergovernmental	21,140	31,000	31,000	(9,860)
Charges for services	879,023	800,100	800,100	78,923
Interest on investments	14,441	10,000	10,000	4,441
Miscellaneous	47,888	12,500	12,500	35,388
Total revenues	5,154,671	4,927,700	4,927,700	226,971
Expenditures:				
Parks:				
Personal services	1,763,705	1,873,232	1,873,232	109,527
Materials and services	1,513,600	1,529,250	1,529,250	15,650
Capital outlay	94,830	15,000	15,000	(79,830)
Total parks	3,372,135	3,417,482	3,417,482 (1)	45,347
Recreation:				
Personal services	762,291	783,772	783,772	21,481
Materials and services	287,849	290,900	290,900	3,051
Total recreation	1,050,140	1,074,672	1,074,672 (1)	24,532
Golf Course:				
Personal services	160,354	263,407	263,407	103,053
Materials and services	121,480	152,100	127,700	6,220
Capital outlay	24,312	-	24,400	88
Total golf course	306,146	415,507	415,507 (1)	109,361
Contingency	-	50,000	50,000	50,000
Total expenditures	4,728,421	4,957,661	4,957,661	229,240
Net change in fund balance	426,250	(29,961)	(29,961)	456,211
Fund balance, July 1, 2010	1,787,781	1,439,186	1,439,186	348,595
Fund balance, June 30, 2011	\$ 2,214,031	\$ 1,409,225	\$ 1,409,225	\$ 804,806

(1) Appropriation level

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
ASHLAND YOUTH ACTIVITIES LEVY
for the year ended June 30, 2011

		Budget Amounts		Variance with Final Budget Positive (Negative)
	Actual	Original	Final	
Revenues:				
Taxes	\$ 18,141	\$ 25,000	\$ 25,000	\$ (6,859)
Total revenues	<u>18,141</u>	<u>25,000</u>	<u>25,000</u>	<u>(6,859)</u>
Expenditures:				
Recreation:				
Materials and services	30,777	42,356	42,356	11,579
Total recreation	<u>30,777</u>	<u>42,356</u>	<u>42,356</u>	<u>11,579</u>
Total expenditures	<u>30,777</u>	<u>42,356</u>	<u>42,356</u>	<u>11,579</u>
Net Change in Fund Balance	<u>(12,636)</u>	<u>(17,356)</u>	<u>(17,356)</u>	<u>4,720</u>
Fund Balance, July 1, 2010	<u>22,534</u>	<u>17,356</u>	<u>17,356</u>	<u>5,178</u>
Fund Balance, June 30, 2011	<u>\$ 9,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,898</u>



ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
CAPITAL IMPROVEMENT FUND
for the year ended June 30, 2011

	Actual	Budget Amounts		Variance with Final Budget Positive (Negative)
		Original	Final	
Revenues:				
Charges for services	\$ 222,335	\$ 33,000	\$ 33,000	\$ 189,335
Interest on investments	1,655	1,500	1,500	155
Sale of assets	-	-	-	-
Total revenues	<u>223,990</u>	<u>34,500</u>	<u>34,500</u>	<u>189,490</u>
Expenditures:				
Capital outlay	43,987	70,000	70,000	26,013
Total parks	43,987	70,000	70,000	26,013
Total expenditures	<u>43,987</u>	<u>70,000</u>	<u>70,000</u>	<u>26,013</u>
Net change in fund balance	180,003	(35,500)	(35,500)	215,503
Fund balance, July 1, 2010	<u>252,864</u>	<u>203,239</u>	<u>203,239</u>	<u>49,625</u>
Fund balance, June 30, 2011	<u>\$ 432,867</u>	<u>\$ 167,739</u>	<u>\$ 167,739</u>	<u>\$ 265,128</u>

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Schedule of Capital Assets
BY SOURCE
for the year ended June 30, 2011**

Capital Assets:	
Buildings and improvements	\$ 12,903,197
Machinery and equipment	989,069
Infrastructure	596,322
Vehicles	347,243
Furniture and fixtures	954,046
Construction in process	-
	<hr/>
Total capital assets	<u><u>\$ 15,789,877</u></u>
Sources of Investment in Capital Assets:	
General Fund	\$ 9,312,964
Shakespeare Festival	6,476,913
	<hr/>
Total sources of investment in capital assets	<u><u>\$ 15,789,877</u></u>

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Schedule of Changes in Capital Assets
BY SOURCE
for the year ended June 30, 2011

	<u>Total</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Vehicles</u>	<u>Furniture and Fixtures</u>	<u>CIP</u>
Capital Assets, July 1, 2010	\$ 15,620,109	\$ 12,896,558	\$ 899,587	\$ 596,322	\$ 310,277	\$ 917,365	\$ -
Additions:							
General Fund	163,129	-	89,482	-	36,966	36,681	-
Shakespeare Festival	6,639	6,639	-	-	-	-	-
	<u>169,768</u>	<u>6,639</u>	<u>89,482</u>	<u>-</u>	<u>36,966</u>	<u>36,681</u>	<u>-</u>
Deletions:							
General Fund	-	-	-	-	-	-	-
Shakespeare Festival	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets, June 30, 2011	<u>\$ 15,789,877</u>	<u>\$ 12,903,197</u>	<u>\$ 989,069</u>	<u>\$ 596,322</u>	<u>\$ 347,243</u>	<u>\$ 954,046</u>	<u>\$ -</u>

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Schedule of Capital Assets
BY FUNCTION AND ACTIVITY
for the year ended June 30, 2011**

<u>Function and Activity</u>	<u>Total</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Vehicles</u>	<u>Fixtures</u>	<u>CIP</u>
Parks and Recreation	<u>\$ 15,789,877</u>	<u>\$ 12,903,197</u>	<u>\$ 989,069</u>	<u>\$ 596,322</u>	<u>\$ 347,243</u>	<u>\$ 954,046</u>	<u>\$ -</u>

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Schedule of Changes in Capital Assets
BY FUNCTION AND ACTIVITY
for the year ended June 30, 2011**

<u>Function and Activity</u>	<u>Capital Assets July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets June 30, 2011</u>
Parks and Recreation	<u>\$ 15,620,109</u>	<u>\$ 169,768</u>	<u>\$ -</u>	<u>\$ 15,789,877</u>

**CITY OF ASHLAND AND
ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON
Schedule of Property Tax
TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
FOR THE CITY AND COMPONENT UNIT
for the year ended June 30, 2011**

	Taxes Uncollected July 1, 2010	Add Levy Extended by Assessor	Add (Deduct) Discounts Interest Cancellations Adjustments	Deduct Interest and Tax Collections	Taxes Uncollected June 30, 2011
2009-10	\$ -	\$ 9,552,665	\$ 224,336	\$ 8,919,320	\$ 409,009
2008-09	386,152	-	10,463	192,635	183,054
2007-08	165,351	-	768	65,388	99,195
2006-07	99,014	-	(5,616)	53,121	51,509
2005-06	27,388	-	1,410	13,967	12,011
Prior years	21,216	-	994	1,286	18,936
	<u>\$ 699,121</u>	<u>\$ 9,552,665</u>	<u>\$ 232,355</u>	<u>\$ 9,245,823</u>	<u>\$ 773,714</u>

Taxes receivable and tax collections classified by fund:	Collections to June 30, 2011	Taxes Uncollected June 30, 2011
Primary government:		
General Fund	\$ 4,629,804	\$ 357,266
Debt Service Fund	405,655	33,582
Enterprise Funds:		
Water Fund	44	-
Component unit:		
Parks and Recreation:		
Parks and Recreation Fund	4,192,179	337,809
Ashland Youth Activities Serial Levy Fund	18,141	45,056
	<u>\$ 9,245,823</u>	<u>\$ 773,714</u>

**CITY OF ASHLAND AND
ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON
Schedule of Property Tax
TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
FOR THE CITY AND COMPONENT UNIT
for the year ended June 30, 2011**

Reconciliation of tax collections by fund to tax revenues on the generally accepted accounting principles basis:

	<u>Collections</u>	<u>Other Taxes</u>	<u>Tax Revenues GAAP Basis</u>
Primary government:			
General Fund	\$ 4,629,804	\$ 7,491,611	\$ 12,121,415
Special Revenue Funds:			
Street Fund	-	52,848	52,848
Debt Service Funds:			
Debt Service Fund	405,655	-	405,655
Capital Projects Fund:			
Capital Improvement Fund	-	398,224	398,224
Enterprise Funds:			
Water Fund	44	-	44
Wastewater Fund	-	1,592,897	1,592,897
Component unit:			
Parks and Recreation:			
Parks and Recreation Fund	4,192,179	-	4,192,179
Special Revenue Fund:			
Ashland Youth Activities Serial Levy Fund	18,141	-	18,141
	<u>\$ 9,245,823</u>	<u>\$ 9,535,580</u>	<u>\$ 18,781,403</u>



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

STATISTICAL SECTION

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ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
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.

Financial Trends	Page
These tables contain trend information that may assist the reader in assessing the Commission's current financial performance by placing it in historical perspective.	44-53
Revenue Capacity	
These tables contain information that may assist the reader is assessing the viability of the revenue sources.	54-58
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.	59
Economic and 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.	60-61
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.	62-68

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
ASHLAND, OREGON
Statement of Net Assets
at June 30,

	2011	2010	2009	2008
ASSETS:				
Cash and cash equivalents	\$ 2,855,465	\$ 2,210,964	\$ 1,824,579	\$ 1,796,482
Receivables:				
Interest	-	-	-	-
Accounts	24,666	89,798	7,244	83,579
Taxes	382,865	369,389	368,142	386,156
Capital assets, net of accumulated depreciation	9,114,880	9,388,309	9,799,880	9,909,134
Total assets	12,377,876	12,058,460	11,999,845	12,175,351
LIABILITIES:				
Accounts payable	163,169	177,249	200,522	200,865
Payroll liabilities	92,725	91,657	89,530	92,064
Vacation payable	-	-	-	-
Noncurrent liabilities:				
Due within one year	22,062	27,076	27,898	23,410
Due in more than one year	66,185	81,228	83,694	70,229
Total liabilities	344,141	377,210	401,644	386,568
NET ASSETS:				
Invested in capital assets, net of related debt	9,114,880	9,388,309	9,799,880	9,909,134
Restricted for: Ashland Youth Activity Levy	9,898	-	-	-
Unassigned	2,908,957	2,292,941	1,798,320	1,879,647
Total net assets	\$ 12,033,735	\$ 11,681,250	\$ 11,598,200	\$ 11,788,781

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Statement of Net Assets
at June 30,
(continued)

2007	2006	2005	2004	2003
\$ 1,409,665	\$ 1,874,507	\$ 2,066,200	\$ 2,092,630	\$ 2,064,911
-	4,234	4,234	972	3,314
260,327	76,656	94,281	123,807	7,500
381,549	408,391	349,604	425,926	464,084
9,259,967	9,456,082	9,571,154	9,589,054	9,198,423
11,311,508	11,819,870	12,085,473	12,232,389	11,738,232
208,891	197,466	157,102	222,640	225,020
54,893	97,444	85,583	68,370	62,899
-	-	81,820	64,574	69,993
21,259	22,995	512	15,192	16,736
63,778	68,984	-	2,813	20,150
348,821	386,889	325,017	373,589	394,798
9,259,967	9,456,082	9,570,642	9,571,049	9,173,800
-	-	-	-	-
1,702,720	1,976,899	2,189,814	2,287,751	2,169,634
<u>\$ 10,962,687</u>	<u>\$ 11,432,981</u>	<u>\$ 11,760,456</u>	<u>\$ 11,858,800</u>	<u>\$ 11,343,434</u>

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Change in Net Assets
at June 30,

	2011	2010	2009	2008
REVENUES:				
Program revenues:				
Charges for services	\$ 1,101,358	\$ 1,010,118	\$ 1,019,780	\$ 890,905
Operating grants and contributions	21,140	9,983	-	733,847
General revenues:				
Property taxes	4,210,320	4,082,522	3,970,602	6,434,459
Interest	16,096	23,515	22,455	104,150
Other	47,888	21,785	256,122	137,340
Total revenues	5,396,802	5,147,923	5,268,959	8,300,701
EXPENSES:				
Parks	3,557,166	3,452,280	3,884,152	3,600,415
Recreation	1,141,094	1,135,400	1,151,793	3,472,763
Golf course	346,057	477,193	423,595	401,429
Debt service	-	-	-	-
Total expenses	5,044,317	5,064,873	5,459,540	7,474,607
Increase (Decrease) in net assets	352,485	83,050	(190,581)	826,094
Net assets - beginning	11,681,250	11,598,200	11,788,781	10,962,687
Prior Infrastructure	-	-	-	-
Net assets - ending	<u>\$ 12,033,735</u>	<u>\$ 11,681,250</u>	<u>\$ 11,598,200</u>	<u>\$ 11,788,781</u>

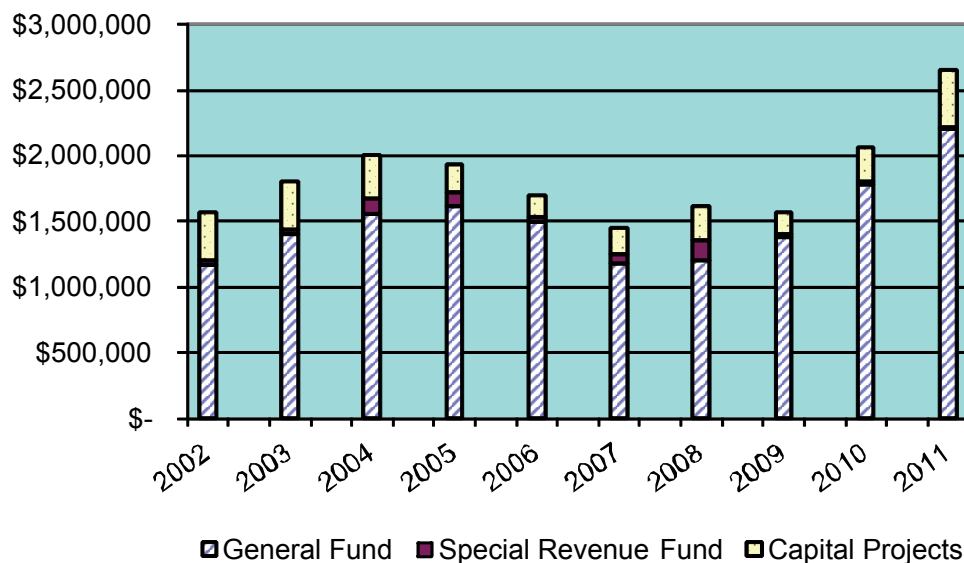
ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Change in Net Assets
at June 30,
 (continued)

2007	2006	2005	2004	2003
\$ 888,857	\$ 957,870	\$ 967,613	\$ 812,020	\$ 666,782
19,796	33,536	29,559	17,382	31,203
5,826,859	5,734,513	5,285,297	5,135,720	4,817,730
107,140	73,410	54,424	29,383	35,640
-	-	118,364	144,331	355,563
6,842,652	6,799,329	6,455,257	6,138,836	5,906,918
3,624,837	3,484,095	3,685,972	3,287,600	3,104,796
3,312,781	3,240,475	2,491,094	2,228,909	2,159,601
375,328	390,461	375,323	375,640	332,042
-	11,773	1,212	21,738	5,223
7,312,946	7,126,804	6,553,601	5,913,887	5,601,662
(470,294)	(327,475)	(98,344)	224,949	305,256
11,432,981	11,760,456	11,858,800	11,343,434	11,038,178
-	-	-	290,417	-
<u>\$ 10,962,687</u>	<u>\$ 11,432,981</u>	<u>\$ 11,760,456</u>	<u>\$ 11,858,800</u>	<u>\$ 11,343,434</u>

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Fund Balances
for June 30,**

	2011	2010	2009	2008
General Fund				
Unassigned, reported in:				
General fund	\$ 2,214,031	\$ 1,787,781	\$ 1,379,752	\$ 1,201,443
Total general fund	<u>2,214,031</u>	<u>1,787,781</u>	<u>1,379,752</u>	<u>1,201,443</u>
Special Revenue Fund				
Restricted, reported in:				
Special revenue funds	9,898	22,534	27,356	160,591
Total special revenue	<u>9,898</u>	<u>22,534</u>	<u>27,356</u>	<u>160,591</u>
Capital Projects				
Committed, reported in:				
Capital projects funds	432,867	252,864	166,991	263,343
Total capital projects	<u>432,867</u>	<u>252,864</u>	<u>166,991</u>	<u>263,343</u>
Total governmental funds	<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>

Fund Balance Comparison
Governmental Funds
Last Ten Years



ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Fund Balances
for June 30,
 (continued)

2007	2006	2005	2004	2003	2002
\$ 1,180,912	\$ 1,507,367	\$ 1,621,679	\$ 1,558,332	\$ 1,403,171	\$ 1,168,934
<u>1,180,912</u>	<u>1,507,367</u>	<u>1,621,679</u>	<u>1,558,332</u>	<u>1,403,171</u>	<u>1,168,934</u>
72,671	35,374	103,733	122,588	36,403	36,341
<u>72,671</u>	<u>35,374</u>	<u>103,733</u>	<u>122,588</u>	<u>36,403</u>	<u>36,341</u>
195,390	165,326	207,375	330,331	367,733	280,337
<u>195,390</u>	<u>165,326</u>	<u>207,375</u>	<u>330,331</u>	<u>367,733</u>	<u>280,337</u>
<u>\$ 1,448,973</u>	<u>\$ 1,708,067</u>	<u>\$ 1,932,787</u>	<u>\$ 2,011,251</u>	<u>\$ 1,807,307</u>	<u>\$ 1,485,612</u>

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Statement of Revenues, Expenditures
and Changes in Fund Balance - Governmental Funds
for the year ended June 30,

	2011	2010	2009	2008
REVENUES:				
Property Taxes:	\$ 4,210,320	\$ 4,082,522	\$ 3,982,698	\$ 6,425,334
Intergovernmental Revenues	21,140	9,983	-	79,026
Charges for Services	1,101,358	1,010,118	1,019,781	811,879
Interest Revenue	16,096	23,515	22,455	104,150
Miscellaneous Revenue	47,888	21,785	256,122	137,340
Total Revenues	5,396,802	5,147,923	5,281,056	7,557,729
EXPENDITURES:				
Current:				
Parks	3,277,305	3,121,588	3,487,474	3,460,324
Recreation	1,080,917	1,081,399	1,315,635	3,426,125
Golf course	281,834	437,285	370,199	361,825
Capital Outlay	163,129	18,571	159,026	133,051
Debt Service	-	-	-	-
Ratio of Debt Service to non capital expenditures	0.00%	0.00%	0.00%	0.00%
Total Expenditures	4,803,185	4,658,843	5,332,334	7,381,325
Excess of Revenues, Over (Under) Expenditures	593,617	489,080	(51,278)	176,404
Other Financing Sources (Uses)				
Transfers In	-	-	-	110,000
Transfers Out	-	-	-	(110,000)
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balance	593,617	489,080	(51,278)	176,404
Fund Balance - Beginning of Year	2,063,179	1,574,099	1,625,377	1,448,973
Prior Period Adjustment	-	-	-	-
Fund Balance - End of Year	\$ 2,656,796	\$ 2,063,179	\$ 1,574,099	\$ 1,625,377

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Statement of Revenues, Expenditures
and Changes in Fund Balance - Governmental Funds
for the year ended June 30,
(continued)

2007	2006	2005	2004	2003	2002
\$ 5,848,886	\$ 5,683,452	\$ 5,320,346	\$ 5,207,567	\$ 4,800,223	\$ 4,487,578
118,097	128,536	94,310	101,297	123,203	249,397
747,933	814,550	875,613	859,876	666,782	566,803
107,140	73,410	54,424	29,380	35,640	46,733
42,623	48,320	70,581	32,360	355,563	58,946
6,864,679	6,748,268	6,415,274	6,230,480	5,981,411	5,409,457
3,454,492	3,202,140	3,408,058	3,022,863	3,023,828	2,656,383
3,156,750	3,195,195	2,454,099	2,180,325	2,112,565	2,081,010
357,650	348,104	340,716	327,763	304,165	325,230
154,881	273,460	242,130	503,847	197,977	91,106
-	12,285	18,735	21,738	21,181	21,550
0.00%	0.18%	0.30%	0.39%	0.39%	0.43%
7,123,773	7,031,184	6,463,738	6,056,536	5,659,716	5,175,279
(259,094)	(282,916)	(48,464)	173,944	321,695	234,178
80,000	125,000	50,000	70,000	70,000	70,000
(80,000)	(125,000)	(50,000)	(70,000)	(70,000)	(120,000)
-	-	-	-	-	(50,000)
(259,094)	(282,916)	(48,464)	173,944	321,695	184,178
1,708,067	1,932,787	1,981,251	1,807,307	1,485,612	1,301,434
-	(58,196)	-	-	-	-
\$ 1,448,973	\$ 1,708,067	\$ 1,932,787	\$ 1,981,251	\$ 1,807,307	\$ 1,485,612

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Adopted and Actual
Fund Balance**

For the fiscal year ended June 30,

Fund Balances	2011 Adopted	2010 Adopted	2009 Adopted	2008 Adopted
Parks Component				
Parks and Recreation Fund	\$ 1,409,225	\$ 1,450,910	\$ 1,190,614	\$ 877,245
Ashland Youth Activities Levy Fund	-	10,591	-	216,893
Parks Capital Improvements Fund	167,739	287,239	107,590	26,926
Total budget	\$ 1,576,964	\$ 1,748,740	\$ 1,298,204	\$ 1,121,064

Fund Balances	2011 Actual	2010 Actual	2009 Actual	2008 Actual
Parks Component				
Parks and Recreation Fund	\$ 2,214,031	\$ 1,787,781	\$ 1,379,752	\$ 1,201,443
Ashland Youth Activities Levy Fund	9,898	22,534	27,356	160,591
Parks Capital Improvements Fund	432,867	252,864	166,991	263,343
Total budget	\$ 2,656,796	\$ 2,063,179	\$ 1,574,099	\$ 1,625,377

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Adopted and Actual
Fund Balance
(continued)

2007 Adopted	2006 Adopted	2005 Adopted	2004 Adopted	2003 Adopted	2002 Adopted
\$ 667,250	\$ 993,667	\$ 965,822	\$ 815,000	\$ 782,294	\$ 805,300
-	125,306	2,166	2,000	9,000	9,000
44,866	112,569	169,965	234,000	185,000	148,000
\$ 712,116	\$ 1,231,542	\$ 1,137,953	\$ 1,051,000	\$ 976,294	\$ 962,300

2007 Actual	2006 Actual	2005 Actual	2004 Actual	2003 Actual	2002 Actual
\$ 1,180,912	\$ 1,507,367	\$ 1,621,679	\$ 1,558,332	\$ 1,403,171	\$ 1,168,934
72,671	35,374	103,733	122,588	36,403	36,341
195,390	165,326	207,375	300,331	367,733	280,337
\$ 1,448,973	\$ 1,708,067	\$ 1,932,787	\$ 1,981,251	\$ 1,807,307	\$ 1,485,612

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Assessed and Estimated
Actual Value of Taxable Property
(unaudited)**

Fiscal Year	Real	Mobile Home	Personal (1)	Utilities	Total	Property Tax Rate	Taxable ratio (True Cash Value to Assessed)
2010-11	\$ 2,000,563,826	\$ 5,956,110	\$ 41,057,580	\$ 24,422,710	\$ 2,072,000,226	\$4.61	61.0%
2009-10	1,937,303,620	5,881,825	40,133,110	24,860,300	2,008,178,855	4.59	53.0%
2008-09	1,871,896,544	5,744,350	44,282,840	21,243,990	1,943,167,724	4.42	48.4%
2007-08	1,802,639,910	5,762,080	44,536,050	22,372,000	1,875,310,040	5.73	46.9%
2006-07	1,700,020,579	5,498,040	40,468,280	20,509,400	1,766,496,299	5.56	46.6%
2005-06	1,610,148,502	5,301,570	38,820,610	20,344,260	1,674,614,942	5.25	51.3%
2004-05	1,524,210,039	5,108,410	38,419,400	27,532,841	1,595,270,690	5.26	65.1%
2003-04	1,446,150,336	5,400,552	37,453,000	22,831,681	1,511,835,569	5.34	61.1%
2002-03	1,360,297,002	5,147,040	34,209,260	24,241,450	1,423,894,752	5.36	61.1%
2001-02	1,272,205,820	4,983,960	32,044,090	23,806,860	1,333,040,730	5.38	68.6%

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

(1) Includes non-profit housing

Source: Jackson County Assessor tax roll property values

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
(unaudited)

Fiscal Year	Parks Commission	Jackson County Vector Control	Jackson County (1)	Rogue Valley Transit District	Net General Government Tax Rate	Jackson County Education Service District	School District 5	RCC (2)	Net School Support Tax Rate	Total
2010-11	\$ 4.60	\$ 0.04	\$ 2.33	\$ 0.18	\$ 7.15	\$ -	\$ 7.14	-	\$ 7.14	\$ 14.29
2009-10	4.59	0.04	2.37	0.17	7.17	-	7.14	-	7.14	14.31
2008-09	4.29	0.04	2.27	0.17	6.90	0.34	7.47	0.61	8.42	15.31
2007-08	5.73	0.04	2.18	0.17	8.12	0.34	5.94	0.62	6.90	15.02
2006-07	5.56	0.04	2.52	0.17	8.30	0.34	5.41	0.62	6.37	14.67
2005-06	5.25	0.04	2.55	0.17	8.01	0.34	5.31	0.62	6.28	14.28
2004-05	5.26	0.04	2.75	0.17	8.22	0.34	5.44	0.50	6.28	14.50
2003-04	5.34	0.04	2.79	0.17	8.34	0.34	5.49	0.50	6.33	14.67
2002-03	5.36	0.04	2.70	0.17	8.10	0.34	5.53	0.50	6.37	14.47
2001-02	5.38	0.04	2.66	0.18	8.08	0.86	5.83		6.69	14.77

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

(2) Rouge Community College

Source: Jackson County Assessor/Tax Collector

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Property Value and New Construction History
for the City of Ashland, Oregon
(unaudited)

Fiscal Year Ended June 30	Property Value (1)	Commercial Construction		Residential Construction	
		Number of Units	Value	Number of Units	Value
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
2006-07	1,766,496,299	26	8,086,124	98	15,270,781
2005-06	1,674,614,942	19	20,988,810	160	24,336,944
2004-05	1,595,270,690	42	18,426,846	188	35,576,749
2003-04	1,511,835,569	30	10,137,442	154	35,764,484
2002-03	1,423,894,752	17	9,077,761	152	25,170,310
2001-02	1,333,040,730	17	13,702,661	106	11,464,493

(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
ASHLAND, OREGON
Principal Property Tax Payers
Current Year and Ten Years Ago**

Taxpayers	Type of Business	2011 Assessed Valuation	Percentage of Total Assessed Valuation
Ronald L. Deluca	Housing	\$ 9,816,140	0.47%
Qwest Corporation	Utility	8,413,100	0.41%
Ashland Community Hospital	Hospital	8,010,680	0.39%
Avista Corporation	Utility	7,355,000	0.35%
Pacific Financial, Inc.	Financial	6,222,260	0.30%
Windmill Inns of America, Inc.	Motels	5,174,385	0.25%
Michael D. and Beverly Rydbom	Retail	5,166,930	0.25%
Skylark Assisted Living	Assisted Care	5,078,730	0.25%
Bard's Inn	Housing	4,861,820	0.23%
Summit Investment	Retail	4,816,300	0.23%
All other		2,007,084,881	96.87%
Total		<u>\$ 2,072,000,226</u>	<u>100.00%</u>

Taxpayers	Type of Business	2002 Assessed Valuation	Percentage of Total Assessed Valuation
US West Communications Inc.	Utility	\$ 12,827,370	0.96%
Windmill Inns of America, Inc.	Motels	9,282,710	0.70%
Ronald L. Deluca	Housing	7,027,990	0.53%
Summit Investment	Retail	3,521,860	0.26%
Avista Corp. DBA Washington Water Power Co.	Utility	6,484,100	0.49%
Warren Family Partnership	Motels	6,366,460	0.48%
Pacific Financial, Inc.	Housing	4,725,860	0.35%
Skylark Assisted Living	Housing	3,901,450	0.29%
Michael and Beverly Rydbom	Retail	3,650,260	0.27%
Charles L. Jr. and Linda S. Butler	Retail	2,580,430	0.19%
All other		\$ 1,272,672,240	95.47%
Total		<u>\$ 1,333,040,730</u>	<u>100.00%</u>

Source: Jackson County Assessor

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Property Tax Levies and Collections
(unaudited)**

Fiscal Year Ended June 30	Total Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (2)(3)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
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%
2006-07	6,116,000	5,655,058	92.5%	202,943	5,858,001	95.8%	381,549	6.2%
2005-06	5,825,000	5,113,995	87.8%	569,457	5,683,451	97.6%	408,392	7.0%
2004-05	5,542,457	5,122,235	92.4%	198,111	5,320,346	96.0%	371,735	6.7%
2003-04	5,286,831	4,978,807	94.2%	228,760	5,207,567	98.5%	425,925	8.1%
2002-03	5,018,000	4,590,566	91.5%	209,657	4,800,223	95.7%	464,084	9.2%
2001-02	4,565,000	4,271,758	93.6%	215,820	4,487,578	98.3%	446,578	9.8%

(1) Includes operating levy and youth activities serial levy.

(2) Delinquent taxes collected represent accumulated amounts for the specific fiscal year.

(3) Includes adjustments, rounding and discounts.

Sources:

Basic financial statements.

Ashland Parks and Recreation Commission financial records.

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 2011
(unaudited)

Jurisdiction	Net General Obligation Bonded Debt Outstanding		Percentage Applicable to City	Amount Applicable to Parks
Direct:				
Parks Commission	N/A	(1)	N/A	N/A
Overlapping:				
Jackson County	3,157,448		14.54%	459,093
School District No. 5	29,239,016		79.81%	23,335,659
Rogue Community College	3,053,484	(2)	14.54%	443,977
	<u>\$ 35,449,948</u>			<u>\$ 24,238,728</u>

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

(2) Net tax supported debt

Sources:

City of Ashland financial statements and records.

Jackson County Treasurer statements of bonded indebtedness.

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Principal Employers
Current Year and Ten Years Ago**

2011		
Employer (1)	Employees	Percentage of Total City Employment
Southern Oregon University	776	8.62%
Oregon Shakespeare Festival	500	5.56%
Ashland Community Hospital	380	4.22%
Ashland Public Schools	350	3.89%
City of Ashland	250	2.78%
Total:	2256	25.07%
Estimated Total City Employment: 9000		

(1) Currently, data is collected for top five employers only.

2001		
Employer	Employees	Percentage of Total City Employment
Southern Oregon State College	740	12.33%
Ashland Public Schools	394	6.57%
Ashland Community Hospital	387	6.45%
Oregon Shakespeare Festival	300	5.00%
City of Ashland	200	3.33%
Subtotal:	2021	22.46%
Pathway Enterprises	150	2.50%
Darex Corporation	135	2.25%
Butler Ford	105	1.75%
Linda Vista Care	75	1.25%
Albertson's	71	1.18%
Total:	2452	40.87%
Estimated Total City Employment: 6000		

Source: Ashland Chamber of Commerce

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Demographic Statistics
(unaudited)**

Fiscal Year Ended June 30	Population (1)	Percentage Change	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate Jackson County (2)
2010-11	20095	-6.56%	N/A	3000	11.9%
2009-10	21505	0.09%	N/A	3000	12.1%
2008-09	21485	-1.44%	N/A	3000	13.6%
2007-08	21800	1.73%	N/A	3000	6.7%
2006-07	21430	2.63%	\$21,636	3000	5.6%
2005-06	20880	1.41%	\$22,079	2777	5.7%
2004-05	20590	0.78%	\$19,976	2920	6.2%
2003-04	20430	1.49%	\$19,303	3138	7.3%
2002-03	20130	1.82%	\$16,805	3321	6.8%
2001-02	19770	0.82%	\$16,768	3393	6.6%

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
ASHLAND, OREGON
Commission Employee
BY FUNCTION/PROGRAM
(unaudited)

	2011	2010	2009
Parks Division			
Director	1.00	1.00	1.00
Parks Superintendent	1.00	1.00	1.00
Department Secretary	1.00	1.00	1.00
Lead Custodian	1.00	1.00	1.00
Custodian	1.00	1.00	1.00
Volunteer Coordinator	1.00	-	-
Park Worker	5.00	5.00	8.00
Park Technician I	6.00	5.00	6.00
Park Technician II	6.00	7.00	7.00
Park Technician III	2.00	4.00	5.00
Temps	3.00	3.00	6.70
Recreation Division			
Recreation Superintendent	1.00	1.00	1.00
Recreation Supervisor	-	-	-
CC/Recreation Facilities Manager	-	1.00	1.00
Recreation Coordinator	1.00	1.00	2.00
Environmental Education Coordinator	2.00	2.00	2.00
Promotions Coordinator	1.00	1.00	1.00
Senior Program Director	0.80	0.80	0.80
Senior Center Specialist	0.80	0.80	0.70
Senior Center Info/Ref Specialist	0.35	0.35	0.35
Receptionist	-	-	1.00
Environmental Ed Assistant	2.00	2.00	1.00
Temps	3.70	3.70	-
Golf Division			
Golf Manager	1.00	1.00	-
Greens Superintendent	1.00	1.00	1.00
Park Technician I	1.00	1.00	-
	43.65	45.65	48.55

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Commission Employee
BY FUNCTION/PROGRAM
(unaudited)

2008	2007	2006	2005	2004
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	2.00	2.00	1.00	1.00
-	-	-	-	-
8.00	8.00	8.00	9.00	7.00
6.00	5.00	5.00	5.00	6.00
7.00	8.00	8.00	8.00	8.00
5.00	5.00	5.00	5.00	3.00
6.70	6.70	6.70	6.70	-
1.00	1.00	1.00	1.00	0.00
-	-	-	-	1.00
1.00	1.00	1.00	1.00	1.00
2.00	1.00	1.00	1.00	0.00
2.00	2.00	2.00	1.60	1.60
1.00	-	-	-	-
0.80	0.80	0.80	-	-
0.70	0.70	0.70	-	-
0.35	0.25	0.25	-	-
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.60	0.80
-	-	-	-	-
-	-	-	-	-
1.00	1.00	1.00	1.00	1.00
-	-	-	-	-
49.55	47.45	47.45	45.90	34.40

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Operating Indicators, Capital Assets
and Infrastructure
BY FUNCTION/PROGRAM

	Actual 2011	Actual 2010	Actual 2009	Actual 2008
Forestry, Trails, and Natural Resources				
Acres treated/retreated for fuel reduction	98	63	63	40
Miles of trail maintained	29	25	25	25
Horticulture				
Trees maintained	5,000	5,000	5,000	5,000
Number of trees planted	40	40	40	100
Number of plants planted	15,250	15,250	15,250	15,100
Acres mowed- athletic area	46	46	46	46
Parks and Recreation Community Facilities				
Community Center rentals	38%	37%	290	300
Pioneer Hall rentals	22.50%	20%	270	297
Hunter Park rentals	21%	21%	88	70
Lithia Park reservations	3%	7%	108	109
The Grove rentals	10.50%	7.50%	31	50
	(percentage of available rental hours rented)			
Aquatic Facilities				
Recreational swimmers	10,000 (est)	10,500	10,500	11,000
Lesson participants	286	475	475	500
Accidents per season	-	-	-	-
Number of seasonal employees	17	19	19	14
Ice Rink Facilities				
Number of admissions	14,500	14,850	1500*	11,500
Accidents per season	-	-	-	-
Number of seasonal employees	10	10	6	9
Golf Division				
Total rounds of golf	16,820	18,093	12209**	17,159

* Rink was open for one month (February 15 - March 15) due to construction of the new ice rink.

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

ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Operating Indicators, Capital Assets
and Infrastructure
BY FUNCTION/PROGRAM

Actual 2007	Actual 2006	Actual 2005	Actual 2004	Actual 2003	Actual 2002
45	45	45	40	33.5	33.5
25	25	20	10	10	10
5,000	5,000	5,000	5,000	5,000	5,000
60	50	100	100	100	100
15,000	15,000	15,000	15,000	15,000	15,000
46	46	46	44	44	44
267	139	97	135	NA	NA
229	110	113	113	NA	NA
60	20	17	24	NA	NA
104	104	101	NA	NA	NA
35	20	41	NA	NA	NA
12,100	12,200	12,150	13,222	11,392	19,907
603	576	642	554	740	775
-	-	-	-	2	1
17	17	17	17	14	16
12,400	12,299	12,500	12,299	12,389	15,685
1	-	-	-	1	4
10	10	10	8	6	6
19,623	20,964	20,253	18,392	22,757	22,375

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
Miscellaneous Statistics
June 30, 2011**

Dedicated Park Land	640 Acres
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Dedicated Park Sites:	19
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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	29 Miles

Number of Parks and Recreation Employees:	36.95
(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
ASHLAND, OREGON
General Government Expenditures
BY FUNCTION (1)
(unaudited)**

Fiscal Year Ended June 30	Parks and Recreation	Capital Outlay	Debt Service	Total Expenditures
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
2006-07	6,968,892	154,881	-	7,123,773
2005-06	6,870,437	273,460	12,285	7,156,183
2004-05	6,202,873	242,130	18,735	6,463,738
2003-04	5,801,792	233,006	21,738	6,056,536
2002-03	5,440,558	197,977	21,181	5,659,716
2001-02	5,062,623	91,106	21,550	5,175,279

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

Sources:

Basic financial statements
Ashland Parks and Recreation Commission financial records

**ASHLAND PARKS AND RECREATION COMMISSION
ASHLAND, OREGON
General Government Revenues
BY SOURCE (1)
(unaudited)**

Fiscal Year Ended June 30	Property Taxes	Intergovernmental	Charges for Services	Interest	Miscellaneous	Total Revenues
2010-11	\$ 4,210,320	\$ 21,140	\$ 1,101,358	\$ 16,096	\$ 47,888	\$ 5,396,802
2009-10	4,082,522	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	811,879	104,150	137,340	7,557,729
2006-07	5,848,886	118,097	747,933	107,140	42,623	6,864,679
2005-06	5,683,451	128,536	909,550	73,410	48,320	6,843,267
2004-05	5,342,477	94,310	875,613	54,424	27,248	6,394,072
2003-04	5,207,567	101,297	859,876	29,380	32,360	6,230,480
2002-03	4,800,223	123,203	666,782	35,640	355,563	5,981,411
2001-02	4,487,578	249,397	566,803	46,733	58,946	5,409,457

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

Sources:

Basic financial statements

Ashland Parks and Recreation Commission financial records

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

2010-11 AUDITORS' COMMENTS AND DISCLOSURES





PAULY, ROGERS AND CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 S.W. 72nd Avenue • Tigard, Oregon 97223
 - PHONE (503) 620-2632 • FAX (503) 684-7523

September 15, 2011

2010-2011 AUDITORS' COMMENTS AND DISCLOSURES

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the Ashland Parks and Recreation Commission as of and for the year ended June 30, 2011, and have issued our report thereon dated September 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Ashland Parks and Recreation Commission'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, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, 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**
- **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 Ashland Parks and Recreation Commission 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 Ashland Parks and Recreation Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ashland Parks and Recreation Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ashland Parks and Recreation Commission's internal control over financial reporting.

2011 auditors' comments and disclosures

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated September 15, 2011.

This report is intended solely for the information and use of the board of directors/council members/audit committee members and management of Ashland Parks and Recreation Commission 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 that reads "Pauly, Rogers and Co., P.C." in a cursive, flowing script.

PAULY, ROGERS AND CO., P.C.