

# **CITY OF ASHLAND**



**STATE OF OREGON**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT** for the year ended June 30, 2015

Prepared by the Administrative Services Department  
Lee Tuneberg, Administrative Services and Finance Director



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## **INTRODUCTORY SECTION**

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November 16, 2015

RE: City of Ashland Comprehensive Annual Financial Report

To the Citizens of the City of Ashland:

We are pleased to submit the Comprehensive Annual Financial Report of the City of Ashland for the fiscal year ended June 30, 2015, as mandated by state statutes. These statutes require that the City of Ashland issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants licensed by the State of Oregon to conduct municipal audits. This report must be published within six months of the end of each fiscal year. Management holds responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial position and the results of operations of the various funds and component unit of the City of Ashland. All disclosures necessary to enable the reader to gain an understanding of the City of Ashland's activities have been included.

Based upon their audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion and that the City's financial statements for the year ended June 30, 2015, are presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report. It is followed by a Management Discussion and Analysis report on pages 26 through 31. The reader is encouraged to review these pages for a better understanding of the City, its financial condition, and its activities for the year.

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

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

## **GOVERNMENTAL STRUCTURE, ECONOMIC CONDITIONS AND OUTLOOK**

The City, incorporated in 1874, is located in the southwest part of the state and currently has a land area of 6.52 square miles with a population of 20,340. The government has all powers necessary or convenient for the conduct of its municipal affairs, including the power to levy a property tax on both real and personal property located within its boundaries. The City also has the power, by state statute, to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City operates under the council-administrator form of government. Policymaking and legislative authority are vested in the Mayor and City Council. The governing Mayor and Council are responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Administrator and the City Attorney. The City Council consists of a mayor and six-member council. The Mayor, who presides at the council meetings, is elected at-large for a four-year term. Six council members are elected at-large for four-year staggered terms with three council members elected every two years. Other elected offi-

## **2015 introductory section**

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cials are the City Recorder/Treasurer, Municipal Judge, and the five-member Parks and Recreation Commission.

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

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

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

According to the 2008-2012 American Communities Survey, Ashland has an employed work force of approximately 10,211 with an average annual pay of \$33,143 and representing over 10.3 percent of Jackson County's labor force. A return of some parts of the economy is appearing with early reports on better ticket sales, local tax revenues and university enrollments. Examples are the Transient Occupancy Tax and Food and Beverage Tax revenues (for all business activities as presented in tables in the *Statistical* section). Transient Occupancy Tax revenue increased 17.6 percent while Food & Beverage tax revenue increased 10.0 percent. It is not uncommon to have local taxes, especially those relating to tourism, to "lead" the tax revenues from other tax revenues relating to construction.

In 2014-15, the City issued building permits totaling just under \$32 million in total estimated valuation, an increase of approximately 116% compared to the previous year. Residential home starts and corresponding valuation increased by approximately 30% from the previous year, while the commercial activity increased by nearly 400%.

The Ashland Chamber of Commerce publication, Living and Doing Business Guide 2014 provides a host of current information relevant to the city's economy. Based on data from the Oregon Economic development Department, the guide reports that Ashland's consumer expenditures were over \$941 million in 2014, with nearly \$187 million each for housing and transportation. Additionally, the median price of a home was \$362,000, a nearly 11.4% increase from 2013 and slightly above that of 2004. The guide also noted that over 56 percent of Ashland's residents have a bachelor's or higher degree, contributing to a highly educated workforce and an engaged and knowledgeable citizenry.

Much of this can be attributed to tourism generated by cultural attractions, the largest of which is the Oregon Shakespeare Festival Association (OSFA), a nationally renowned theater company presenting 780 performances over a season from February through October, to an estimated attendance of over 400,000. OSFA employs approximately 435 (85 are actors) and has nearly 500 volunteers. Southern Oregon University reports over 6,100 students, over 750 faculty and administration members and over \$125 million in annual revenue. The Ashland Independent Film Festival, Ski Ashland, local galleries, museums and many more also play key roles in the economic impacts identified above.

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

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**MISSION STATEMENT**

To support a resilient, sustainable community that lives within its means and maintains the distinctive quality of life for which it has become known -- in the face of external change and internal development -- via direct delivery of basic services and leveraged enablement of enhanced services.

<http://www.ashland.or.us/SIB/files/2015%20Strategic%20Planning%20Goals%20110414.pdf>

**City Council Goals  
2015**

**GOVERNMENT**

- 1. *Leverage our regional and state relationships to increase effectiveness in relevant policy areas***
  - 1.1 Maintain coordination and regular communication with State Legislators/county commissioners.
    - 1.1.a. Potential for regular reports to Council from assigned Councilor from Legislative hotline (during legislative session only).
    - 1.1.b. Explore the utilization of other forms of legislative representation (lobbyist, dedicated staff, etc).
    - 1.1.c. Develop a local legislative agenda prior to the session (possibly with Ashland Coalition partners).
  - 1.2. Develop plan for coordination with Jackson County on the following:
    - 1.2.a. County Road Improvements within the City limits
    - 1.2.b. Weed abatement on County land within the UGB.
- 2. *Promote effective citizen communication and engagement***
  - 2.1 Engage community in conversation about core services, desired service levels and funding mechanisms.
  - 2.2 Engage boards and commissions in supporting the strategic plan.
  - 2.3 Evaluate existing communication tools currently in use, such as:
    - 2.3.a Open City Hall
    - 2.3.b Listserve
    - 2.3.c RVTv
    - 2.3.d Newspapers
    - 2.3.e City website
    - 2.3.f Expand and promote those tools that are most effective, meaningful and efficient for the public to use for understanding an issue (fact gathering), enabling participation, providing avenues for input to Council and being made aware of decisions made.
    - 2.3.g Repackage and make more accessible Council Communication documents to assist in informing the public on issues.
    - 2.3.h Explore the use of Town Hall style meetings for Council/public interaction.
    - 2.3.i Explore "City Walk" style outreach program (Council and staff proactive personal engagement in the community).
  - 2.4 Use the Mayor's State of the City (SOC) address to honor, recognize and appreciate community/volunteer involvement.
    - 2.4.a Incorporate Ragland Award activities (and other potential volunteer related activities) with SOC.
- 3. *Support and empower our community partners***
  - 3.1 Look for ways to monitor and support changes at Southern Oregon University.
  - 3.2 Monitor and support Mt. Ashland as a major regional recreational facility.
    - 3.2.a Continue City oversight of the environmental impacts of the ski area as they relate to Ashland.
  - 3.3 Support the non-profit and cultural entities in the community.
  - 3.4 Support RVTd in fulfilling and expanding its mission.

## **2015 introductory section**

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### **ORGANIZATION**

- 4. Evaluate real property and facility assets to strategically support city mission and goals.**
  - 4.1 Identify and evaluate underperforming assets.
  - 4.2 Cultivate external funding opportunities.
  - 4.3 Examine city hall replacement and other facility needs.
  - 4.4 Examine long term use of Imperatrice property.

### **PEOPLE**

- 5. Seek opportunities to enable all citizens to meet basic needs.**
  - 5.1 Examine means and methods by which to improve access to mental health services for Ashland citizens who need them.
  - 5.2 Support and promote, through policy, programs that make the City affordable to live in.
    - 5.2.a. Pursue affordable housing opportunities, especially workforce housing. Identify specific incentives for developers to build more affordable housing.
  - 5.3 Leverage partnerships with non-profit and private entities to build social equity programming.
  - 5.4 Encourage the ongoing effectiveness of the Resource Center.
- 6. Develop supports to enable citizens to age in Ashland.**
  - 6.1 Support and augment existing programs.
  - 6.2 Provide links to local non-profit support organizations on City web site.
  - 6.3 With Parks Commission, explore expansion of the Senior Center and senior services.
- 7. Keep Ashland a family-friendly community.**
  - 7.1 Support educational and enrichment programs in the community.
  - 7.2 Provide City promotion and marketing of family-oriented events.
  - 7.3 Support land-use plans and policies that encourage family-friendly neighborhoods.

### **ENVIRONMENT**

- 8. Protect the integrity and safety of the watershed.**
  - 8.1 Implement and maintain the Ashland Forest Resiliency project.
  - 8.2 Educate and engage the community in watershed stewardship.
    - 8.2.a Declare a “year of the watershed” and coordinate activities around it.
  - 8.3 Maintain current Firewise communities and implement the Fire Adapted Communities model.
  - 8.4 Complete the expansion of the city’s wildfire hazard zone to accurately reflect risk.
  - 8.5 Fund the AFR & AIR programs.
  - 8.6 Continue to engage state and federal representatives on the AFR project.
  - 8.7 Weed abatement on County land within the UGB (exotic species).
- 9. Enhance and expand natural and recreational resources.**
  - 9.1 Work with the local bicycle community on enhancement of recreational opportunities.
  - 9.2 Analyze and expand eco-tourism opportunities.
  - 9.3 Support Mt. Ashland in diversifying eco-friendly recreational opportunities.
  - 9.4 Support the local trails organizations and trail mapping.
  - 9.5 Examine and improve the process for obtaining permits for bicycle and road race events.
- 10. Support local micro-agriculture and food production.**
  - 10.1 Design policies that allow and encourage micro-agriculture.
    - 10.1.a. Encourage the development of community gardens, farmer’s markets, truck gardens and infrastructure.
- 11. Prepare the community for natural and human-made disasters.**
  - 11.1 Address the seismic vulnerability of downtown.
  - 11.2 Develop a comprehensive, at-home disaster preparedness program for all citizens.
- 12. Update the Comprehensive Plan.**
- 13. Develop and support land use and transportation policies to achieve sustainable development.**
  - 13.1 Create incentives and ordinances for energy-efficient buildings.
  - 13.2 Develop infill and compact urban form policies.
  - 13.3 Support alternative transportation choices.
- 14. Encourage and/or develop public spaces that build community and promote interaction.**

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**ECONOMY**

15. ***Seek opportunities to diversify the economy in coordination with the Economic Development Strategy.***
  - 15.1 Support film industry growth.
  - 15.2 Evaluate barriers to business start up and expansion.
16. ***Nurture emerging new technologies.***
  - 16.1 Position ourselves as a location where high-tech businesses want to grow.
  - 16.2 Promote the e-commerce zone.
17. ***Market and further develop the Ashland Fiber Network.***
  - 17.1 Complete and implement the AFN business plan.
18. ***Diversify transportation and shipping options.***
  - 18.1 Strengthen the Ashland municipal airport as an enterprise.
  - 18.2 Develop and encourage alternative transportation options.
19. ***Ensure that commercial and industrial areas are available for development.***
  - 19.1 Examine Croman redevelopment plan.
  - 19.2 Evaluate the prospects for the redevelopment of the railroad property.
  - 19.3 Use existing financial tools to support re-development.
  - 19.4 Create predictable pathways for development of employment land.
20. ***Embrace and plan ahead for emerging social trends that might impact the economy and vitality of the community.***

**ENERGY AND INFRASTRUCTURE**

21. ***Be proactive in using best practices in infrastructure management and modernization.***
  - 21.1 Complete downtown parking management and traffic circulation plan.
  - 21.2 Expand public transportation options.
  - 21.3 Re-examine and review master plans and SDCs on regular basis.
22. ***Prepare for the impact of climate change on the community.***
  - 22.1 Develop and implement a community climate change and energy plan.

**PUBLIC SAFETY**

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

**FINANCIAL INFORMATION**

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

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

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

Tests were made of the government's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. Although this testing was not sufficient to support an opinion on the City's internal control system or its compliance with laws and regulation related to non-major federal financial assistance programs, the audit for the year ended June 30, 2015, disclosed no material internal control weaknesses or material violations of laws and regulations.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the biennium appropriations budget resolution adopted by the



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City Council. All funds are included in the biennium appropriated budget. The biennium 2013-15 budget was prepared on a fund basis with department, program, and line item detail.

Accounting principles generally accepted in the United States of America require that management provide a discussion and analysis to accompany the financial statements. This letter of transmittal compliments management's discussion and analysis, and should be read in conjunction with it. The City's Management's Discussion and Analysis can be found on pages 26-31, immediately following the independent auditors report.

**Significant Impacts.** The City's investment policy objectives are to preserve capital, maintain liquidity and diversification, and to attain a market rate of return throughout budgetary and economic cycles. Investments are valued at fair value, as required by GASBS 31. Changes in the economy and investment market are prompting a review of the City's policy. As of June 30, 2015, the fair market value of the investment in the Local Government Investment Pool was 100 percent of the pool shares, as reported in Oregon Short Term Fund audited financial statements.

The City provides life and health coverage to its employees and their dependants. The City pays 95 percent of premiums for employees, with management and all five bargaining units paying the remaining five percent. Other optional supplemental insurances are available to employees and are paid entirely by the individuals electing to carry them. The rising cost of employee benefits, especially health care and retirement, prompted the City to change providers in FY 2010-2011, to hold costs flat and provide a tracking system to support cost containment options in the future. During 2012-2013 the City laid the foundation to become "self insured" for employee health benefits and that was established beginning July 1, 2013.

An actuarial review of other post employment benefit programs was performed during the year, and the results from the study are incorporated within this report on pages 64 through 67, in the *Notes to Basic Financial Statements* section.

### **OTHER INFORMATION**

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

The education category property taxes were limited to \$15.00 per thousand of real market value (RMV) initially, and have been lowered to \$5.00 per thousand. The local government category is limited to \$10.00 per thousand. The 2013-2014 local net general government tax rate in the City of Ashland, all agencies, was \$6.67, well within the limitation. Voter approved general obligation debt is not subject to the \$10.00 limitation.

In November 1996, the citizens of the State of Oregon approved another property tax limitation, commonly referred to as Measure 47. Prior to enactment, this measure was repealed and replaced by Measure 50, by special election on May 20, 1997. Measure 50 changed the property tax limitation on levies, rates assessment, and equalization, after the 1996-1997 fiscal year. Measure 50 includes a reduction of property tax to previous levels and a limit on the growth in assessed valuation, which will result in a limit on a tax increase in subsequent years. Specifically, Measure 50 rolled the assessed value of each unit of property for the tax year 1997-98 back to its 1995-96 "real market value" less ten percent. The measure limited increases in assessed value in future years to three percent per year. The measure also establishes a new permanent tax rate for each taxing district. Ashland's permanent rate for the operating levies is set at \$4.2865, although the City chose to levy only \$4.1971 of this amount in fiscal year 2014-2015. The measure also provides for voter approved "Local Option Levies" for levies outside the limits. In May 1997, Ashland voters approved the three-year *Ashland Youth Activities Levy* as a Local Option Levy at a rate of \$0.97. The levy was renewed in May 2000 and again in May 2003, at a maximum rate of \$1.38. The 2003 renewal ended in fiscal year 2008. The City of Ashland is still receiving delinquent payments for Ashland Youth Activity Levy from Jackson County.

A Local Option Levy of \$0.21 was approved by the voters to provide extended library services in Ashland

**2015 introductory section**

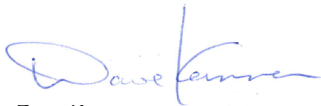
beginning in FY 2007-2008. It was levied in FY 2008-2009 at \$0.13, and in FY 2009-2010 through FY 2011-2013 at \$0.1921 per \$1,000 of valuation. The levy was renewed on the November 2012 ballot for another four years at \$0.21 per \$1,000. The City levied only \$0.1921 for library service in 2013-2014 and levied no amount in FY 2014-2015.

**Awards.** The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for fiscal year ended June 30, 2014. This was the twenty sixth year the City had submitted its report for review. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we intend to submit it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Ashland received the GFOA's Award for Distinguished Budget Presentation for its biennial 2013-2015 budget. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including policy documentation, as an operational guide, as a financial plan, and as a communication device.

**Acknowledgments.** The timely preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the City of Ashland Administrative Services/Finance Department, all other departments and the Ashland Parks and Recreation Commission staff. Each member has our sincere appreciation for the contribution made, with special thanks to the Accounting Division and Finance Administration staff for their dedicated efforts in maintaining the accounting systems, audit preparation and report writing.

Sincerely,



Dave Kanner  
City Administrator



Lee Tuneberg  
Administrative Services/Finance Director

**2015 introductory section**



November 16, 2015

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

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

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

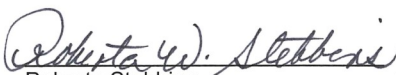
At the conclusion of the annual audit, the Commission meets with the City's auditor to discuss the results of their audit and their evaluation of the City and Parks financial reporting. The Commission also discusses the financial accounting and reporting processes with the City's auditor, including the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

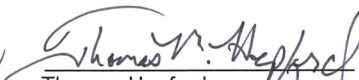
After receiving the annual reports and related documentation from the auditor and staff, evaluating the information, and considering the potential for changes, the Commission makes recommendations to both elected bodies on acceptance of the respective annual reports and changes deemed appropriate through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

Based upon the above, we accept the 2014-2015 Comprehensive Annual Financial Report (CAFR) and the related audit reports of the independent certified public accountants for the City of Ashland and the Ashland Parks and Recreation Commission and recommend that the respective CAFR and auditor's reports be accepted by the Council and the Commission.

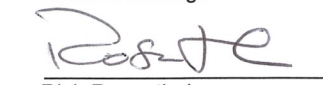
Respectfully submitted,


The Municipal Audit Commission

  
Roberta Stebbins,  
Member at Large

  
Thomas Hepford,  
Member at Large

  
Mary Cody, Budget Liaison  
Representing Budget Committee

  
Rich Rosenthal,  
City Council Liaison/Member

  
Barbara Christensen,  
City Recorder/Treasurer  
Ex-Officio Member

Administrative Services Department  
D.L. Tuneberg, Director  
20 East Main Street  
Ashland, Oregon 97520  
[www.ashland.or.us](http://www.ashland.or.us)

Tel: 541.488.5300  
Fax: 541.552.2059  
TTY: 800.735.2900





Government Finance Officers Association

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

Presented to

**City of Ashland  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO

**2015 introductory section**

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**CITY OF ASHLAND  
ELECTED CITY OFFICIALS  
as of June 30, 2015**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John Stromberg 252 Ridge Road Ashland OR 97520	Mayor	December 2016
Carol Voisin 908 Fox Street Ashland OR 97520	Council Member	December 2016
Michael Morris 720 S. Mountain Avenue Ashland OR 97520	Council Member	December 2018
Greg Lemhouse 2850 Wedgewood Ashland OR 97520	Council Member	December 2016
Stefani Seffinger 488 Taylor Street Ashland OR 97520	Council Member	December 2018
Rich Rosenthal 1228 Rose Lane Ashland OR 97520	Council Member	December 2016
Pam Marsh 696 Siskiyou Blvd Ashland OR 97520	Council Member	December 2018
Barbara Christensen 759 Willow Street Ashland OR 97520	Recorder Treasurer	December 2018
Pam B. Turner PO Box 1299 Ashland OR 97520	Municipal Judge	December 2016

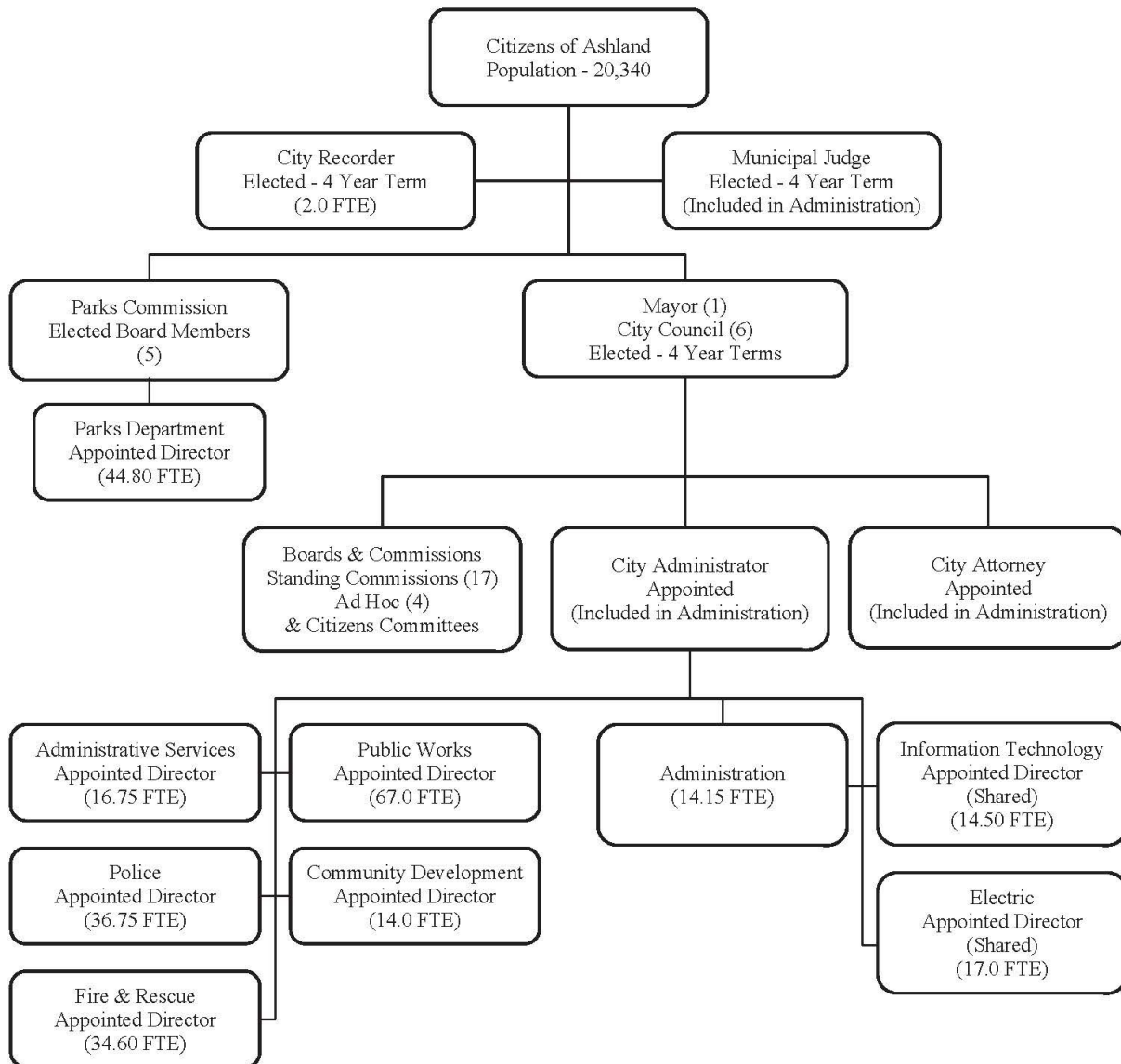
**CITY OF ASHLAND  
APPOINTED CITY OFFICIALS  
as of June 30, 2015**

<u>Name</u>	<u>Position</u>
Dave Kanner PO Box 831 Ashland, OR 97520	City Administrator
Darlow "Lee" Tuneberg 327 Starflower Lane Ashland, OR 97520	Administrative Services/Finance Director/ Acting Assistant City Administrator
David H. Lohman 1327 Reddy Avenue Medford, OR 97504	City Attorney
Mike Faught 3685 Coleman Creek Road Medford, OR 97501	Public Works Director
Mark Holden PO Box 786 Ashland, OR 97520	Information Technology Director/Electric Director
William Molnar 155 Hillcrest Street Ashland, OR 97520	Community Development Director
Tighe O'Meara 1155 East Main Street Ashland, OR 97520	Police Chief
John Karns 440 Wiley Street Ashland, OR 97520	Fire Chief
Michael Black 711 NW Amelia Drive Grants Pass, OR 97526	Parks and Recreation Director

# City of Ashland

## 261.55 FTE

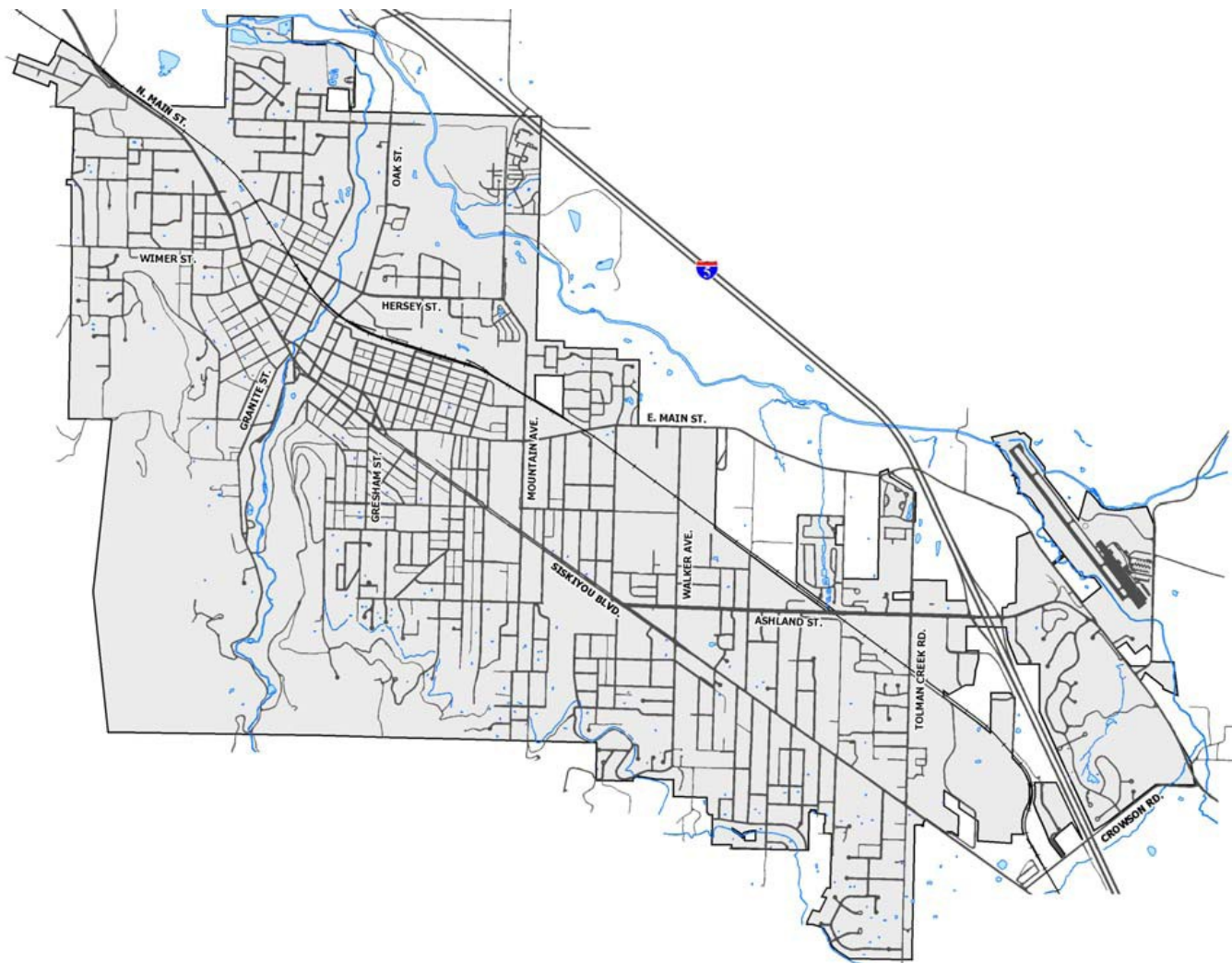
### Adopted July 1, 2015



# CITY OF ASHLAND



Vicinity Map 2015





## **FINANCIAL SECTION**

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**2015 financial section**

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**PAULY, ROGERS AND CO., P.C.**  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
[www.paulyrogersandcocpas.com](http://www.paulyrogersandcocpas.com)

November 2, 2015

To the Mayor and City Council  
City of Ashland

**INDEPENDENT AUDITORS' REPORT**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland, as of June 30, 2015, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

The City adopted the provisions of GASB Statement No. 68, Accounting and Reporting for Pensions, as well as the provisions of GASB Statement No. 71, Pensions Transition for Contributions Made Subsequent to the Measurement Date, for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and



**2015 financial section**

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

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements

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

The introductory, statistical and the other information, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.²

**Reports on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2015 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 2, 2015, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

## **2015 financial section**

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

City of Ashland management offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015, to readers of the financial statements. Certain information has been provided for the Ashland Parks and Recreation Commission (APRC), which qualifies as a blended component unit of the City.

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

#### **Overview of the Report**

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

- Management's Discussion and Analysis. This section of the report provides financial highlights and overviews.
- Basic Financial Statements. Includes Statements of Net Position, Statement of Activities, Fund Financial Statements and the Notes of the Financial Statements. Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.
  - The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference.
  - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self supporting and/or subsidized by general revenues.
  - Fund Financial Statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds".
  - The Notes to Basic Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.
  - Required Supplementary Information contains budgetary comparison statements for the major governmental fund types, presented in a biennium format.
- Supplementary Information. Readers desiring additional information can find it in the Supplementary Information section of this report. Components within this section include:
  - Major Fund Budgetary Schedules
  - Special Revenues Funds (non major)
  - Debt Service Funds (non major)
  - Capital Projects Fund (non major)
  - Enterprise Fund (non major)
  - Internal Service Funds
  - Schedule of Property Tax Transactions
  - Schedule of Receipts, Disbursements and Balances by Elected Officials.
- Statistical Section. This section includes trend information and demographics.
- Audit Comments and Disclosures Required by State Regulations. Supplemental communication on the City's compliance and internal controls as required by Oregon statutes and the Single Audit Act.

### **Financial Highlights**

The City's annual financial report has changed from past reports. This report now includes the implementation of Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial reporting for Pensions. There are noticeable changes throughout the report.

**Net Position.** The City's total net position is \$114,156,532 at June 30, 2015. This is \$3.2 million less than the previous year, equivalent to a 2.7% decrease. The decrease in the total net position is due to the implementation of GASB 68.

**Changes in Net Position.** Overall the City's net position decreased by 2.7%. This is mainly due to the restatement of beginning Net Position because of GASB 68. Please see note H on page 73 for detail restatement.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Percentage Change 2015-2014</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	
Current Assets:							
Cash and cash equivalents	\$ 20,251	\$ 19,535	\$ 10,455	\$ 10,760	\$ 30,706	\$ 30,295	1.4%
Receivables, net	4,172	3,472	2,781	3,493	6,953	6,965	-0.2%
Inventories - supplies and materials	188	73	1,054	1,024	1,242	1,097	13.2%
Deferred charges			289	488	289	488	-40.8%
Internal balances	(1,949)	(1,393)	1,949	1,393	-	-	n/a
Restricted assets:							
Cash and cash equivalents	856	1,150	-	-	856	1,150	-25.6%
Total current assets:	23,518	22,837	16,528	17,158	40,046	39,995	0.1%
Non-current Assets:							
Proportional share of net pension assets	4,350		1,148		5,498		n/a
Capital assets	121,965	120,148	115,347	111,880	237,312	232,028	2.3%
Less accumulated depreciation	(61,946)	(58,029)	(51,317)	(48,811)	(113,263)	(106,840)	6.0%
Total non-current assets	64,369	62,119	65,178	63,069	129,547	125,188	3.5%
Total assets	87,887	84,956	81,706	80,227	169,593	165,183	2.7%
Current Liabilities:							
Accounts payable and accrued liabilities	7,294	7,394	2,603	2,963	9,897	10,357	-4.4%
Total current liabilities	7,294	7,394	2,603	2,963	9,897	10,357	-4.4%
Long-term liabilities:							
Claims payable	16,926	18,360	20,392	19,103	37,318	37,463	-0.4%
Total liabilities	24,220	25,754	22,995	22,066	47,215	47,820	-1.3%
Deferred Inflows of Resources:							
Net deferred pension assets	6,504	-	1,717	-	8,221	-	n/a
Net Position:							
Invested in capital assets	43,215	43,760	43,637	43,966	86,852	87,726	-1.0%
Restricted	5,040	4,936	4,599	4,661	9,639	9,597	0.4%
Unrestricted	8,908	10,506	8,758	9,534	17,666	20,040	-11.8%
Total net position	\$ 57,163	\$ 59,202	\$ 56,994	\$ 58,161	\$ 114,157	\$ 117,363	-2.7%

## 2015 financial section

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015-2014</b>
Program revenues:							
Charges for services	\$ 6,980	\$ 7,107	\$ 27,035	\$ 26,035	\$ 34,015	\$ 33,142	2.6%
Operating grants and contributions	1,090	433	228	268	1,318	701	88.0%
General revenues:							
Property taxes	10,203	10,216	-	-	10,203	10,216	-0.1%
Other taxes	7,155	7,357	2,080	1,892	9,235	9,249	-0.2%
Interest	138	186	55	156	193	342	-43.6%
Other	5,722	4,877	133	723	5,855	5,600	4.6%
Total revenues	31,288	30,176	29,531	29,074	60,819	59,250	2.6%
Program expenses:							
General government	4,010	4,922	-	-	4,010	4,922	-18.5%
Public safety	11,272	14,677	-	-	11,272	14,677	-23.2%
Highways and streets	4,537	5,420	-	-	4,537	5,420	-16.3%
Parks and Recreation	5,453	5,881	-	-	5,453	5,881	-7.3%
Interest on long-term debt	322	435	-	-	322	435	-26.0%
Water	-	-	7,832	6,852	7,832	6,852	14.3%
Wastewater	-	-	5,359	7,475	5,359	7,475	-28.3%
Electric	-	-	13,521	15,826	13,521	15,826	-14.6%
Telecommunications	-	-	1,945	2,241	1,945	2,241	-13.2%
Total expenses	25,594	31,335	28,657	32,394	54,251	63,729	-14.9%
Increase (decrease) in net position before transfers and disposals	5,694	(1,159)	874	(3,320)	6,568	(4,479)	-246.6%
Interfund transfer		(90)	-	-	-	(90)	N/A
Increase (decrease) in net positions	5,694	(1,249)	874	(3,320)	6,568	(4,569)	-243.8%
Net position - Bginning, Restated	51,469	60,451	56,120	61,481	107,589	121,932	-11.8%
Net position - Ending	\$ 57,163	\$ 59,202	\$ 56,994	\$ 58,161	\$ 114,157	\$ 117,363	-2.7%

### Financial Analysis.

- **Governmental Funds.** As of the end of the current year, the City's governmental funds reported a combined ending fund balance of \$15,142,730. An increase from last year of \$1,204,325 or 8.6%. The City's Capital Improvement Fund had the largest increase due to project being post pone.
  - o The General Fund (pg 80) ended the year with revenues higher than expenditures. Revenue of Permits and Licensing saw an increase due to a large building project done by Southern Oregon University. Departments did come under their budgeted appropriations, Administration under spent their budget by \$888,343. Also note that on a GAAP Basis the Reserve Fund must roll into the General Fund at this point.
  - o The Street Fund (pg 81) also has a higher ending fund balance than budgeted. Most of the under spending in this fund is from timing of improvements that were budgeted but were not completed. This fund will struggle as the infrastructure ages and is showing need for replacement.
  - o The Parks and Recreation Fund (pg 82). This fund fell short of anticipated revenue but kept the spending down due to the revenues coming in a little below budget.
  - o The Non-Major funds are staying on target. The most significant change is the Parks and Recreations Commission's Capital Improvements Fund it is down due to all the projects work.
  - o The Reserve Fund was established by Resolution #2010-18. This fund must be rolled into the General Fund on a GAAP basis until a stabilization policy is adopted by Council. This year's ending fund balance decreased due to a interfund loan to the Health Benefits Fund.

**2015 financial section**

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- **Business-type Funds.** The City has four enterprise funds; Water Fund, Wastewater Fund, Electric Fund and Telecommunications Fund.
  - The Water Fund (pg 93) ended the year with approximately a \$1.8 million dollar deficiency of revenues over expenditures. The largest expense was the Talent Ashland Phoenix Pipeline Intertie project (TAP), \$2,392 million in construction cost. Also this fund saw a decrease in water sales due to conservation.
  - The Wastewater Fund (page 94) ended the year with higher revenues than expenditures. This is mainly due to higher Food and Beverage revenues and budgeted projects not completed.
  - Shown on page 95, the Electric Fund ended the year with less revenues than anticipated because budgeted rate increases were not implemented and sales remained flat due to a very mild winter. This fund will struggle to cover costs of purchased power and updated old infrastructure.
  - The Telecommunications Fund (page 96) is seeing a decline in revenues due to completion for similar services that are offered by AFN.
- **Internal Service Funds.** The City has four internal service funds: Central Service, Insurance Services Health Benefits and Equipment Funds.
  - The Central Service Fund tries to keep expenditures to a minimum. The fund ended with a \$30,419 Net change in fund balance, meaning the revenues barely were above expenditures. This is the desired outcome, to keep overhead low for operating department.
  - The Insurance Service Fund ended the year with a positive net change. This year claims were lower than anticipated which helps contribute to a positive net change in fund balance. However, this fund will continue to struggle with post employment benefit costs.
  - Health Benefits Fund ending with a positive net change in fund balance. This was due to an interfund loan from the reserve fund and a transfer from the Insurance fund. This fund will hopefully see lower claims in the coming years to help payback the start up costs.
  - The Equipment Fund continues to stay on track based on future equipment needs.
- **General Fund Budgetary Highlights.** The City's final budget differs from the original budget in that it contains one supplemental appropriation approved during the first fiscal year of the biennium. Below were authorized changes for the General Fund:
  - General Fund – Fire Department: Recognized grant money for three grants in total of \$145,248 for fuels reduction, CERT and Firewise activities.
  - The General Fund ended the Biennium budget with actual revenues above budgeted revenues by 100.1%. This was mainly due to collection of licenses and permits for local construction projects. Largest project from the University.
  - The General Fund expenditures were at 94.1% of budgeted expenditures. The largest savings was due to the Library expense going back to the County. The city did not have expenditures for in the second half of the biennium for enhanced library services.
- **Capital Assets and Debt Administration**
  - **Capital Assets.** As of June 30, 2015, the City had \$124 million in capital assets. In the Governmental Activities, the most notable increase is due to the Ashland Creek Park being completed. In the Business-type Activities, the bulk of the TAP (Talent, Ashland & Phoenix pipeline) project happened during fiscal year 2015, this project is not yet completed.

## 2015 financial section

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2015-2014
Land	\$ 12,466	\$ 12,466	\$ 1,907	\$ 1,881	\$ 14,373	\$ 14,347	0.2%
Buildings and improvements	35,850	35,740	22,089	22,089	57,939	57,829	0.2%
Equipment	17,117	16,653	1,272	1,170	18,389	17,823	3.2%
Infrastructure	54,917	53,669	84,290	83,672	139,207	137,341	1.4%
Construction in progress	1,614	1,619	5,789	3,069	7,403	4,688	57.9%
Totals at historical cost	121,964	120,147	115,347	111,881	237,311	232,028	2.3%
Total accumulated depreciation	61,946	58,028	51,317	48,811	113,263	106,839	6.0%
Net capital assets	<u>\$ 60,018</u>	<u>\$ 62,119</u>	<u>\$ 64,030</u>	<u>\$ 63,070</u>	<u>\$ 124,048</u>	<u>\$ 125,189</u>	-0.9%

- o **Debt Administration.** At end of year, the City has \$37.2 million in debt outstanding. The City did incur new debts of \$3.5 million for new construction projects within the Water Fund and Wastewater Fund. These two new debts are with the state of Oregon at 1% interest. The third debt is with the Medford Water Commission. All other changes to debt were payments reducing the principal outstanding. For more specific data please refer to the notes sections of Capital Assets (section C, starting on page 55) and Long-Term Debt (section E, starting on page 57)

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2015-2014
Bonds payable	\$ 16,325	\$ 17,820	\$ 14,440	\$ 16,054	\$ 30,765	\$ 33,874	-9.18%
Notes payable	479	539	5,952	3,048	6,431	3,587	79.29%
Total bonds and notes	<u>\$ 16,804</u>	<u>\$ 18,359</u>	<u>\$ 20,392</u>	<u>\$ 19,102</u>	<u>\$ 37,196</u>	<u>\$ 37,461</u>	-0.71%

- o **Debt limitation.** Oregon Revised Statutes provide a limit on non-self supporting general obligation debt of 3 percent of the real market value of all taxable property within the City's boundaries. Based on the City's FY 2013-14 real market value, this debt limitation is \$92,162,393. The amount of outstanding City debt subject to this limitation is \$30,764,962.

## Economic Factors and Next Year's Budget and Rates

The City of Ashland has adopted its second Biennium for 2015-2017 budget of \$224,057,972 for total appropriations.

- **Property Taxes.** This budget includes no change in the levy of the city's permanent tax rate. The maximum the city is permitted to levy is approximately \$4.29 per \$1,000 of assessed valuation. This budget levies about \$4.20 per \$1,000, with that entire levy going to the General Fund. The city no longer has a current Local Option Levy for the next two years of the biennium. The operating property taxes, excluding prior year tax collections, are projected to increase by 4% in each year of the biennium.

**2015 financial section**

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- **Enterprise Fund revenues.** This budget assumed a 4.5% rate increase for the Electric Utility effective in the first year of the biennium. The second year, the rate increase is expected to be 4%. This budget is balanced with a 10% increase in both water and wastewater rates. These rate increases have been anticipated to cover the cost of the significant capital improvements called for in the master plans for the enterprises, as well as basic operations and maintenance. Some of the most noteable projects for the Water fund are Water Treatment Plant (\$7,726,600), Crowson II Reservior (\$4,447,000). For the Wastewater fund, Outfall relocation and shading (\$2,094,610) and Bear Creek parallel truckline (\$1,382,920)
- **Other Utilities.** This biennium has a 3% rate increase in both the Transportation Utility Fee and n the Storm Water Utility Fee.

**Financial Contact:**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Administrative Services Department at 20 East Main, Ashland, Oregon, 97520, (541) 488-5300.





## **BASIC FINANCIAL STATEMENTS**

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**2015 basic financial statements**

**CITY OF ASHLAND, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 20,251,175	\$ 10,455,490	\$ 30,706,665
Receivables (net of allowance for uncollectible)	4,171,775	2,780,841	6,952,616
Inventories	187,511	1,054,059	1,241,570
Deferred charges	-	288,672	288,672
Internal balances	(1,949,133)	1,949,133	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	855,545	-	855,545
Proportional Share of Net Pension assets	4,350,234	1,148,384	5,498,618
Capital assets:			
Land	12,466,348	1,906,925	14,373,273
Buildings	35,850,207	22,089,254	57,939,461
Machinery and equipment	17,116,629	1,271,975	18,388,604
Infrastructure	54,917,223	84,289,573	139,206,796
Construction in progress	1,614,351	5,788,805	7,403,156
Accumulated depreciation	(61,946,174)	(51,317,039)	(113,263,213)
<b>Total assets</b>	<b>87,885,691</b>	<b>81,706,072</b>	<b>169,591,763</b>
<b>Liabilities:</b>			
Accounts payable and other current liabilities	7,163,036	2,511,527	9,674,563
Accrued interest payable	130,429	91,720	222,149
Non-current liabilities:			
Claims and judgment - Due within one year	122,107		122,107
Bonds - Due within one year	793,836	1,769,057	2,562,893
Bonds - Due in more than one year	16,009,707	18,623,294	34,633,001
<b>Total liabilities</b>	<b>24,219,115</b>	<b>22,995,598</b>	<b>47,214,713</b>
<b>Deferred Inflows of Resources:</b>			
Net deferred pension assets	6,503,667	1,716,851	8,220,518
<b>Net Position:</b>			
Net investment in capital assets	43,215,041	43,637,142	86,852,183
Restricted for:			
Asset forfeiture	29,678	-	29,678
Transient Occupancy Tax - tourism	99,108	-	99,108
Library levy	56,587		56,587
System development	3,036,906	3,723,378	6,760,284
The Community Development Block Grant restrictior	33,797	-	33,797
Perpetual care: non-expendable	922,667	-	922,667
Debt service	861,561	875,490	1,737,051
Unrestricted	8,907,564	8,757,613	17,665,177
<b>Total Net Position</b>	<b>\$ 57,162,909</b>	<b>\$ 56,993,623</b>	<b>\$ 114,156,532</b>

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

**2015 basic financial statements**

**CITY OF ASHLAND, OREGON  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 4,010,499	\$ 1,777,397	\$ 611,864	\$ -
Public safety	11,271,574	1,805,092	132,061	-
Highways and streets	4,536,755	2,248,027	25,712	-
Parks and recreation	5,452,550	1,149,154	320,539	-
Interest on long-term debt	322,330	-	-	-
<b>Total governmental activities</b>	<b>25,593,708</b>	<b>6,979,670</b>	<b>1,090,176</b>	<b>-</b>
<b>Business-type Activities:</b>				
Water	7,832,250	6,492,338	70,473	-
Wastewater	5,359,115	4,764,825	-	-
Electric	13,521,819	13,817,822	157,698	-
Telecommunications	1,945,375	1,960,462	-	-
<b>Total business-type activities</b>	<b>28,658,559</b>	<b>27,035,447</b>	<b>228,171</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 54,252,267</b>	<b>\$ 34,015,117</b>	<b>\$ 1,318,347</b>	<b>\$ -</b>

General Revenues:  
 Property taxes  
 Utility users tax  
 Users taxes  
 Unrestricted interest earnings  
 Miscellaneous  
 Total general revenues and transfers  
 Change in net position

Net position - beginning, Restated

**Net position - ending**

**2015 basic financial statements**

**CITY OF ASHLAND, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2015 (continued)**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,621,238)	\$ -	\$ (1,621,238)
(9,334,421)	-	(9,334,421)
(2,263,016)	-	(2,263,016)
(3,982,857)	-	(3,982,857)
(322,330)	-	(322,330)
(17,523,862)	-	(17,523,862)
-	(1,269,439)	(1,269,439)
-	(594,290)	(594,290)
-	453,701	453,701
-	15,087	15,087
-	(1,394,941)	(1,394,941)
\$ (17,523,862)	\$ (1,394,941)	\$ (18,918,803)
10,203,218	-	10,203,218
4,607,586	-	4,607,586
2,547,514	2,080,616	4,628,130
137,558	55,019	192,577
5,721,728	132,966	5,854,694
23,217,604	2,268,601	25,486,205
5,693,742	873,660	6,567,402
51,469,167	56,119,963	107,589,130
\$ 57,162,909	\$ 56,993,623	\$ 114,156,532

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

**2015 basic financial statements**

**CITY OF ASHLAND, OREGON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015**

	General	Street	Parks	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
<b>Assets:</b>					
Cash and cash equivalents	\$ 3,692,658	\$ 5,243,557	\$ 750,809	\$ 3,433,952	\$ 13,120,976
Receivables (net of allowance for uncollectibles)	2,243,510	822,469	74,163	910,441	4,050,583
Due from other funds	654,000	-	-	-	654,000
Cash - restricted	-	-	-	855,545	855,545
<b>Total assets</b>	<b>6,590,168</b>	<b>6,066,026</b>	<b>824,972</b>	<b>5,199,938</b>	<b>18,681,104</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	1,099,458	180,035	321,346	143,048	1,743,887
Unearned revenue	335,652	349,956	-	122,938	808,546
Due to other agencies	-	-	-	4,000	4,000
Interfund loans payable	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-
<b>Total liabilities</b>	<b>1,435,110</b>	<b>529,991</b>	<b>321,346</b>	<b>269,986</b>	<b>2,556,433</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - property taxes	688,515	-	-	35,621	724,136
Unavailable revenue - special assessments	-	257,805	-	-	257,805
<b>Total Deferred Inflows of Resources</b>	<b>688,515</b>	<b>257,805</b>	<b>-</b>	<b>35,621</b>	<b>981,941</b>
<b>Fund Balances:</b>					
Restricted for:					
Asset forfeiture	29,678	-	-	-	29,678
Transient Occupancy Tax - tourism	99,108	-	-	-	99,108
Library levy	56,587	-	-	-	56,587
System development charges	-	2,479,609	-	557,297	3,036,906
Community Development Block Grant	-	-	-	33,797	33,797
Perpetual care	-	-	-	922,667	922,667
Debt commitment	-	-	-	861,561	861,561
Committed for:					-
General fund	609,201	-	-	-	609,201
Special revenue funds	-	2,798,621	-	117,516	2,916,137
Parks activites	-	-	503,626	733,966	1,237,592
Capital projects funds	-	-	-	1,667,527	1,667,527
Unassigned	3,671,969	-	-	-	3,671,969
<b>Total fund balances</b>	<b>4,466,543</b>	<b>5,278,230</b>	<b>503,626</b>	<b>4,894,331</b>	<b>15,142,730</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,590,168</b>	<b>\$ 6,066,026</b>	<b>\$ 824,972</b>	<b>\$ 5,199,938</b>	<b>\$ 18,681,104</b>

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

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**CITY OF ASHLAND, OREGON**  
**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO STATEMENT OF NET POSITION**  
**June 30, 2015**

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

Fund Balances	\$ 15,142,730
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The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole.

Net capital assets	56,989,654
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Long-term liabilities	(16,803,543)
Accrued interest on liabilities	(130,429)

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

	(1,576,936)
--	-------------

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

Other Post Employment Benefits implicit liability	(796,596)
Accrued vacation and sick leave	(845,243)

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

Deferred revenue	1,790,488
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Internal Service Funds are used by the City to account for the fleet operations, support services, and administrative and insurance services that are provided to the other departments and agencies on a cost reimbursement basis. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

Internal Service Fund net position	<u>3,392,784</u>
Total net position	<u>\$ 57,162,909</u>

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

**2015 basic financial statements**

**CITY OF ASHLAND, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the year ended June 30, 2015**

	<b>General Fund</b>	<b>Street Fund</b>	<b>Parks Fund</b>	<b>Other Governmental Funds</b>	<b>Total Primary Government</b>
<b>Revenues:</b>					
Taxes	\$ 18,128,150	\$ 57,888	\$ -	\$ 1,024,354	\$ 19,210,392
Fees, licenses and permits	1,205,381	-	-	-	1,205,381
Intergovernmental	670,215	1,181,188	10,589	912,508	2,774,500
Charges for services	1,657,276	2,096,119	5,768,643	2,635,780	12,157,818
System development charges		151,908	-	48,898	200,806
Assessments		67,508	-	-	67,508
Fines and forfeitures	178,455	-	-	-	178,455
Interest on investments	30,712	25,211	3,694	20,218	79,835
Miscellaneous	76,171	123,214	12,551	9,357	221,293
<b>Total revenues</b>	<b>21,946,360</b>	<b>3,703,036</b>	<b>5,795,477</b>	<b>4,651,115</b>	<b>36,095,988</b>
<b>Expenditures:</b>					
General government	8,519,679	-	-	827,171	9,346,850
Public safety	13,328,400	-	-	-	13,328,400
Highways and streets	-	2,762,562	-	-	2,762,562
Parks and Recreation	-	-	5,555,245	1,036,140	6,591,385
Debt service	-	-	-	1,902,924	1,902,924
Capital outlay		399,867		559,675	959,542
<b>Total expenditures</b>	<b>21,848,079</b>	<b>3,162,429</b>	<b>5,555,245</b>	<b>4,325,910</b>	<b>34,891,663</b>
Excess (Deficiency) of revenues over (under) expenditures	98,281	540,607	240,232	325,205	1,204,325
<b>Other financing sources (uses)</b>					
Transfer in	4,610	-	-	551,905	556,515
Transfers out	(192,324)	-	(320,000)	(44,191)	(556,515)
<b>Total other financing sources (uses)</b>	<b>(187,714)</b>	<b>-</b>	<b>(320,000)</b>	<b>507,714</b>	<b>-</b>
Net change in fund balance	(89,433)	540,607	(79,768)	832,919	1,204,325
<b>Fund balance, July 1, 2014</b>	<b>4,555,976</b>	<b>4,737,623</b>	<b>583,394</b>	<b>4,061,412</b>	<b>13,938,405</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 4,466,543</b>	<b>\$ 5,278,230</b>	<b>\$ 503,626</b>	<b>\$ 4,894,331</b>	<b>\$ 15,142,730</b>

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



**2015 basic financial statements**

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**CITY OF ASHLAND, OREGON**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2015**

Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities.

Excess of revenues over expenditures	\$ 1,204,325
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures capitalized	1,511,656
Depreciation expense	(3,308,647)

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

4,085,837

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

Compensated absences	36,663
Other Post Employment Benefits implicit liability	(89,450)
Accrued interest	24,662
General obligation bonds and notes payable	1,555,932

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

Property taxes	70,099
Special assessments	(98,057)
Other	1,681

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

Internal Service Fund change in net position	699,041
Change in net position	<u>\$ 5,693,742</u>

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

**2015 basic financial statements**

**CITY OF ASHLAND, OREGON  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2015**

	Water Fund	Wastewater Fund	Electric Fund	Tele- communications Fund	Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and investments	\$ 4,625,443	\$ 4,312,129	\$ 1,320,012	\$ 197,906	\$ 10,455,490	\$ 7,130,199
Interest and accounts receivable, net	640,657	954,037	910,518	160,929	2,666,141	84,909
Notes and contracts receivable	-	-	114,700	-	114,700	32,283
Interfund receivable	-	-	-	-	-	-
Inventories	361,888	19,365	672,806	-	1,054,059	187,511
Deferred charges	-	-	-	-	-	-
<b>Total current assets</b>	<b>5,627,988</b>	<b>5,285,531</b>	<b>3,018,036</b>	<b>358,835</b>	<b>14,290,390</b>	<b>7,434,902</b>
<b>Non Current Capital assets:</b>	<b>37,584,978</b>	<b>53,044,317</b>	<b>15,192,577</b>	<b>9,524,660</b>	<b>115,346,532</b>	<b>12,087,544</b>
Accumulated depreciation	(16,610,951)	(17,660,174)	(8,064,202)	(8,981,712)	(51,317,039)	(9,058,614)
Capital assets, net	20,974,027	35,384,143	7,128,375	542,948	64,029,493	3,028,930
<b>Non-current assets:</b>						
Net Pension assets	380,632	222,756	420,642	124,354	1,148,384	1,164,604
Deferred costs (net of amortization)	-	-	-	288,672	288,672	-
Total non-current assets	21,354,659	35,606,899	7,549,017	955,974	65,466,549	3,028,930
<b>Total assets</b>	<b>26,982,647</b>	<b>40,892,430</b>	<b>10,567,053</b>	<b>1,314,809</b>	<b>79,756,939</b>	<b>11,628,436</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>						
<b>Current liabilities:</b>						
Accounts payable	365,693	158,755	840,454	36,222	1,401,124	423,467
Accrued salaries, vacation and payroll taxes	276,168	182,806	318,182	92,409	869,565	806,339
Accrued interest payable	26,483	65,159	78	-	91,720	-
Interfund payable	-	-	-	-	-	650,000
Other liabilities	-	-	240,838	-	240,838	2,665,614
Notes/bonds payable, current portion	443,716	1,303,627	21,714	-	1,769,057	-
<b>Total current liabilities</b>	<b>1,112,060</b>	<b>1,710,347</b>	<b>1,421,266</b>	<b>128,631</b>	<b>4,372,304</b>	<b>4,545,420</b>
<b>Long-term liabilities:</b>						
Revenue bonds payable, net	3,955,814	1,759,323	130,286	-	5,845,423	-
General obligation bonds payable, net	3,741,010	9,036,861	-	-	12,777,871	-
Total long-term liabilities	7,696,824	10,796,184	130,286	-	18,623,294	-
<b>Total liabilities</b>	<b>8,808,884</b>	<b>12,506,531</b>	<b>1,551,552</b>	<b>128,631</b>	<b>22,995,598</b>	<b>4,545,420</b>
<b>Deferred Inflows of Resources:</b>						
Net deferred pension assets	569,050	333,024	628,866	185,911	1,716,851	1,741,101
<b>Net Position:</b>						
Net Position (deficit):						
Invested in capital assets, net of related debt	12,833,487	23,284,332	6,976,375	542,948	43,637,142	3,028,930
Restricted for system development	1,943,676	1,779,702	-	-	3,723,378	-
Restricted for debt service	-	875,490	-	-	875,490	-
Unrestricted	2,827,550	2,113,351	1,410,260	457,319	6,808,480	2,312,985
<b>Total Net Position</b>	<b>17,604,713</b>	<b>28,052,875</b>	<b>8,386,635</b>	<b>1,000,267</b>	<b>55,044,490</b>	<b>5,341,915</b>
<b>Total liabilities, Deferred Inflows and Net Position</b>	<b>\$ 26,982,647</b>	<b>\$ 40,892,430</b>	<b>\$ 10,567,053</b>	<b>\$ 1,314,809</b>	<b>\$ 79,756,939</b>	<b>\$ 11,628,436</b>
Total Net Position					\$ 55,044,490	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,949,133	
Net Position of business-type activities					<u>\$ 56,993,623</u>	

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

**2015 basic financial statements**

**CITY OF ASHLAND, OREGON**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the year ended June 30, 2015**

	Water Fund	Wastewater Fund	Electric Fund	Tele- communications Fund	Total	Governmental Activities Internal Service Funds
<b>Operating revenues:</b>						
Charges for services	\$ 6,492,338	\$ 4,764,825	\$ 13,817,822	\$ 1,960,462	\$ 27,035,447	\$ 12,874,611
Miscellaneous	17,420	1,532	113,556	458	132,966	1,005,498
<b>Total operating revenues</b>	<b>6,509,758</b>	<b>4,766,357</b>	<b>13,931,378</b>	<b>1,960,920</b>	<b>27,168,413</b>	<b>13,880,109</b>
<b>Operating expenses:</b>						
Cost of sales and services	6,445,708	3,430,381	12,094,620	1,925,148	23,895,857	12,025,365
Depreciation and amortization	932,327	1,237,537	276,718	66,029	2,512,611	713,257
<b>Total operating expenses</b>	<b>7,378,035</b>	<b>4,667,918</b>	<b>12,371,338</b>	<b>1,991,177</b>	<b>26,408,468</b>	<b>12,738,622</b>
Operating income (loss)	(868,277)	98,439	1,560,040	(30,257)	759,945	1,141,487
<b>Non-operating income (expenses):</b>						
Taxes	28	2,080,588	-	-	2,080,616	79,552
Intergovernmental	70,473	-	157,698	-	228,171	-
Interest income	24,080	22,398	7,541	1,000	55,019	34,081
Gain/(loss) on disposal of assets	(54,071)		(43,504)		(97,575)	272
Tax equivalents	(372,200)	(374,061)	(1,389,526)	-	(2,135,787)	-
Interest expense	(146,544)	(424,510)	(2,025)	-	(573,079)	-
<b>Total non-operating income (expenses)</b>	<b>(478,234)</b>	<b>1,304,415</b>	<b>(1,269,816)</b>	<b>1,000</b>	<b>(442,635)</b>	<b>113,905</b>
<b>Change in net position</b>	<b>(1,346,511)</b>	<b>1,402,854</b>	<b>290,224</b>	<b>(29,257)</b>	<b>317,310</b>	<b>1,255,392</b>
<b>Total Net Position - beginning, restated</b>	<b>18,951,224</b>	<b>26,650,021</b>	<b>8,096,411</b>	<b>1,029,524</b>	<b>54,727,180</b>	<b>4,086,523</b>
<b>Total Net Position - ending</b>	<b>\$ 17,604,713</b>	<b>\$ 28,052,875</b>	<b>\$ 8,386,635</b>	<b>\$ 1,000,267</b>	<b>\$ 55,044,490</b>	<b>\$ 5,341,915</b>
Change in Net Position					\$ 317,310	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					556,350	
Change in Net Position of business-type activities - Statement of Activities					\$ 873,660	

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

**2015 basic financial statements**

**CITY OF ASHLAND, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the year ended June 30, 2015

	Business-type Activities - Enterprise Funds				Governmental
	Water	Wastewater	Electric	Tele-	Activities
	Fund	Fund	Fund	communications	Internal Service
				Fund	Funds
				Total	
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 7,354,736	\$ 4,580,415	\$ 13,973,069	\$ 1,972,669	\$ 27,880,889
Payments to suppliers	(5,647,516)	(2,623,608)	(10,054,668)	(1,278,731)	(19,604,523)
Payments to employees	(1,852,435)	(1,097,006)	(2,354,135)	(651,757)	(5,955,333)
<b>Net cash from operating activities</b>	<b>(145,215)</b>	<b>859,801</b>	<b>1,564,266</b>	<b>42,181</b>	<b>2,321,033</b>
<b>Cash flows from noncapital financing activities:</b>					
Taxes collected	28	2,080,588	-	-	2,080,616
Transfers Out					(500,000)
Transfers in	-	-	-	-	500,000
Intergovernmental	70,473		157,698		
<b>Net cash from noncapital financing activities</b>	<b>70,501</b>	<b>2,080,588</b>	<b>157,698</b>	<b>-</b>	<b>79,552</b>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	(2,780,246)	(388,890)	(242,155)	(159,148)	(3,570,439)
Proceeds from issuance of debt	3,365,000		-	-	3,365,000
Principal paid on bonds, contracts and notes	(899,952)	(1,153,697)	(21,714)	-	(2,075,363)
Interest paid on debt	(146,544)	(424,510)	(2,025)	-	(573,079)
Tax equivalents	(372,200)	(374,061)	(1,389,526)	-	(2,135,787)
<b>Net cash from capital and related financing activities</b>	<b>(833,942)</b>	<b>(2,341,158)</b>	<b>(1,655,420)</b>	<b>(159,148)</b>	<b>(4,989,668)</b>
<b>Cash flows from investing activities:</b>					
Interest from investments and other income	24,080	22,398	7,541	1,000	55,019
<b>Net increase (decrease) in cash and investments</b>	<b>(884,576)</b>	<b>621,629</b>	<b>74,085</b>	<b>(115,967)</b>	<b>428,827</b>
<b>Cash and investments, beginning of year</b>	<b>5,510,019</b>	<b>3,690,500</b>	<b>1,245,927</b>	<b>313,873</b>	<b>10,760,319</b>
<b>Cash and investments, end of year</b>	<b>4,625,443</b>	<b>4,312,129</b>	<b>1,320,012</b>	<b>197,906</b>	<b>10,455,490</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income (loss)	(868,277)	98,439	1,560,040	(30,257)	759,945
Depreciation and amortization	932,327	1,237,537	276,718	66,028	2,512,610
Change in assets and liabilities:					
(Increase) decrease in:					
Receivables	844,978	(185,942)	41,690	11,749	712,475
Net Pension Assets	(488,193)	(285,703)	(539,508)	(159,495)	(1,472,899)
Inventories	12,868	(4,528)	(59,495)	21,205	(29,950)
Deferred charges	89,494	-	-	109,969	199,463
Increase (decrease) in:					
Accounts payable and accrued liabilities	(646,532)	(17,495)	236,133	23,487	(404,407)
Other liabilities	(21,880)	17,493	48,688	(505)	43,796
<b>Net cash from operating activities</b>	<b>\$ (145,215)</b>	<b>\$ 859,801</b>	<b>\$ 1,564,266</b>	<b>\$ 42,181</b>	<b>\$ 2,321,033</b>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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## **2015 notes to basic financial statements**

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### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

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

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

#### **B. Government-wide and Fund Financial Statements**

##### **Governmental Accounting Standards Boards Statement No. 34 (GASBS 34)**

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

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

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

#### **C. Measurement Focus, Basis of Accounting, and Basis of Presentation**

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

**2015 notes to basic financial statements**

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

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

The City reports the following major governmental funds:

- o The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- o The Street Fund accounts for the resources and operating expenditures related to the maintenance, operation and construction of the City's streets and storm water collection infrastructure. While a substantial portion of revenues come from user fees, the primary source is state-shared highway funds.
- o The Parks Fund accounts for the resources and operating expenditures related to the Parks operations, recreational and the golf course.

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges between the City's vari-

ous utility funds and the other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

## **2015 notes to basic financial statements**

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Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing, producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The enterprise and internal service funds are charges to customers for sales and services.

Where applicable, enterprises also recognize the portion of System Development Charges intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

### **D. Assets, Liabilities and Net Position or Equity**

#### **1. Cash and Investments**

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

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

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

#### **2. Receivables and Payables**

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

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

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

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

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



**3. Inventories and Prepaid Items**

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

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

**4. Restricted Assets**

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

**5. Capital Assets**

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

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

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

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

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

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

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

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

## **2015 notes to basic financial statements**

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### **6. Compensated Absences**

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

### **7. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bonding premium or discount.

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

### **8. Reservations of Fund Equity**

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

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

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

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

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

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

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

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

## **9. Deferred Outflows/Inflow of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items, which qualifies for reporting in this category. The first unavailable revenue is in the governmental funds balance sheet for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City's statement of net position shows another Net Deferred Inflow this amount is equal to the difference between actuarially projected investment earnings and actual investment earnings, less contributions that the District paid to PERS during 2014-2015.

# **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

## **A. Budgetary Information**

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

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified only by the City Council through the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require approval by the City Council by adoption of a resolution. Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the City Council. Appropriations are limited to a biennium budget period of 2013-2015; therefore, all spending authority of the City lapses at the end of the biennial period. During 2014-2015, the City made two appropriation transfers, as well as three supplemental budget adjustments, all adopted by Resolutions.

**2015 notes to basic financial statements****B. Excess of Expenditures over Appropriations**

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2015.

**III. DETAILED NOTES ON ALL FUNDS****A. Deposits and Investments**

	<b>Total Primary Government</b>	<b>Component Unit Parks and Recreation</b>	<b>Total</b>
Petty cash	\$ 5,240	\$ 750	\$ 5,990
Deposits with financial institutions	1,985,821	-	1,985,821
Imprest Cash	288,691	2,000	290,691
Investments	28,300,901	978,807	29,279,708
	<u>\$ 30,580,653</u>	<u>\$ 981,557</u>	<u>\$ 31,562,210</u>
Governmental - unrestricted	\$ 30,706,665		
Governmental - restricted:			
Debt service	855,545		
	<u>\$ 31,562,210</u>		

**1. Deposits**

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

**2. Credit Risk Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2015, the bank balance of deposits was \$ 2,928,752. Of those deposits, \$500,623 was covered by federal depository insurance, and the remaining is collateralized by the Oregon Public Funds Collateralization Program.

The remainder is collateralized per the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and City policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than ten percent of their quarter-end public fund deposits if they are adequately capitalized, 25 percent of their quarter-end public fund deposits if they are well capitalized, or 110 percent of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110 percent by the Office of the State Treasurer.

**3. Investments**

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

**2015 notes to basic financial statements**

The State Treasurer's investment policies are governed 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, 2015, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
State Treasurer's investment pool	29,279,708	29,279,708	-	-
	<u>\$ 29,279,708</u>	<u>\$ 29,279,708</u>	<u>\$ -</u>	<u>\$ -</u>

Investments are valued at fair value as required by GASBS 31. As of June 30, 2015, the fair value of the position in the Local Government Investment Pool (LGIP) is 100.71 percent of the value of the pool shares, as reported in the Oregon Short Term Fund audited financial statements.

**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:

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

**Credit Risk**

Neither the Oregon Revised Statutes nor the City's investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies. The City's investments in U.S. Government Agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investor Service. The state pool is unrated.

Oregon Revised Statutes require Banker's Acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by the Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

**Concentration of Credit Risk**

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2015, the City was in compliance with all percentage restrictions.

## 2015 notes to basic financial statements

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

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

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

### B. Receivables

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

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

Components of unavailable revenue and unearned revenue reported  
in governmental funds at current fiscal year end:

	<u>Unavailable</u>
Delinquent property taxes receivable:	
General fund	\$ 688,515
Debt service fund	35,621
Business Licenses	141,715
Rehabilitation loans	61,467
Ambulance billing	132,470
Notes receivable	349,957
SDC receivable	122,938
Special assessments not yet due:	
Unbonded-street fund	257,805
	<u>\$ 1,790,488</u>

**2015 notes to basic financial statements**
**C. Capital Assets**

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2015
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 12,466,348		\$ -	\$ 12,466,348
Construction in progress	1,620,149	652,645	658,442	1,614,352
Total capital assets, not being depreciated	14,086,497	652,645	658,442	14,080,700
Buildings	35,739,298	116,575		35,855,873
Improvements other than buildings	53,668,417	1,248,805		54,917,222
Machinery and equipment	16,653,654	561,373	100,603	17,114,424
Total capital assets, being depreciated	106,061,369	1,810,178	100,603	107,887,519
Less accumulated depreciation for:				
Buildings	(12,576,429)	(1,389,927)	-	(13,966,356)
Improvements other than buildings	(30,372,504)	(1,669,377)	(100,603)	(31,941,278)
Machinery and equipment	(15,079,674)	(962,327)		(16,042,001)
Total accumulated depreciation	(58,028,607)	(4,021,631)	(100,603)	(61,949,635)
Total capital assets being depreciated, net	48,032,762	(2,211,453)	-	45,937,884
Governmental activities capital assets, net	\$ 62,119,259	\$ (1,558,808)	\$ 658,442	\$ 60,018,584

	Balance June 30, 2014	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2015
Business-type activities:				
Capital assets, not being depreciated	-	-	-	-
Land	\$ 1,880,637	\$ 26,288	\$ -	\$ 1,906,925
Construction in progress	3,069,144	5,788,805	3,069,144	5,788,805
Total capital assets, not being depreciated	4,949,781	5,815,093	3,069,144	7,695,730
Buildings	22,089,254	-	-	22,089,254
Machinery and equipment	1,169,663	109,110	6,798	1,271,975
Improvements other than buildings	83,671,769	661,308	43,504	84,289,573
Total capital assets, being depreciated	106,930,686	770,418	50,302	107,650,802
Less accumulated depreciation:				
Buildings	(5,994,481)	(435,005)	-	(6,429,486)
Machinery and equipment	(780,870)	(101,988)	6,798	(876,060)
Improvements other than buildings	(42,035,878)	(1,975,615)		(44,011,493)
Total accumulated depreciation	(48,811,229)	(2,512,608)	6,798	(51,317,039)
Total capital assets being depreciated, net	58,119,457	(1,742,190)	43,504	56,333,763
Business-type activities capital assets, net	\$ 63,069,238	\$ 4,072,903	\$ 3,112,648	\$ 64,029,493



**2015 notes to basic financial statements**

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

General government	\$	988,133
Public safety		247,168
Highways and streets		1,624,968
Parks and Rec		1,161,362
Total	\$	<u>4,021,631</u>

**Construction Commitments**

The government has active construction projects as of June 30, 2015. The projects include construction of various infrastructure improvements and additions to the transportation, storm water, water, wastewater and telecommunications systems. The City has remaining commitments under construction contracts of approximately \$6,771,498 at June 30, 2015.

**D. Interfund Receivable, Payable and Transfers**

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

The composition of interfund balances as of June 30, 2015, is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 4,610	\$ 192,324
Street fund	-	-
Parks fund		320,000
Non-major governmental	551,905	44,191
Total	<u>\$ 556,515</u>	<u>\$ 556,515</u>



**2015 notes to basic financial statements**

The first interfund loan is for the payoff of the Hargadine parking structure. The second interfund loan is from the Reserve Fund to help fund the beginning of the new Health Benefits Fund.

<b>Fund</b>	<b>Interfund Receivable and Payable In</b>	<b>Interfund Receivable and Payable Out</b>
General Fund	\$ 4,000	\$ -
Other Governmental Funds		4,000
Insurance Fund	650,000	-
Health Benefits Fund	-	650,000
Total	<u>\$ 654,000</u>	<u>\$ 654,000</u>

**E. Long-term Debt**
**1. Unbonded Long-term Debt (Notes and Contracts)**

The government entered into promissory note agreements for financing the acquisition of several land parcels, construction of a three-level parking structure, federally-mandated construction of wastewater treatment facilities, and startup construction and operation of the fiber optic network. The original amount of all promissory notes issued in prior years was \$38,720,613.

The promissory notes are funded by various sources: open space land acquisition by prepared food and beverage tax; the parking structure by revenue generated from parking fees; and the wastewater treatment facility by prepared food and beverage tax, system development charges and user rates.

**Promissory notes outstanding** at year end are as follows;

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
Government activities	3.77%	\$ 342,572
Government activities	5.75%	135,971
		<u>\$ 478,543</u>

**Promissory note debt service** requirement to maturity is as follows:

<b>Year ending June 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2016	63,836	20,292
2017	66,885	17,242
2018	70,087	14,041
2019	73,449	10,678
2020	37,890	7,702
2021-2025	166,396	15,973
2026-2030		
	<u>\$ 478,543</u>	<u>\$ 85,928</u>

**2015 notes to basic financial statements**

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**2. General Obligation Bonds**

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

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

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

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
Government activities	2.0-4.00%	\$ 2,455,000
Government activities	3.5-5.0%	1,190,000
Government activities	2-2.8%	11,205,000
Government activities	2-2.5%	1,475,000
Business-type activities	2 - 4%	9,620,000
Business-type activities	4.95%	684,962
Business-type activities	2.00%	1,400,000
Business-type activities	2-2.5%	2,735,000
		<u>\$ 30,764,962</u>

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

**2015 notes to basic financial statements**

Future maturities of bond principal and interest at June 30, 2015, are as follows:

Year Ending June 30,	2004 Full Faith and Credit		2005 GO Bonds		2009 GO Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016			215,000	59,500	62,090	33,147
2017			225,000	48,750	65,202	30,035
2018			240,000	37,500	68,469	26,768
2019			250,000	25,500	71,901	23,337
2020			260,000	13,000	75,504	19,733
2021-2025					341,797	39,153
2026-2030						
2031-2035						
	\$ -	\$ -	\$ 1,190,000	\$ 184,250	\$ 684,962	\$ 172,173

Year Ending June 30,	2010 GO Bonds		2011 GO Bonds Fire Station #2		2013 AFN Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	1,250,000	372,300	120,000	80,788	1,010,000	240,310
2017	1,280,000	334,800	125,000	78,388	1,035,000	219,860
2018	1,325,000	283,600	125,000	74,638	1,060,000	198,910
2019	1,370,000	230,600	130,000	70,888	1,080,000	177,510
2020	1,415,000	175,800	135,000	66,988	1,100,000	155,710
2021-2025	2,980,000	179,800	740,000	271,638	5,920,000	392,070
2026-2030			875,000	144,288		
2031-2035			205,000	8,200		
	\$ 9,620,000	\$ 1,576,900	\$ 2,455,000	\$ 795,816	\$ 11,205,000	\$ 1,384,370

Year Ending June 30,	2013 Water Debt GO Bonds		2013 GO Bonds New Construction		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	165,000	26,350	285,000	85,875	3,107,090	898,270
2017	165,000	23,050	290,000	80,125	3,185,202	815,008
2018	170,000	19,700	300,000	74,275	3,288,469	715,391
2019	175,000	16,250	295,000	68,325	3,371,901	612,409
2020	180,000	12,700	310,000	62,225	3,475,504	506,156
2021-2025	545,000	16,450	1,645,000	214,062	12,171,797	1,113,173
2026-2030			1,085,000	40,204	1,960,000	184,492
2031-2035					205,000	8,200
	\$ 1,400,000	\$ 114,500	\$ 4,210,000	\$ 625,091	\$ 30,764,962	\$ 4,853,099

**2015 notes to basic financial statements**

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**3. Revenue Bonds**

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

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

The City has obtained two loans from the State of Oregon – Department of Environmental Quality (DEQ). The first loan is for the wastewater treatment plant, the membrane system upgrade in the amount of \$4,549,691. This is a reimbursement loan and to date \$1,645,280 has been requested. The interest rate is 1%. The second DEQ loan is for water projects, such as the TAP project. The total is \$ 2,970,000 at 1% interest. The total of the drawdown at June 30, 2015 is \$979,630.

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
Water & Wastewater	1.00%	\$ 3,483,869
Water	3.42%	2,316,521
Electric	3.8-6.01%	152,000
		<u>\$ 5,952,390</u>

Revenue bond debt service requirements to maturity are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2016	193,195	43,687
2017	284,101	81,595
2018	287,143	75,341
2019	290,290	71,923
2020	293,546	68,396
2021-2025	1,455,485	286,228
2026-2030	1,512,039	185,704
2031-2035	1,548,617	67,249
2036-2040	87,975	880
	<u>\$ 5,952,390</u>	<u>\$ 881,003</u>

**4. Advance and Current Re-fundings**

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

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

**2015 notes to basic financial statements**

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

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

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

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

- o The new debt of \$6,345,000 is Full Faith and Credit Bonds with an interest rate of 2.00 percent to 2.50 percent over the fifteen year life. The purpose for these bonds are for projects in the Street, Water and Wastewater funds and a small portion for the component unit projects.
- o The City also refunded a portion of the 2003 Water Revenue Bonds in the amount of \$1,580,000, for ten years at 2.00 percent interest. The remaining debt of \$635,000 at 3.10 percent to 3.125 percent will be paid off in the fiscal year 2015. The refunding resulted in \$162,000 gross savings, equivalent to \$151,000 in net present value. The refunding reduces annual debt service by an average of \$15,000 in the Water Fund.
- o The remainder of the new issue was a partial refund of Ashland Fiber Network (AFN) 2004 Full Faith and Credit Bonds. The new issue is \$11,675,000 over the next twelve years at 2.00 percent to 2.80 percent. The remaining debt of \$1,505,000 at 5.328 percent to 5.395 percent will be paid off in fiscal year 2015. The refunding results in \$2.01 million in gross savings, equivalent to \$1.78 million in net present value.

Moody's Investors Services assigned an "A1" rating to both the Tax-Exempt Bonds and the Taxable Bonds. The following table on page 68 shows the activities for both Governmental and Business type as they relate to long term liabilities.

## 2015 notes to basic financial statements

### 5. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions and Adjustments	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds payable:					
General obligation	\$ 17,820,000	\$ -	\$ 1,495,000	\$ 16,325,000	\$ 730,000
Total bonds payable	17,820,000	-	1,495,000	16,325,000	730,000
Notes and contracts	539,473	-	60,929	478,543	63,836
Claims and judgements	122,235		128	122,107	
Government Activities:					
Long-term liabilities	\$ 18,481,708	\$ -	\$ 1,556,057	\$ 16,925,650	\$ 793,836
Business-type Activities:					
Bonds Payable:					
General obligation	\$ 16,054,089	\$ -	\$ 1,614,127	\$ 14,439,962	\$ 1,662,090
Revenue	3,048,624	3,479,043	575,278	5,952,389	106,968
Total bonds payable	19,102,713	3,479,043	2,189,405	20,392,351	1,769,058
Business-type Activities:					
Long-term liabilities	\$ 19,102,713	\$ 3,479,043	\$ 2,189,405	\$ 20,392,351	\$ 1,769,058

### F. Restricted Cash Assets

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

	General Government
Restricted Cash:	
Debt service for GO Debt	\$ 855,545
	<u>\$ 855,545</u>

### G. Compensated Absences

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. **At year end, \$216,589 of the Internal Service Fund was compensated absences.**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within a Year
Governmental Activities:	\$ 881,908	\$ 845,243	\$ 881,908	\$ 845,243	\$ 211,311
Business-type Activities:	488,621	491,586	488,621	491,586	122,897
Total compensated absences payable	\$ 1,370,529	\$ 1,336,829	\$ 1,370,529	\$ 1,336,829	\$ 334,207

**IV. OTHER INFORMATION****A. Risk Management**

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

The government purchases re-insurance above defined loss levels in each program. Premiums are paid into the Insurance Services internal service fund by all other funds, component units, and potential component units, and are available to pay claims, claim reserves, and administrative costs of the programs. These interfund and agency premiums are used to offset the amount of claims expenditures reported. As of June 30, 2015, such premiums did not exceed paid claims and reserves.

Effective April 1, 2004, Ashland Community Health Care (ACH), established a separate workers' compensation self-insurance fund and their potential liability has been removed.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, change in legal doctrines, and damage awards.

Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. Liability claims have a seven year statute of limitations and open claims, not in litigation, are frozen. An excess insurance policy covers claims after an aggregate annual settlement of \$50,000.

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

	<u>Year ended June 30, 2015</u>	<u>Year ended June 30, 2014</u>
Unpaid claims, beginning of fiscal year	\$ 122,235	\$ 121,971
Incurred claims (including IBNRs)	(128)	264
Unpaid claims, end of fiscal year	<u>\$ 122,107</u>	<u>\$ 122,235</u>

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

	<u>June 30, 2015</u>
Accrued claim liability, July 1	\$ 415,594
Incurred claims	4,124,196
Claims payment	(3,684,817)
Accrued Claim liability, June 30	<u>\$ 439,379</u>

**2015 notes to basic financial statements**

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**B. Contingent Liabilities**

In August 2011 Ashland City Council approved Ashland Community Hospital (ACH) seeking an affiliation with a larger hospital group to address financial impacts relating to operations of a small, stand-alone hospital in a difficult economy. On April 9, 2012, a formal report was made to the Council on the decision by ACH to enter into a 90-day period of exclusive negotiations with Dignity Health. City of Ashland retains ownership of the hospital property consistent with prior years and Council must approve of the terms of any merger.

On June 4, 2013 Council approved the affiliation agreement between ACH and Asante. Under this affiliation agreement, the City transferred its sole corporate membership in ACH to Asante. Asante will agree to operate ACH as a general hospital for at least 15 years. If it fails to do so within the first three years of the agreement, sole corporate membership will revert to the City including the debt. If it fails to operate ACH as a general hospital in years four through 15 of the agreement, Asante will pay the City \$4 million in what is the equivalent of liquidated damages. In addition, should Asante fail to operate ACH as a general hospital in the first three years of the agreement, thus causing reversion to the City, Asante will pay the City \$8 million; reduced by an amount equal to payment into the ACH defined benefit retirement plan in excess of \$900,000 averaged annually. Asante has the right to exercise a reversionary interest in the first three years of the agreement if total pension liability exceeds \$16 million or if previously unknown liabilities arise after closing that exceed \$4 million. In the event of a reversion from Asante to the City in the first three years of the agreement, caused by Asante's failure to operate ACH as a general hospital, Asante must pay to ACH \$8 million, reduced by no more than \$2 million for higher-than-expected contributions to the ACH defined benefit pension plan. Below is the current debt schedule:

Year Ending June 30,	Principal	Interest
2016	7,364,972	175,932
	<u>\$ 7,364,972</u>	<u>\$ 175,932</u>

**C. Other Post Employment Benefits****Post Employment Stipend**

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

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

Annual Benefit Cost and Net Benefit Obligation - The City's annual Other Post Employment Benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer and an

amount actuarially determined in accordance and within the parameters of GASBS 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year. The remaining amortization period is thirteen years.



## 2015 notes to basic financial statements

**Actuarial Methods and Assumptions** – The ARC for the current year was determined as part of the August 1, 2015, actuarial valuation, using the present value of projected benefits discounted at the valuation interest rate (4.50 percent). The assumed health costs will increase 5.75 percent in the first year (August 1, 2015, premiums compared with August 1, 2014, premiums). In future years, the medical and vision cost trend varies from 6.75 percent to 5.00 percent depending upon the timing of the excise tax scheduled to affect health care benefits beginning in 2018. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates and withdrawal rates, are the same as those used by Oregon PERS for cities.

**Funding Status and Funding Progress** – As of June 30, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$3,912,886 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,912,886.

	June 30, 2015	June 30, 2014
Present value of benefits	\$ 3,468,502	\$ 4,673,112
Actuarial accrued liability	2,044,116	2,764,065
Assets	-	-
Unfunded actuarial accrued liability	<u>\$ 2,044,116</u>	<u>\$ 2,764,065</u>

Fiscal Year Ending	Annual OPEB Cost	Percentage of annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 380,883	48%	\$ 1,656,418
6/30/2014	382,000	52%	1,457,755
6/30/2013	363,984	48%	1,274,279

	Year ended June 30, 2015	Year ended June 30, 2014
Annual required contribution (medical)	\$ 156,771	\$ 147,619
Amortization of UAAL	348,373	343,002
Annual required contribution	<u>505,144</u>	<u>490,621</u>
Interest on prior year	\$ 51,021	\$ 44,600
Adjustment to ARC	175,282	153,221
Implicit benefit payments	<u>182,220</u>	<u>198,524</u>
Increase (decrease) in net OPEB obligation	198,663	183,476
Net OPEB obligation - beginning of fiscal year	\$ 1,457,755	\$ 1,274,279
Net OPEB obligation - end of fiscal year	<u>\$ 1,656,418</u>	<u>\$ 1,457,755</u>

### Post Employment Health Insurance Subsidy

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

## 2015 notes to basic financial statements

The difference between retiree claims cost (which is generally higher in comparison to all plan members because of the effect of age) and the amount of retiree healthcare premiums represents the City's implicit employer contribution.

The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

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

**Annual Pension Cost and Net Pension Obligation** - The City's annual Other Post Employment Benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer and an amount actuarially determined in accordance within the parameters of GASBS 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year.

**Actuarial Methods and Assumptions** – The ARC for the current year was determined as part of the August 1, 2015, actuarial valuation, using the present value of projected benefits discounted at the valuation interest rate (4.50 percent). The assumed health costs will increase 5.75 percent in the first year (August 1, 2015, premiums compared with August 1, 2014, premiums). In future years, the medical and vision cost trend varies from 6.75 percent to 5.00 percent depending upon the timing of the excise tax scheduled to affect health care benefits beginning in 2018. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates and withdrawal rates, are the same as those used by Oregon PERS for cities.

	June 30, 2015	June 30, 2014
Present value of benefits	\$ 4,745,769	\$ 5,035,267
Actuarial accrued liability	3,821,285	3,912,886
Assets	-	-
Unfunded actuarial accrued liability	<u>\$ 3,821,285</u>	<u>\$ 3,912,886</u>

	Year ended June 30, 2015	Year ended June 30, 2014
Annual required contribution (medical)	\$ 423,650	\$ 438,650
Interest on net OPEB obligation (BOY)	59,045	48,426
Adjustment to ARC for net OPEB obligation	-	-
Annual OPEB costs	482,695	487,076
Expected contributions	(215,580)	(183,669)
Increase (decrease) in net OPEB obligation	267,115	303,407
Net OPEB obligation - beginning of fiscal year	\$ 1,687,013	\$ 1,383,606
Net OPEB obligation - end of fiscal year	<u>\$ 1,954,128</u>	<u>\$ 1,687,013</u>

**2015 notes to basic financial statements**

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>% of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2015	\$ 336,220	20.55%	\$ 1,954,128
6/30/2014	371,007	18.22%	1,687,013
6/30/2013	387,045	15.24%	1,383,606

**D. Employee Retirement System and Pension Plan**

**Summary of Significant Accounting Policies**

**Retirement Plans**

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

**Plan Description** – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employee defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx). If the link is expired please contact Oregon PERS for this information.

- a) **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i) **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percent age (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
- ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
  - member was employed by PERS employer at the time of death,
  - member died within 120 days after termination of PERS covered employment,
  - member died as a result of injury sustained while employed in a PERS-covered job, or
  - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii) **Disability Benefits.** A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

## 2015 notes to basic financial statements

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- iv) **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:  
**Police and fire:** 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.  
**General service:** 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii) **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were \$2,389,568. In addition approximately \$913,413 in employee contributions were paid or picked up by the City in fiscal 2015.

At June 30, 2015, the City reported a net pension asset of \$5,498,618 its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the City's proportion was .024 percent.

**2015 notes to basic financial statements**

	Deferred Outflow of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between project and actual earnings on pension plan investments	-	10,610,104
Changes in proportionate share of contributions		
City contributions subsequent to measurement date	2,389,586	
Net Deferred outflow (inflow) of resources		<u>\$ (8,220,518)</u>

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

Year ending June 30,	Amount
2016	\$ (2,652,526)
2017	(2,652,526)
2018	(2,652,526)
2019	(2,652,526)
2020	
Thereafter	
Total	<u>\$ (10,610,104)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financial.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx)

**Actuarial Valuations** – The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

## 2015 notes to basic financial statements

### Actuarial Methods and Assumptions:

Valuation date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate – The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	Decrease (6.75%)	Rate (7.75%)	Increase (8.75%)
City's proportionate share of the net pension liability	\$ 11,644,086	\$ (5,498,618)	\$ (19,997,324)

**2015 notes to basic financial statements**

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	June 30, 2014 Measurement Date	
	Before Moro Decision	Estimate After Moro Decision
Net pension liability		
Total pension liability	\$ 63,135	\$ 68,050
Fiduciary net position	65,402	65,400
Net pension liability (asset)	<u>\$ (2,267)</u>	<u>\$ 2,650</u>

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700,

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

**E. Deferred Charges**

Deferred Charges resulted from the start-up cost associated with the Ashland Fiber Network (AFN) under FAS 51. The development stage revenues and expenses have been deferred and will be amortized over the estimated life of the system infrastructure.

The balance at June 30, 2015, is as follows:

Startup costs	\$ 1,861,076
Less accumulated amortization	<u>1,572,404</u>
	<u>\$ 288,672</u>



## 2015 notes to basic financial statements

### F. Fund Balance Constraints

The specific purposes for each of the categories of the fund balance as of June 30, 2015, are as follows:

<b>Fund Balances:</b>	<b>General Fund</b>	<b>Street Fund</b>	<b>Parks</b>	<b>Non Major Funds</b>	<b>Total</b>
<b>Restricted for:</b>					
Asset forfeiture	29,678	-	-	-	29,678
TOT tourism	99,108	-	-	-	99,108
Library Levy	56,587	-	-	-	56,587
CDBG restriction	-	-	-	33,797	33,797
SDC - Transportation	-	2,479,609	-	-	2,479,609
SDC - Parks	-	-	-	557,297	557,297
Perpetual care	-	-	-	922,667	922,667
Debt commitment	-	-	-	861,561	861,561
<b>Committed for:</b>					
Parking surcharge	334,949	-	-	-	334,949
Public art	85,666	-	-	-	85,666
Affordable housing	166,351	-	-	-	166,351
Grubbs Case	22,235	-	-	-	22,235
Street activities	-	2,798,621	-	-	2,798,621
Parks activities	-	-	503,626	209,302	712,928
Airport activities	-	-	-	117,516	117,516
Food and beverage tax	-	-	-	524,663	524,663
CIP - Facilities	-	-	-	1,667,528	1,667,528
<b>Assigned for:</b>					
N/A					
<b>Unassigned:</b>	3,671,969	-	-	-	3,671,969
Total fund balances:	<u>\$ 4,466,543</u>	<u>\$ 5,278,230</u>	<u>\$ 503,626</u>	<u>\$ 4,894,331</u>	<u>\$ 15,142,730</u>

### G. Service Concession Agreement

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



**2015 notes to basic financial statements****H. Restatement or prior year net position**

Due to the implementation of GASB68 a restatement of the prior year net position was required. The restatement is as follows;

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Electric Fund</b>	<b>Telecommunication Fund</b>
Net position Beginning as previously reported	\$ 19,627,835	\$ 27,045,992	\$ 8,844,143	\$ 1,250,576
Proportionate share of net pension liability and Inflows/Outflows	(676,611)	(395,971)	(747,732)	(221,052)
Net position - Beginning as restated	<u>\$ 18,951,224</u>	<u>\$ 26,650,021</u>	<u>\$ 8,096,411</u>	<u>\$ 1,029,524</u>

	<b>Governmental</b>
Net position Beginning as previously reported	\$ 59,202,133
Proportionate share of net pension liability and Inflows/Outflows	(7,732,966)
Net position - Beginning as restated	<u>\$ 51,469,167</u>



## REQUIRED SUPPLEMENTARY INFORMATION

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## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

**2015 notes to required supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF FUNDING PROGRESS  
For the year ended June 30, 2015**

**Post Employment Benefits**

<b>Health Care</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded AAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
08/01/2008	\$ -	\$ 2,923,625	\$ 2,923,625	0%	\$ 12,757,206	23%
08/01/2010	\$ -	\$ 2,802,196	\$ 2,802,196	0%	\$ 12,889,661	22%
08/01/2012	\$ -	\$ 2,764,065	\$ 2,764,065	0%	\$ 13,988,043	20%
08/01/2014	\$ -	\$ 2,044,116	\$ 2,044,116	0%	\$ 14,005,178	15%
<b>Actuarial Valuation Date</b>	<b>Annual OPEB Costs</b>	<b>Funded Ratio</b>	<b>Net OPEB Obligation</b>			
6/30/2013	\$ 363,984	48%	\$ 1,274,279			
6/30/2014	\$ 382,000	52%	\$ 1,457,755			
6/30/2015	\$ 380,883	48%	\$ 1,656,418			

<b>OPEB</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded AAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
6/30/2009	\$ -	\$ 1,882,214	\$ 1,882,214	0%	\$ 12,757,206	15%
6/30/2011	\$ -	\$ 2,704,203	\$ 2,704,203	0%	\$ 12,889,661	21%
6/30/2013	\$ -	\$ 3,912,886	\$ 3,912,886	0%	\$ 13,988,043	28%
6/30/2015	\$ -	\$ 3,821,285	\$ 3,821,285	0%	\$ 14,005,178	27%
<b>Actuarial Valuation Date</b>	<b>Annual OPEB Costs</b>	<b>Contributions</b>	<b>Funded Ratio</b>	<b>Net OPEB Obligation</b>		
6/30/2013	\$ 387,045	\$ 58,990	15%	\$ 1,383,606		
6/30/2014	\$ 371,007	\$ 67,601	18%	\$ 1,687,013		
6/30/2015	\$ 336,220	\$ 69,105	21%	\$ 1,954,128		

**2015 notes to required supplementary information**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the fiscal year ended June 30, 2015**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

<b>Year Ended June 30,</b>	<b>(a) Employer's proportion of the net pension liability (NPL)</b>	<b>(b) Employer's proportionate share of the net pension liability (NPL)</b>	<b>(c) covered payroll</b>	<b>(b/c) NPL as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
2015	0.04%	\$ 5,498,618	\$ 17,016,281	32.3 %	103.6 %
2014	0.04%	(12,379,260)	16,753,124	(73.9)	92.0

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

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

**SCHEDULE OF CONTRIBUTIONS**

<b>Year Ended June 30,</b>	<b>Statutorily required contribution</b>	<b>Contributions in relation to the statutorily required contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Employer's covered payroll</b>	<b>Contributions as a percent of covered payroll</b>
2015	\$ 2,389,586	\$ 2,389,586	\$ -	\$ 17,016,281	14.0 %
2014	2,604,925	2,604,925	-	16,753,124	15.5

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

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

**2015 notes to required supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND**

**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
Revenues:	Original	Final				
Taxes	\$ 36,158,607	\$ 36,158,607	\$ 17,805,058	\$ 18,128,150	\$ 35,933,208	\$ (225,399)
Fees, licenses and permits	1,545,692	1,545,692	667,416	1,205,381	1,872,797	327,105
Intergovernmental	1,277,045	1,429,981	703,160	670,215	1,373,375	(56,606)
Charges for services	3,062,700	3,062,700	1,491,564	1,657,276	3,148,840	86,140
Fines and forfeitures	339,000	339,000	183,732	178,455	362,187	23,187
Interest on investments	43,000	43,000	27,332	20,600	47,932	4,932
Miscellaneous	124,000	124,000	80,867	76,171	157,038	33,038
<b>Total revenues</b>	<b>42,550,044</b>	<b>42,702,980</b>	<b>20,959,129</b>	<b>21,936,248</b>	<b>42,895,377</b>	<b>192,397</b>
<b>Expenditures:</b>						
General Government:						
Administration	1,365,465	1,781,673	535,493	357,850	893,343	888,330
Administrative Services:						
Band	120,390	120,390	55,955	58,062	114,017	6,373
Social services	257,688	257,688	127,233	126,972	254,205	3,483
Economic development	1,433,226	1,433,226	643,005	661,739	1,304,744	128,482
Parks Services	8,856,000	8,856,000	3,959,833	4,896,167	8,856,000	-
Public Works:						
Cemetery	704,551	704,551	319,459	344,059	663,518	41,033
Community Development:						
Planning	2,730,822	2,730,822	1,243,646	1,303,545	2,547,191	183,631
Building	1,390,632	1,390,632	661,396	666,146	1,327,542	63,090
Miscellaneous	610,208	194,000	80,576	105,139	185,715	8,285
Total general government	17,468,982	17,468,982	7,626,596	8,519,679	16,146,275	1,322,707
Public Safety:						
Police	12,391,656	12,463,656	6,075,095	6,241,292	12,316,387	147,269
Municipal court	994,970	994,970	498,371	466,221	964,592	30,378
Fire and rescue	13,053,484	13,279,668	6,528,967	6,620,887	13,149,854	129,814
Total public safety	26,440,110	26,738,294	13,102,433	13,328,400	26,430,833	307,461
Contingency	1,041,000	1,041,000				1,041,000
<b>Total expenditures</b>	<b>44,950,092</b>	<b>45,248,276</b>	<b>20,729,029</b>	<b>21,848,079</b>	<b>42,577,108</b>	<b>2,671,168</b>
Excess (deficiency) of revenues over (under) expenditures	(2,400,048)	(2,545,296)	230,100	88,169	318,269	2,863,565
<b>Other financing sources (uses):</b>						
Transfers in	110,600	110,600	104,529	4,610	109,139	(1,461)
Transfers out	(192,824)	(192,824)	(500)	(192,324)	(192,824)	-
<b>Total other financing sources (uses)</b>	<b>(82,224)</b>	<b>(82,224)</b>	<b>104,029</b>	<b>(187,714)</b>	<b>(83,685)</b>	<b>(1,461)</b>
Net change in fund balance	(2,482,272)	(2,627,520)	334,129	(99,545)	234,584	2,862,104
<b>Fund balance, July 1, 2014</b>	<b>3,259,706</b>	<b>3,259,706</b>	<b>3,385,680</b>	<b>3,719,809</b>	<b>3,385,680</b>	<b>125,974</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 777,434</b>	<b>\$ 632,186</b>	<b>\$ 3,719,809</b>	<b>\$ 3,620,264</b>	<b>\$ 3,620,264</b>	<b>\$ 2,988,078</b>

Reconciliation to GAAP fund balance :

Interfund loan

Reserve fund balance:

650,000

196,279

\$ 4,466,543



**2015 notes to required supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STREET FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes	\$ 46,000	\$ 46,000	\$ 57,273	\$ 57,888	\$ 115,161	\$ 69,161
Intergovernmental	3,363,166	3,363,166	1,166,800	1,181,188	2,347,988	(1,015,178)
Charges for services	4,061,600	4,061,600	2,000,061	2,096,119	4,096,180	34,580
System development charges (SDC)	130,000	130,000	93,644	151,908	245,552	115,552
Assessments	20,000	20,000	59,483	67,508	126,991	106,991
Interest on investments	20,000	20,000	23,207	25,211	48,418	28,418
Miscellaneous	220,000	220,000	233,209	123,214	356,423	136,423
<b>Total revenues</b>	<b>7,860,766</b>	<b>7,860,766</b>	<b>3,633,677</b>	<b>3,703,036</b>	<b>7,336,713</b>	<b>(524,053)</b>
<b>Expenditures:</b>						
Highways and streets:						
Operations and maintenance	7,628,710	7,628,710	2,592,789	2,443,520	5,036,309	2,592,401
Storm water	1,247,230	1,247,230	555,883	523,575	1,079,458	167,772
Transportation SDCs	446,613	446,613	36,424	54,604	91,028	355,585
Storm water SDCs	80,600	80,600	2,044	2,626	4,670	75,930
Local improvement districts	-	-	-	-	-	-
Total highways and streets	9,403,153	9,403,153	3,187,140	3,024,325	6,211,465	3,191,688
Debt Service:	-	-	-	-	-	-
Operations and maintenance Debt	341,750	341,750	112,669	125,154	237,823	103,927
Storm water Debt	26,317	26,317	13,367	12,950	26,317	-
Total Debt	368,067	368,067	126,036	138,104	264,140	103,927
Contingency	215,000	215,000				215,000
<b>Total expenditures</b>	<b>9,986,220</b>	<b>9,986,220</b>	<b>3,313,176</b>	<b>3,162,429</b>	<b>6,475,605</b>	<b>3,510,615</b>
Excess (deficiency) of revenues over (under) expenditures	(2,125,454)	(2,125,454)	320,501	540,607	861,108	2,986,562
Net change in fund balance	(2,125,454)	(2,125,454)	320,501	540,607	861,108	2,986,562
<b>Fund balance, July 1, 2014</b>	<b>3,185,314</b>	<b>3,185,314</b>	<b>4,417,122</b>	<b>4,737,623</b>	<b>4,417,122</b>	<b>1,231,808</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 1,059,860</b>	<b>\$ 1,059,860</b>	<b>\$ 4,737,623</b>	<b>\$ 5,278,230</b>	<b>\$ 5,278,230</b>	<b>\$ 4,218,370</b>

**2015 notes to required supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PARKS AND RECREATION FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Postive (Negative)
	Original	Final				
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 10,589	\$ 10,589	\$ 10,589
Charges for services - External	1,793,633	1,793,633	853,490	872,476	1,725,966	(67,667)
Charges for services - Internal	8,856,000	8,856,000	3,959,833	4,896,167	8,856,000	-
Interest on investments	26,000	26,000	5,841	3,694	9,535	(16,465)
Miscellaneous	69,000	69,000	34,862	12,551	47,413	(21,587)
<b>Total revenues</b>	<b>10,744,633</b>	<b>10,744,633</b>	<b>4,854,026</b>	<b>5,795,477</b>	<b>10,649,503</b>	<b>(95,130)</b>
<b>Expenditures:</b>						
Parks and Recreation:						
Operations and maintenance	7,469,390	7,529,390	3,719,517	3,753,591	7,473,108	56,282
Recreation	2,547,830	2,547,830	1,207,579	1,300,196	2,507,775	40,055
Golf Course	1,012,880	1,052,880	524,969	501,458	1,026,427	26,453
Total Parks and Recreation	11,030,100	11,130,100	5,452,065 (1)	5,555,245 (1)	11,007,310 (1)	122,790
Contingency	100,000	-				-
<b>Total expenditures</b>	<b>11,130,100</b>	<b>11,130,100</b>	<b>5,452,065</b>	<b>5,555,245</b>	<b>11,007,310</b>	<b>122,790</b>
Excess (deficiency) of revenues over (under) expenditures	(385,467)	(385,467)	(598,039)	240,232	(357,807)	27,660
<b>Other financing sources (uses):</b>						
Transfers out	(922,000)	(922,000)	(602,000)	(320,000)	(922,000)	-
<b>Total other financing sources (uses)</b>	<b>(922,000)</b>	<b>(922,000)</b>	<b>(602,000)</b>	<b>(320,000)</b>	<b>(922,000)</b>	<b>-</b>
Net change in fund balance	(1,307,467)	(1,307,467)	(1,200,039)	(79,768)	(1,279,807)	27,660
<b>Fund balance, July 1, 2014</b>	<b>1,973,756</b>	<b>1,973,756</b>	<b>1,783,433</b>	<b>583,394</b>	<b>1,783,433</b>	<b>(190,323)</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 666,289</b>	<b>\$ 666,289</b>	<b>\$ 583,394</b>	<b>\$ 503,626</b>	<b>\$ 503,626</b>	<b>\$ (162,663)</b>

(1) Appropriation level

## **SUPPLEMENTARY INFORMATION**

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Combining Individual Fund Statements  
and Other Financial Schedules

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
COMBINING BALANCE SHEET  
ALL NON-MAJOR FUNDS  
For the year ended June 30, 2015**

	Governmental Fund Types					Permanent Fund Type Cemetery Trust Fund	Total Other Governmental (Compilation Only)
	CDBG Fund	Airport Fund	Capital Improvements Fund	Parks Capital Improvements Fund	Debt Service Fund		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 427	\$ 96,706	\$ 2,185,475	\$ 230,748	\$ -	\$ 920,596	\$ 3,433,952
Receivables (net of allowance for)	46,648	28,032	780,744	11,309	41,637	2,071	910,441
Cash - restricted	-	-	-	-	855,545	-	855,545
<b>Total assets</b>	<b>47,075</b>	<b>124,738</b>	<b>2,966,219</b>	<b>242,057</b>	<b>897,182</b>	<b>922,667</b>	<b>5,199,938</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	9,278	7,222	93,793	32,755	-	-	143,048
Deferred revenue	-	-	122,938	-	35,621	-	158,559
Interfund loan payable	-	-	-	-	-	-	-
Due to other funds	4,000	-	-	-	-	-	4,000
Liabilities payable from restricted assets	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>13,278</b>	<b>7,222</b>	<b>216,731</b>	<b>32,755</b>	<b>35,621</b>	<b>-</b>	<b>305,607</b>
<b>Fund Balances:</b>							
Restricted for:							
CDBG restriction	33,797	-	-	-	-	-	33,797
Systems development charges	-	-	557,297	-	-	-	557,297
Perpeture care	-	-	-	-	-	922,667	922,667
Committed for:							
Special revenue funds	-	117,516	-	-	-	-	117,516
Debt service	-	-	-	-	861,561	-	861,561
Parks Improvements	-	-	524,664	-	-	-	524,664
Capital projects funds	-	-	1,667,527	209,302	-	-	1,876,829
<b>Total equity and other credits</b>	<b>33,797</b>	<b>117,516</b>	<b>2,749,488</b>	<b>209,302</b>	<b>861,561</b>	<b>922,667</b>	<b>4,894,331</b>
<b>Total liabilities and fund balances</b>	<b>\$ 47,075</b>	<b>\$ 124,738</b>	<b>\$ 2,966,219</b>	<b>\$ 242,057</b>	<b>\$ 897,182</b>	<b>\$ 922,667</b>	<b>\$ 5,199,938</b>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ALL NON-MAJOR FUNDS**  
**For the year ended June 30, 2015**

	Governmental Fund Types					Permanent Fund Type Cemetery Nonexpendable Trust Fund	Total Other Governmental (Compilation Only)
	CDBG Fund	Airport Fund	Capital Improvements Fund	Parks Capital Improvements Fund	Debt Service Fund		
<b>Revenues:</b>							
Taxes	\$ -	\$ -	\$ 520,148	\$ -	\$ 504,206	\$ -	\$ 1,024,354
Intergovernmental	82,318	-	520,240	309,950	-	-	912,508
Charges for services	-	139,500	1,001,616	276,678	1,192,246	25,740	2,635,780
System development charges	-	-	48,898	-	-	-	48,898
Interest on investments	-	461	10,487	1,263	3,397	4,610	20,218
Miscellaneous	-	-	4,433	5,069	-	(145)	9,357
<b>Total revenues</b>	<b>82,318</b>	<b>139,961</b>	<b>2,105,822</b>	<b>592,960</b>	<b>1,699,849</b>	<b>30,205</b>	<b>4,651,115</b>
<b>Expenditures:</b>							
General government	82,322	64,397	1,240,127	1,036,140	-	-	2,422,986
Debt service	-	38,536	-	-	1,864,388	-	1,902,924
<b>Total expenditures</b>	<b>82,322</b>	<b>102,933</b>	<b>1,240,127</b>	<b>1,036,140</b>	<b>1,864,388</b>	<b>-</b>	<b>4,325,910</b>
Excess (deficiency) of revenues over (under) expenditures	(4)	37,028	865,695	(443,180)	(164,539)	30,205	325,205
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	320,000	231,405	500	551,905
Transfers out	-	-	(39,581)	-	-	(4,610)	(44,191)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(39,581)</b>	<b>320,000</b>	<b>231,405</b>	<b>(4,110)</b>	<b>507,714</b>
Net change in fund balance	(4)	37,028	826,114	(123,180)	66,866	26,095	832,919
<b>Fund balance, July 1, 2014</b>	<b>33,801</b>	<b>80,488</b>	<b>1,923,374</b>	<b>332,482</b>	<b>794,695</b>	<b>896,572</b>	<b>4,061,412</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 33,797</b>	<b>\$ 117,516</b>	<b>\$ 2,749,488</b>	<b>\$ 209,302</b>	<b>\$ 861,561</b>	<b>\$ 922,666</b>	<b>\$ 4,894,331</b>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Intergovernmental	\$ 446,646	\$ 453,579	\$ 252,742	\$ 82,318	\$ 335,060	\$ (118,519)
<b>Total revenues</b>	<u>446,646</u>	<u>453,579</u>	<u>252,742</u>	<u>82,318</u>	<u>335,060</u>	<u>(118,519)</u>
<b>Expenditures:</b>						
General government:						
Personal services	61,100	68,033	33,636	33,924	67,560	473
Material and services	406,735	406,735	219,106	48,398	267,504	139,231
Total general government	467,835	474,768	252,742	82,322	335,064	139,704
<b>Total expenditures</b>	<u>467,835</u>	<u>474,768</u>	<u>252,742</u>	<u>82,322</u>	<u>335,064</u>	<u>139,704</u>
Net change in fund balance	(21,189)	(21,189)	-	(4)	(4)	21,185
<b>Fund balance, July 1, 2014</b>	21,189	21,189	33,801	33,801	33,801	12,612
<b>Fund balance, June 30, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,801</u>	<u>\$ 33,797</u>	<u>\$ 33,797</u>	<u>\$ 33,797</u>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
AIRPORT FUND  
For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Postive (Negative)
	Original	Final				
<b>Revenues:</b>						
Charges for services	\$ 268,800	\$ 268,800	\$ 134,693	\$ 139,500	\$ 274,193	\$ 5,393
Interest on investments	1,000	1,000	492	461	953	(47)
<b>Total revenues</b>	<b>269,800</b>	<b>269,800</b>	<b>135,185</b>	<b>139,961</b>	<b>275,146</b>	<b>5,346</b>
<b>Expenditures:</b>						
General government:						
Materials and services	143,310	170,310	68,896	64,397	133,293	37,017
Capital outlay	65,000	48,000	44,962	-	44,962	3,038
Total general government	208,310	218,310	113,858	64,397	178,255	40,055
Debt service	77,072	77,072	38,536	38,536	77,072	-
Contingency	10,000		-	-	-	-
<b>Total expenditures</b>	<b>295,382</b>	<b>295,382</b>	<b>152,394</b>	<b>102,933</b>	<b>255,327</b>	<b>40,055</b>
<b>Other financing sources (uses):</b>						
Interfund loan	7,500	7,500				7,500
Interfund loan	(19,000)	(19,000)	(19,000)		(19,000)	-
<b>Total other financing sources (uses)</b>	<b>(11,500)</b>	<b>(11,500)</b>	<b>(19,000)</b>	<b>-</b>	<b>(19,000)</b>	<b>7,500</b>
Net change in fund balance	(37,082)	(37,082)	(36,209)	37,028	819	37,901
<b>Fund balance, July 1, 2014</b>	<b>101,550</b>	<b>101,550</b>	<b>116,697</b>	<b>80,488</b>	<b>116,697</b>	<b>15,147</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 64,468</b>	<b>\$ 64,468</b>	<b>\$ 80,488</b>	<b>\$ 117,516</b>	<b>\$ 117,516</b>	<b>\$ 53,048</b>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL IMPROVEMENTS FUND  
For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes	\$ 926,300	\$ 926,300	\$ 472,920	\$ 520,148	\$ 993,068	\$ 66,768
Intergovernmental	792,500	792,500	-	520,240	520,240	(272,260)
Charges for services	1,957,254	1,957,254	983,054	1,001,616	1,984,670	27,416
System development charges	50,000	50,000	48,941	48,898	97,839	47,839
Interest on investments	27,000	27,000	11,180	10,487	21,667	(5,333)
Miscellaneous	21,500	21,500	43,279	4,433	47,712	26,212
<b>Total revenues</b>	<b>3,774,554</b>	<b>3,774,554</b>	<b>1,559,374</b>	<b>2,105,822</b>	<b>3,665,196</b>	<b>(109,358)</b>
<b>Expenditures:</b>						
General government:						
Public works - facilities	1,271,460	1,271,460	661,442	1,150,317	1,811,759	(540,299)
Admin services - parks open space	3,929,000	3,929,000	726,917	89,810	816,727	3,112,273
Capital outlay	1,135,000	1,135,000	297,450	-	297,450	837,550
Total cost of service	6,335,460	6,335,460	1,685,809	1,240,127	2,925,936	3,409,524
Contingency	200,000	199,000	-	-	-	199,000
<b>Total expenditures</b>	<b>6,535,460</b>	<b>6,534,460</b>	<b>1,685,809</b>	<b>1,240,127</b>	<b>2,925,936</b>	<b>3,608,524</b>
Excess (Deficiency) of revenues over (under) expenditures	(2,760,906)	(2,759,906)	(126,435)	865,695	739,260	3,499,166
<b>Other financing sources (uses):</b>						
Bond proceeds	3,429,000	3,429,000	-	-	-	3,429,000
Transfers out	(466,900)	(466,900)	(43,898)	(39,581)	(83,479)	(383,421)
Interfund loan	-	(1,000)	(1,000)	-	(1,000)	-
<b>Total other financing sources (uses):</b>	<b>2,962,100</b>	<b>2,961,100</b>	<b>(44,898)</b>	<b>(39,581)</b>	<b>(84,479)</b>	<b>3,045,579</b>
Net change in fund balance	201,194	201,194	(171,333)	826,114	654,781	453,587
<b>Fund balance, July 1, 2014</b>	<b>1,689,114</b>	<b>1,689,114</b>	<b>2,094,707</b>	<b>1,923,374</b>	<b>2,094,707</b>	<b>405,593</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 1,890,308</b>	<b>\$ 1,890,308</b>	<b>\$ 1,923,374</b>	<b>\$ 2,749,488</b>	<b>\$ 2,749,488</b>	<b>\$ 859,180</b>



**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PARKS CAPITAL IMPROVEMENTS FUND  
for the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Intergovernmental	\$ 3,929,000	\$ 3,929,000	\$ 724,634	\$ 309,950	\$ 1,034,584	\$ (2,894,416)
Charges for services	59,000	59,000	-	276,678	276,678	217,678
Interest on investments	4,100	4,100	2,093	1,263	3,356	(744)
Miscellaneous			18,372	5,069	23,441	23,441
<b>Total revenues</b>	<b>3,992,100</b>	<b>3,992,100</b>	<b>745,099</b>	<b>592,960</b>	<b>1,338,059</b>	<b>(2,654,041)</b>
<b>Expenditures:</b>						
General government:						
Material and Services		2,000	-	1,331	1,331	669
Capital outlay	4,851,000	4,849,000	1,402,249	1,034,809	2,437,058	2,411,942
Total cost of service	4,851,000	4,851,000	1,402,249	1,036,140	2,438,389	2,412,611
Contingency	-	-	-	-	-	-
<b>Total expenditures</b>	<b>4,851,000</b>	<b>4,851,000</b>	<b>1,402,249</b>	<b>1,036,140</b>	<b>2,438,389</b>	<b>2,412,611</b>
Excess (Deficiency) of revenues over (under) expenditures	(858,900)	(858,900)	(657,150)	(443,180)	(1,100,330)	(241,430)
<b>Other financing sources (uses):</b>						
Transfers in	922,000	922,000	602,000	320,000	922,000	-
<b>Total other financing sources (uses):</b>	<b>922,000</b>	<b>922,000</b>	<b>602,000</b>	<b>320,000</b>	<b>922,000</b>	<b>-</b>
Net change in fund balance	63,100	63,100	(55,150)	(123,180)	(178,330)	(241,430)
<b>Fund balance, July 1, 2014</b>	<b>239,032</b>	<b>239,032</b>	<b>387,632</b>	<b>332,482</b>	<b>387,632</b>	<b>148,600</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 302,132</b>	<b>\$ 302,132</b>	<b>\$ 332,482</b>	<b>\$ 209,302</b>	<b>\$ 209,302</b>	<b>\$ (92,830)</b>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
DEBT SERVICE FUND**

**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Postive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes	\$ 956,176	\$ 956,176	\$ 515,618	\$ 504,206	\$ 1,019,824	\$ 63,648
Charges for services	2,457,640	2,457,640	1,248,430	1,192,246	2,440,676	(16,964)
Assessments	252,000	252,000	-	-	-	(252,000)
Interest on investments	20,000	20,000	4,764	3,397	8,161	(11,839)
Miscellaneous	58,604	58,604	-	-	-	(58,604)
<b>Total revenues</b>	<b>3,744,420</b>	<b>3,744,420</b>	<b>1,768,812</b>	<b>1,699,849</b>	<b>3,468,661</b>	<b>(275,759)</b>
<b>Expenditures:</b>						
Materials and services	-	15,000	6,294	800	6,294	8,706
Debt service:						-
Bancroft	400,000	400,000	-	-	-	400,000
General obligation	3,678,621	3,663,621	1,797,544	1,863,588	1,797,544	1,866,077
Notes and contracts	469,463	469,463	-	-	-	469,463
<b>Total expenditures</b>	<b>4,548,084</b>	<b>4,548,084</b>	<b>1,803,838 (1)</b>	<b>1,864,388 (1)</b>	<b>1,803,838 (1)</b>	<b>2,744,246</b>
Excess (deficiency) of revenues over (under) expenditures	(803,664)	(803,664)	(35,026)	(164,539)	1,664,823	2,468,487
<b>Other financing sources (uses):</b>						
Transfers in	658,724	658,724	43,898	231,405	275,303	383,421
Interfund Loan	(370,000)	(370,000)	-	(364,795)	(364,795)	(5,205)
<b>Total other financing sources (uses):</b>	<b>288,724</b>	<b>288,724</b>	<b>43,898</b>	<b>(133,390)</b>	<b>(89,492)</b>	<b>378,216</b>
Net change in fund balance	(514,940)	(514,940)	8,872	(297,929)	1,575,331	2,090,271
<b>Fund balance, July 1, 2014</b>	<b>1,121,533</b>	<b>1,121,533</b>	<b>1,150,618</b>	<b>1,159,490</b>	<b>1,150,618</b>	<b>29,085</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 606,593</b>	<b>\$ 606,593</b>	<b>\$ 1,159,490</b>	<b>\$ 861,561</b>	<b>\$ 2,725,949</b>	<b>\$ 2,119,356</b>

(1) Appropriation level

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CEMETERY TRUST FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Charges for services	\$ 50,000	\$ 50,000	\$ 22,027	\$ 25,740	\$ 47,767	\$ (2,233)
Interest on investments	10,600	10,600	4,529	4,610	9,139	(1,461)
Miscellaneous				(145)	(145)	(145)
<b>Total revenues</b>	<b>60,600</b>	<b>60,600</b>	<b>26,556</b>	<b>30,205</b>	<b>56,761</b>	<b>(3,839)</b>
<b>Other financing sources (uses):</b>						
Transfers in	1,000	1,000	500	500	1,000	-
Transfers out	(10,600)	(10,600)	(4,529)	(4,610)	(9,139)	1,461
<b>Total other financing sources (uses):</b>	<b>(9,600)</b>	<b>(9,600)</b>	<b>(4,029)</b>	<b>(4,110)</b>	<b>(8,139)</b>	<b>1,461</b>
Net change in fund balance	51,000	51,000	22,527	26,095	48,622	(2,378)
<b>Fund balance, July 1, 2014</b>	<b>886,744</b>	<b>886,744</b>	<b>874,045</b>	<b>896,572</b>	<b>874,045</b>	<b>(12,699)</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 937,744</b>	<b>\$ 937,744</b>	<b>\$ 896,572</b>	<b>\$ 922,667</b>	<b>\$ 922,667</b>	<b>\$ (15,077)</b>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
RESERVE FUND  
For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Interest on investments	15,000	15,000	6,587	10,112	16,699	1,699
<b>Total revenues</b>	15,000	15,000	6,587	10,112	16,699	1,699
Excess (deficiency) of revenues over (under) expenditures	15,000	15,000	6,587	10,112	16,699	1,699
<b>Other financing sources (uses):</b>						
Transfer in	-	-	-	-	-	-
Interfund loan	510,000	510,000	-	250,000	250,000	(260,000)
Transfer out	(190,000)	(190,000)	(190,000)	-	(190,000)	-
Interfund loan	(900,000)	(900,000)	(500,000)	(400,000)	(900,000)	-
<b>Total other financing sources (uses)</b>	(580,000)	(580,000)	(690,000)	(150,000)	(840,000)	(260,000)
Net change in fund balance	(565,000)	(565,000)	(683,413)	(139,888)	(823,301)	(258,301)
<b>Fund balance, July 1, 2014</b>	1,019,910	1,019,910	1,019,580	336,167	1,019,580	(330)
<b>Fund balance, June 30, 2015</b>	<u>\$ 454,910</u>	<u>\$ 454,910</u>	<u>\$ 336,167</u>	<u>\$ 196,279</u>	<u>\$ 196,279</u>	<u>\$ (258,631)</u>
Reconciliation to GAAP fund balance						
Reserve fund				\$ (196,279)		
				<u>\$ -</u>		

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**WATER FUND**

**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes		\$ -	\$ 52	\$ 28	\$ 80	\$ 80
Intergovernmental			89,747	70,473	160,220	160,220
Charges for services	12,383,100	12,383,100	5,913,633	6,163,924	12,077,557	(305,543)
System developments charges	300,000	300,000	269,029	328,414	597,443	297,443
Interest on investments	20,000	20,000	32,527	24,079	56,606	36,606
Miscellaneous	10,000	10,000	17,154	17,420	34,574	24,574
<b>Total revenues</b>	<b>12,713,100</b>	<b>12,713,100</b>	<b>6,322,142</b>	<b>6,604,338</b>	<b>12,926,480</b>	<b>213,380</b>
<b>Expenditures:</b>						
Cost of services:						
Administration: Water conservation	449,010	489,010	183,179	258,842	442,021	46,989
Fire: Forest land management	887,265	1,025,850	578,038	311,440	889,478	136,372
Public works water supply	2,951,820	5,351,820	1,982,794	2,837,069	4,819,863	531,957
Public works water treatment	2,570,700	2,570,700	1,076,608	1,212,593	2,289,201	281,499
Public works water distribution	8,570,680	6,130,680	2,679,306	2,685,369	5,364,675	766,005
Public works reimbursement SDCs	-	-	-	-	-	-
Public works improvements SDCs	282,750	238,864	102,501	61,512	164,013	74,851
Total Cost of Service	15,712,225	15,806,924	6,602,426	7,366,825	13,969,251	1,837,673
Debt service	1,417,252	1,761,148	713,507	1,047,252	1,760,759	389
Contingency	403,000	102,990	-	-	-	102,990
<b>Total expenditures</b>	<b>17,532,477</b>	<b>17,671,062</b>	<b>7,315,933</b>	<b>8,414,077</b>	<b>15,730,010</b>	<b>1,941,052</b>
Excess (Deficiency) of revenues over (under) expenditures	(4,819,377)	(4,957,962)	(993,791)	(1,809,739)	(2,803,530)	(1,727,672)
<b>Other financing sources (uses):</b>						
Loan proceeds	2,787,000	2,787,000	979,630	744,916	1,724,546	(1,062,454)
Interfund loan	(150,000)	(150,000)	(150,000)	-	(150,000)	-
<b>Total other financing sources (uses)</b>	<b>2,637,000</b>	<b>2,637,000</b>	<b>829,630</b>	<b>744,916</b>	<b>1,574,546</b>	<b>(1,062,454)</b>
Net change in fund balance	(2,182,377)	(2,320,962)	(164,161)	(1,064,823)	(1,228,984)	1,091,978
<b>Fund balance, July 1, 2014</b>	<b>5,741,693</b>	<b>5,741,693</b>	<b>6,437,575</b>	<b>6,273,414</b>	<b>6,437,575</b>	<b>695,882</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 3,559,316</b>	<b>\$ 3,420,731</b>	<b>\$ 6,273,414</b>	<b>\$ 5,208,591</b>	<b>\$ 5,208,591</b>	<b>\$ 1,787,860</b>
Reconciliation to Net Position:						
Net Pension Assets				\$ 380,632		
Capital assets, net				20,974,027		
Compensated absences				(80,041)		
OPEB implicit rate liability				(142,422)		
Net Pension liability				(569,050)		
Accrued interest				(26,483)		
GO bonds payable				(4,099,473)		
Revenue bonds payable				(4,041,067)		
				(1)		
				<u>\$ 17,604,713</u>		

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**WASTEWATER FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes	\$ 3,469,200	\$ 3,469,200	\$ 1,891,678	\$ 2,080,588	\$ 3,972,266	\$ 503,066
Charges for services	9,048,100	9,048,100	4,171,230	4,651,836	8,823,066	(225,034)
System developments charges	130,000	130,000	80,570	112,989	193,559	63,559
Interest on investments	36,000	36,000	20,566	22,398	42,964	6,964
Miscellaneous	5,000	5,000	4,505	1,532	6,037	1,037
<b>Total revenues</b>	<b>12,688,300</b>	<b>12,688,300</b>	<b>6,168,549</b>	<b>6,869,343</b>	<b>13,037,892</b>	<b>349,592</b>
<b>Expenditures:</b>						
Cost of services:						
Public works wastewater collection	5,298,621	5,298,621	1,909,598	1,944,891	3,854,489	1,444,132
Public works wastewater treatment	6,527,385	6,527,385	2,506,020	2,474,920	4,980,940	1,546,445
Public works reimbursement SDC's	117,500	117,500	-	20,331	20,331	97,169
Public works improvements SDC's	1,383,491	1,383,491	66,741	20,766	87,507	1,295,984
Total cost of service	13,326,997	13,326,997	4,482,359	4,460,908	8,943,267	4,383,730
Debt service	3,434,325	3,434,325	1,705,577	1,698,523	3,404,100	30,225
Contingency	440,000	440,000				440,000
<b>Total expenditures</b>	<b>17,201,322</b>	<b>17,201,322</b>	<b>6,187,936</b>	<b>6,159,431</b>	<b>12,347,367</b>	<b>4,853,955</b>
Excess (deficiency) of revenues over (under) expenditures	(4,513,022)	(4,513,022)	(19,387)	709,912	690,525	5,203,547
<b>Other financing sources (uses):</b>						
Loan proceeds	3,272,000	3,272,000	-	114,043	114,043	(3,157,957)
<b>Total other financing sources (uses)</b>	<b>3,272,000</b>	<b>3,272,000</b>	<b>-</b>	<b>114,043</b>	<b>114,043</b>	<b>(3,157,957)</b>
Net change in fund balance	(1,241,022)	(1,241,022)	(19,387)	823,955	804,568	2,045,590
<b>Fund balance, July 1, 2014</b>	<b>3,546,633</b>	<b>3,546,633</b>	<b>4,290,774</b>	<b>4,271,387</b>	<b>4,290,774</b>	<b>744,141</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 2,305,611</b>	<b>\$ 2,305,611</b>	<b>\$ 4,271,387</b>	<b>\$ 5,095,342</b>	<b>\$ 5,095,342</b>	<b>\$ 2,789,731</b>
Reconciliation to Net Position:						
Net Pension Assets				\$ 222,756		
Capital assets, net				35,384,143		
Compensated absences				(60,609)		
OPEB implicit rate liability				(90,763)		
Net Pension liability				(333,024)		
Accrued interest				(65,159)		
GO bonds payable				(10,340,489)		
Revenue Bonds Payable				(1,759,322)		
				<u>\$ 28,052,875</u>		

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**ELECTRIC FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget - Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Intergovernmental	\$ 300,000	\$ 300,000	\$ 178,002	\$ 157,698	\$ 335,700	\$ 35,700
Charges for services	29,220,000	29,220,000	13,671,443	13,817,822	27,489,265	(1,730,735)
Interest on investments	22,000	22,000	8,172	7,541	15,713	(6,287)
Miscellaneous	384,000	384,000	147,598	141,287	288,885	(95,115)
<b>Total revenues</b>	<b>29,926,000</b>	<b>29,926,000</b>	<b>14,005,215</b>	<b>14,124,348</b>	<b>28,129,563</b>	<b>(1,796,437)</b>
<b>Expenditures:</b>						
Cost of Services:						
Administration - Conservation	1,494,890	1,494,890	619,609	767,611	1,130,866	364,024
Electric - supply	13,628,373	13,628,373	6,531,924	6,299,591	12,831,515	796,858
Electric distribution	13,398,521	13,398,521	6,316,029	6,242,870	12,558,899	839,622
Electric transmission	2,177,635	2,177,635	942,068	934,468	1,876,536	301,099
Total cost of service	30,699,419	30,699,419	14,409,630	14,244,540	28,397,816	2,301,603
Debt service	47,774	47,774	24,021	23,750	47,771	3
Contingency	923,000	923,000	-	-	-	923,000
<b>Total expenditures</b>	<b>31,670,193</b>	<b>31,670,193</b>	<b>14,433,651</b>	<b>14,268,290</b>	<b>28,445,587</b>	<b>3,224,606</b>
Net change in fund balance	(1,744,193)	(1,744,193)	(428,436)	(143,942)	(316,024)	1,428,169
<b>Fund balance, July 1, 2014</b>	<b>2,334,310</b>	<b>2,334,310</b>	<b>2,327,540</b>	<b>1,899,104</b>	<b>2,327,540</b>	<b>(6,770)</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 590,117</b>	<b>\$ 590,117</b>	<b>\$ 1,899,104</b>	<b>\$ 1,755,162</b>	<b>\$ 2,011,516</b>	<b>\$ 1,421,399</b>
Reconciliation to Net Position:						
Net Pension Assets				\$ 420,642		
Capital assets, net				7,128,375		
Compensated absences				(89,660)		
OPEB implicit rate liability				(161,641)		
Net Pension liability				(628,866)		
Accrued interest				(78)		
Revenue bonds payable				(152,000)		
Deferred revenue				114,700		
Rounding				1		
				<u>\$ 8,386,635</u>		

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**TELECOMMUNICATIONS FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Postive (Negative)
	Original	Final				
<b>Revenues:</b>						
Charges for services	\$ 3,935,719	\$ 3,935,719	\$ 1,929,101	\$ 1,960,462	\$ 3,889,563	\$ (46,156)
Interest on investments	2,000	2,000	1,257	1,000	2,257	257
Miscellaneous	1,000	1,000	4,292	458	4,750	3,750
<b>Total revenues</b>	<b>3,938,719</b>	<b>3,938,719</b>	<b>1,934,650</b>	<b>1,961,920</b>	<b>3,896,570</b>	<b>(42,149)</b>
<b>Expenditures:</b>						
Cost of services:						
Personal services	1,288,560	1,325,560	648,083	651,252	1,299,335	26,225
Materials and services	2,667,283	2,667,283	1,290,960	1,291,505	2,582,465	84,818
Capital outlay	308,000	308,000	103,235	194,102	297,337	10,663
Total cost of service	4,263,843	4,300,843	2,042,278	2,136,859	4,179,137	121,706
Contingency	150,000	113,000				113,000
<b>Total expenditures</b>	<b>4,413,843</b>	<b>4,413,843</b>	<b>2,042,278</b>	<b>2,136,859</b>	<b>4,179,137</b>	<b>234,706</b>
Excess (deficiency) of revenues over (under) expenditures	(475,124)	(475,124)	(107,628)	(174,939)	(282,567)	192,557
Net change in fund balance	(475,124)	(475,124)	(107,628)	(174,939)	(282,567)	192,557
<b>Fund balance, July 1, 2014</b>	<b>506,092</b>	<b>506,092</b>	<b>587,625</b>	<b>479,997</b>	<b>587,625</b>	<b>81,533</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 30,968</b>	<b>\$ 30,968</b>	<b>\$ 479,997</b>	<b>\$ 305,058</b>	<b>\$ 305,058</b>	<b>\$ 274,090</b>
Reconciliation to net position:						
Net pension assets				\$ 124,354		
Capital assets, net				542,948		
Amortized start up costs				288,672		
Compensated absences				(23,373)		
OPEB implicit rate liability				(51,478)		
Net pension liability				(185,911)		
Rounding				(3)		
				<u>\$ 1,000,267</u>		



**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**CONSOLIDATING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
**For the year ended June 30, 2015**

	Central Services Fund	Insurance Services Fund	Health Benefits Fund	Equipment Fund	Totals
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 1,175,752	\$ 2,021,402	\$ 987,970	\$ 2,945,075	\$ 7,130,199
Interest and accounts receivable, net	12,563	34,169	18,063	20,114	84,909
Notes receivable		32,283			32,283
Interfund loan				-	-
Inventories	36,606	69,184	44,651	37,070	187,511
<b>Total current assets</b>	<b>1,224,921</b>	<b>2,157,038</b>	<b>1,050,684</b>	<b>3,002,259</b>	<b>7,434,902</b>
<b>Non-Current assets:</b>					
Non-Current capital assets	617,703	-	-	11,469,841	12,087,544
Accumulated depreciation	(471,114)	-	-	(8,587,500)	(9,058,614)
Capital assets, net	146,589	-	-	2,882,341	3,028,930
Net pension assets	1,056,470			108,134	1,164,604
<b>Total Assets</b>	<b>2,427,980</b>	<b>2,157,038</b>	<b>1,050,684</b>	<b>5,992,734</b>	<b>11,628,436</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>					
<b>Current liabilities:</b>					
Accounts payable	185,107	48,727	137,579	52,054	423,467
Accrued salaries, vacation and payroll taxes	740,354	2,615		63,370	806,339
Other liabilities			650,000	-	650,000
Accrued claims and adjustments	-	2,226,235	439,379	-	2,665,614
<b>Total current liabilities</b>	<b>925,461</b>	<b>2,277,577</b>	<b>1,226,958</b>	<b>115,424</b>	<b>4,545,420</b>
<b>Deferred Inflows of Resources:</b>					
Net deferred pension assets	1,579,439			161,662	1,741,101
<b>Net Position:</b>					
Invested in capital assets, net of related debt	146,589	-	-	2,882,341	3,028,930
Unreserved	(223,509)	(120,539)	(176,274)	2,833,307	2,312,985
Total net position:	(76,920)	(120,539)	(176,274)	5,715,648	5,341,915
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 2,427,980</b>	<b>\$ 2,157,038</b>	<b>\$ 1,050,684</b>	<b>\$ 5,992,734</b>	<b>\$ 11,628,436</b>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**CONSOLIDATING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the year ended June 30, 2015**

	Central Service Fund	Insurance Service Fund	Health Benefits Fund	Equipment Fund	Totals
<b>Operating revenues:</b>					
Service charges and fees	\$ 6,265,061	\$ 729,322	\$ 4,073,530	\$ 1,806,698	\$ 12,874,611
Miscellaneous	111,849	844,808	-	48,841	1,005,498
<b>Total revenues</b>	<b>6,376,910</b>	<b>1,574,130</b>	<b>4,073,530</b>	<b>1,855,539</b>	<b>13,880,109</b>
<b>Operating expenses:</b>					
Cost of service	5,475,916	1,169,645	4,421,237	958,567	12,025,365
Depreciation	77,828	-	-	635,429	713,257
<b>Total operating expenses</b>	<b>5,553,744</b>	<b>1,169,645</b>	<b>4,421,237</b>	<b>1,593,996</b>	<b>12,738,622</b>
Operating income (loss)	823,166	404,485	(347,707)	261,543	1,141,487
<b>Nonoperating income (expense):</b>					
Taxes	79,552	-	-	-	79,552
Interest income	8,125	10,090	2,067	13,799	34,081
Gain/(loss) on disposal of assets	-	-	-	272	272
Transfers In	-	(500,000)	500,000	-	-
<b>Total nonoperating income (expense)</b>	<b>87,677</b>	<b>(489,910)</b>	<b>502,067</b>	<b>14,071</b>	<b>113,905</b>
Change in Net Position	910,843	(85,425)	154,360	275,614	1,255,392
<b>Total Net Position - beginning, restated</b>	<b>(987,763)</b>	<b>(35,114)</b>	<b>(330,634)</b>	<b>5,440,034</b>	<b>4,086,523</b>
<b>Total Net Position - ending</b>	<b>\$ (76,920)</b>	<b>\$ (120,539)</b>	<b>\$ (176,274)</b>	<b>\$ 5,715,648</b>	<b>\$ 5,341,915</b>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**COMBINING INTERNAL SERVICE FUND**  
**STATEMENT OF CASH FLOWS**  
**for the year ended June 30, 2015**

	Central Service Fund	Insurance Service Fund	Health Benefits Fund	Equipment Fund	Total
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 6,749,398	\$ 1,578,515	\$ 4,071,604	\$ 1,948,362	\$ 14,347,879
Payments to suppliers	(1,617,827)	(852,247)	(4,320,472)	(1,197,242)	(7,987,788)
Payments to employees	(5,085,921)	(90,948)	-	(458,729)	(5,635,598)
<b>Net cash from operating activities</b>	<b>45,650</b>	<b>635,320</b>	<b>(248,868)</b>	<b>292,391</b>	<b>724,493</b>
<b>Cash flows from noncapital financing activities:</b>					
Transfer Out		(500,000)			(500,000)
Transfers in	-	-	500,000	-	500,000
Taxes collected	79,552	-	-	-	79,552
<b>Net cash from noncapital financing activities</b>	<b>79,552</b>	<b>(500,000)</b>	<b>500,000</b>	<b>-</b>	<b>79,552</b>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	(26,136)	-	-	(383,163)	(409,299)
<b>Net cash from capital and related financing activities</b>	<b>(26,136)</b>	<b>-</b>	<b>-</b>	<b>(383,163)</b>	<b>(409,299)</b>
<b>Cash flows from investing activities:</b>					
Interest from investments and other income	8,125	10,090	2,067	13,799	34,081
<b>Net increase (decrease) in cash and investments</b>	<b>107,191</b>	<b>145,410</b>	<b>253,199</b>	<b>(76,973)</b>	<b>428,827</b>
<b>Cash and investments, beginning of year</b>	<b>1,068,561</b>	<b>1,875,992</b>	<b>734,771</b>	<b>3,022,048</b>	<b>6,701,372</b>
<b>Cash and investments, end of year</b>	<b>1,175,752</b>	<b>2,021,402</b>	<b>987,970</b>	<b>2,945,075</b>	<b>7,130,199</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income (loss)	823,166	404,485	(347,707)	261,543	1,141,487
Depreciation and amortization	77,828	-	-	635,429	713,257
Change in assets and liabilities:					
(Increase) decrease in:					
Receivables	372,487	4,385	(1,926)	92,823	467,769
Net Pension Assets, Outflows/Inflows	(1,355,010)			(138,691)	(1,493,701)
Increase (decrease) in:					
Accounts payable and accrued liabilities	51,653	26,032	(28,369)	(573,062)	(523,746)
Other liabilities	80,057	269,602	173,785	10,400	533,844
<b>Net cash from operating activities</b>	<b>\$ 45,650</b>	<b>\$ 635,320</b>	<b>\$ (248,868)</b>	<b>\$ 292,391</b>	<b>\$ 724,493</b>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**CENTRAL SERVICES FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Postive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes	\$ 137,800	\$ 137,800	\$ 64,924	\$ 79,552	\$ 144,476	\$ 6,676
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	12,644,870	12,644,870	6,137,997	6,265,061	12,403,058	(241,812)
Interest on investments	10,000	10,000	13,219	8,125	21,344	11,344
Miscellaneous	229,390	229,390	107,690	111,849	219,539	(9,851)
<b>Total revenues</b>	<b>13,022,060</b>	<b>13,022,060</b>	<b>6,323,830</b>	<b>6,464,587</b>	<b>12,788,417</b>	<b>(233,643)</b>
<b>Expenditures:</b>						
Cost of services:						
Administration department	3,015,362	3,015,362	1,345,264	1,451,954	2,797,218	218,144
IT - Information Services	2,537,128	2,537,128	1,144,762	1,252,009	2,396,771	140,357
Administrative Services department	4,084,194	4,008,194	1,886,369	1,980,337	3,866,706	141,488
City Recorder department	708,330	888,330	415,532	453,223	868,755	19,575
Public Works department	3,362,420	3,362,420	1,604,994	1,661,440	3,266,434	95,986
Contingency	104,000	-	-	-	-	-
<b>Total expenditures</b>	<b>13,811,434</b>	<b>13,811,434</b>	<b>6,396,921</b>	<b>6,798,963</b>	<b>13,195,884</b>	<b>615,550</b>
<b>Other financing sources (uses):</b>						
Transfer In	90,000	90,000	90,000		90,000	-
Interfund loan	370,000	370,000	-	364,795	364,795	(5,205)
<b>Total other financing sources (uses)</b>	<b>460,000</b>	<b>460,000</b>	<b>90,000</b>	<b>364,795</b>	<b>454,795</b>	<b>(5,205)</b>
Net change in fund balance	(329,374)	(329,374)	16,909	30,419	47,328	376,702
<b>Fund Balance, July 1, 2014</b>	<b>721,405</b>	<b>721,405</b>	<b>853,281</b>	<b>870,190</b>	<b>853,281</b>	<b>131,876</b>
<b>Fund Balance, June 30, 2015</b>	<b>\$ 392,031</b>	<b>\$ 392,031</b>	<b>\$ 870,190</b>	<b>\$ 900,609</b>	<b>\$ 900,609</b>	<b>\$ 508,578</b>
Reconciliation to Net Position:						
Net Pension Assets				\$ 1,056,470		
Capital assets, net				146,589		
Accrued compensated absences				(220,532)		
OPEB implicit rate liability				(380,618)		
Net Pension liability				(1,579,439)		
Rounding				1		
				<u>\$ (76,920)</u>		

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**INSURANCE SERVICES FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Charges for services	\$ 1,464,410	\$ 1,464,410	\$ 751,543	\$ 729,322	\$ 1,480,865	\$ 16,455
Interest on investments	10,000	10,000	6,395	10,090	16,485	6,485
Miscellaneous	60,000	60,000	729,583	844,808	1,574,391	1,514,391
<b>Total revenues</b>	<b>1,534,410</b>	<b>1,534,410</b>	<b>1,487,521</b>	<b>1,584,220</b>	<b>3,071,741</b>	<b>1,537,331</b>
<b>Expenditures:</b>						
Cost of services:						
Personal services	178,080	198,080	88,280	90,948	179,228	18,852
Materials and services	1,446,500	1,696,500	663,377	811,710	1,475,087	221,413
Total cost of services	1,624,580	1,894,580	751,657	902,658	1,654,315	240,265
Contingency	300,000	30,000	-	-	-	30,000
<b>Total expenditures</b>	<b>1,924,580</b>	<b>1,924,580</b>	<b>751,657</b>	<b>902,658</b>	<b>1,654,315</b>	<b>270,265</b>
<b>Other financing sources (uses):</b>						
Transfer In	-	-	-	-	-	-
Transfer out	-	500,000	-	500,000	500,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>
Net change in fund balance	(390,170)	(890,170)	735,864	181,562	917,426	1,807,596
<b>Fund balance, July 1, 2014</b>	<b>819,457</b>	<b>819,457</b>	<b>848,857</b>	<b>1,584,721</b>	<b>848,857</b>	<b>29,400</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 429,287</b>	<b>\$ (70,713)</b>	<b>\$ 1,584,721</b>	<b>\$ 1,766,283</b>	<b>\$ 1,766,283</b>	<b>\$ 1,836,996</b>
Reconciliation to net position:						
Accrued claims and judgments				\$ (1,886,822)		
				\$ (120,539)		

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**HEALTH BENEFITS FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Postive (Negative)
	Original	Final				
<b>Revenues:</b>						
Charges for services	\$ 7,993,710	\$ 7,993,710	\$ 4,084,502	\$ 4,073,530	\$ 8,158,032	\$ 164,322
Interest on investments	20,000	20,000	1,547	2,067	3,614	(16,386)
Miscellaneous		-	211,795		211,795	211,795
<b>Total revenues</b>	<b>8,013,710</b>	<b>8,013,710</b>	<b>4,297,844</b>	<b>4,075,597</b>	<b>8,373,441</b>	<b>359,731</b>
<b>Expenditures:</b>						
Cost of services:						
Materials and services	7,816,992	9,418,787	4,628,478	4,421,237	9,049,715	369,072
Total cost of services	7,816,992	9,418,787	4,628,478	4,421,237	9,049,715	369,072
Contingency	510,000	-				-
<b>Total expenditures</b>	<b>8,326,992</b>	<b>9,418,787</b>	<b>4,628,478</b>	<b>4,421,237</b>	<b>9,049,715</b>	<b>369,072</b>
<b>Other financing sources (uses):</b>						
Interfund loan	900,000	900,000	500,000	400,000	900,000	-
Transfer In		500,000		500,000	500,000	-
Interfund loan	(500,000)	(250,000)	-	(250,000)	(250,000)	-
<b>Total other financing sources (uses)</b>	<b>400,000</b>	<b>1,150,000</b>	<b>500,000</b>	<b>650,000</b>	<b>1,150,000</b>	<b>-</b>
Net change in fund balance	86,718	(255,077)	169,366	304,360	473,726	728,803
<b>Fund balance, July 1, 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169,366</b>	<b>-</b>	<b>-</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 86,718</b>	<b>\$ (255,077)</b>	<b>\$ 169,366</b>	<b>\$ 473,726</b>	<b>\$ 473,726</b>	<b>\$ 728,803</b>
Reconciliation to GAAP:						
Interfund Loan				(650,000)		
Accrued claims and judgments						
				<u>\$ (176,274)</u>		

**2015 supplementary information**

**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**EQUIPMENT FUND**  
**For the year ended June 30, 2015**

	BN 2013-2015 Biennium Budget Amounts		First Year Actual FY 2013-14	Second Year Actual FY 2014-15	Total Actual for budget period	Variance with Final Budget Postive (Negative)
	Original	Final				
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	3,438,225	3,438,225	1,845,150	1,806,698	3,651,848	213,623
Interest on investments	53,000	53,000	18,006	13,799	31,805	(21,195)
Miscellaneous	113,000	113,000	121,185	48,841	170,026	57,026
<b>Total revenues</b>	<b>3,604,225</b>	<b>3,604,225</b>	<b>1,984,341</b>	<b>1,869,338</b>	<b>3,853,679</b>	<b>249,454</b>
<b>Expenditures:</b>						
Cost of services:						
Public works maintenance	2,054,460	2,084,460	1,040,157	1,044,188	2,084,345	115
Total cost of service	2,054,460	2,084,460	1,040,157	1,044,188	2,084,345	115
Capital outlay	3,113,000	3,113,000	1,931,433	428,458	2,359,891	753,109
Contingency	156,000	126,000				126,000
<b>Total expenditures</b>	<b>5,323,460</b>	<b>5,323,460</b>	<b>2,971,590</b>	<b>1,472,646</b>	<b>4,444,236</b>	<b>879,224</b>
Excess (deficiency) of revenues over (under) expenditures	(1,719,235)	(1,719,235)	(987,249)	396,692	(590,557)	(1,128,678)
<b>Other financing sources (uses):</b>						
Interfund loan	169,000	169,000	170,000		170,000	1,000
Interfund loan						-
<b>Total other financing sources (uses)</b>	<b>169,000</b>	<b>169,000</b>	<b>170,000</b>	<b>-</b>	<b>170,000</b>	<b>1,000</b>
Net change in fund balance	(1,550,235)	(1,550,235)	(817,249)	396,692	(420,557)	1,129,678
<b>Fund balance, July 1, 2014</b>	<b>2,831,016</b>	<b>2,831,016</b>	<b>3,357,663</b>	<b>2,540,414</b>	<b>3,357,663</b>	<b>526,647</b>
<b>Fund balance, June 30, 2015</b>	<b>\$ 1,280,781</b>	<b>\$ 1,280,781</b>	<b>\$ 2,540,414</b>	<b>\$ 2,937,106</b>	<b>\$ 2,937,106</b>	<b>\$ 1,656,325</b>
Reconciliation to Net Position:						
Net Pension Assets				\$ 108,134		
Capital assets, net				2,882,341		
Accrued compensated absences				(17,372)		
OPEB implicit rate liability				(32,901)		
Net Pension liability				(161,662)		
Rounding				2		
				<u>\$ 5,715,648</u>		

**2015 supplementary information**

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**CITY OF ASHLAND, OREGON**  
**CAPITAL ASSETS USED**  
**IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**BY SOURCE**  
**For the year ended June 30, 2015**

**Governmental funds capital assets:**

Land	\$ 12,367,578
Buildings and improvements	35,531,697
Improvements other than buildings	54,472,818
Machinery and equipment	5,884,214
Construction in progress	1,614,351

<b>Total capital assets</b>	<b>109,870,658</b>
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**Investments in governmental funds capital assets by source:**

General and capital projects funds	54,295,619
Special revenue funds	41,010,292
Leased to other agencies	14,564,747

<b>Total investments in governmental funds capital assets</b>	<b>\$ 109,870,658</b>
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This schedule represents only the capital asset balances related to governmental funds before accumulated depreciation. Accordingly, the capital assets reported in *Internal Service Funds* are excluded from the above amounts. Generally, the capital assets of internal service funds are included as the appropriate business activity or governmental activity in the *Statement of Net Assets*.



**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF ASSETS USED  
IN THE OPERATION OF GOVERNMENTAL FUNDS  
BY FUNCTION AND ACTIVITY  
For the year ended June 30, 2015**

Function and Activity	Land	Buildings	Machinery and Equipment	Improvements other than Buildings	Construction in Progress	Total
General government:						
Community development	\$ 985,235	\$ 1,120,947	\$ 378,138	\$ -	\$ -	\$ 2,484,320
Public buildings	460,200	1,021,882	145,916	435,335	48,692	2,112,025
Leased to other agencies	253,000	8,744,018	1,609,780	3,957,949	-	14,564,747
Other - unclassified	2,660,200	2,809,244	553,922	1,317,784		7,341,150
<b>Total general government</b>	<b>4,358,635</b>	<b>13,696,091</b>	<b>2,687,756</b>	<b>5,711,068</b>	<b>48,692</b>	<b>26,502,242</b>
Public safety:						
Police	80,000	614,700	520,085	1,515,652	-	2,730,437
Fire	998,400	6,094,861	343,777	300,000		7,737,038
<b>Total public safety</b>	<b>1,078,400</b>	<b>6,709,561</b>	<b>863,862</b>	<b>1,815,652</b>	<b>-</b>	<b>10,467,475</b>
Highway and streets:						
Public thoroughfares	589,276	630,075	286,508	40,496,308	355,957	42,358,124
<b>Total highways and streets</b>	<b>589,276</b>	<b>630,075</b>	<b>286,508</b>	<b>40,496,308</b>	<b>355,957</b>	<b>42,358,124</b>
Airports	176,566	1,029,780	-	3,567,023	578,044	5,351,413
Culture and recreation	6,164,701	13,466,190	2,046,088	2,882,767	631,658	25,191,404
<b>Total governmental funds capital assets</b>	<b>\$ 12,367,578</b>	<b>\$ 35,531,697</b>	<b>\$ 5,884,214</b>	<b>\$ 54,472,818</b>	<b>\$ 1,614,351</b>	<b>\$ 109,870,658</b>

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

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF BOND PRINCIPAL  
AND BOND INTEREST TRANSACTIONS  
For the year ended June 30, 2015**

		Bond Principal Transactions	
	Original Issue	Outstanding June 30, 2014	Issued
<b>General Obligation Bonds</b>			
Ashland Fiber Network Bonds, issued August 11, 2004 interest at 3.70% to 6.02%	\$ 15,500,000	\$ 775,000	\$ -
**Re-funding Bonds, issued December 1, 2005 interest variable	2,560,000	1,395,000	-
Water and Wastewater, Series 2009, issued May 15, 2009 interest at 4.95%	1,000,000	744,089	-
Wastewater, issued October 13, 2010 interest at 2.00% to 4.00%	15,440,000	10,835,000	-
**Fire Station #2, issued November 1, 2011 interest at 2.00% to 4.00%	2,960,000	2,575,000	-
**Ashland Fiber Network Bonds, (Refinanced 2004) issued March 7, 2013 interest at 2.00% to 2.80%	11,675,000	11,500,000	-
Water debt (Refinanced 2003), issued March 7, 2013 interest at 2.00%	1,580,000	1,560,000	-
New Construction for Street, CIP,Water and Wastewater, issued March 7, 2013 interest at 2.00% to 2.50%	4,765,000	4,490,000	-
<b>Revenue Bonds</b>			
Water, Series 2003, issued June 1, 2003 interest at 2.00% to 4.00%	5,625,000	250,000	-
Electric, Series 2008, issued June 20, 2008 interest at 3.8% to 6.01%	304,000	173,714	-
Water, DEQ loan interest at 1.00%	979,630	979,630	744,916
Wastewater, DEQ Loan interest at 1.00%	1,645,280	1,645,280	114,043
Medford Water Commission - Duff Treatment Plant - Issued 3/26/2014 interest at 3.42%	-	-	2,620,084
	<u>\$ 64,033,910</u>	<u>\$ 36,922,713</u>	<u>\$ 3,479,043</u>

\*\* Paid by Property Taxes

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF BOND PRINCIPAL  
AND BOND INTEREST TRANSACTIONS  
For the year ended June 30, 2015 (continued)**

Bond Principal Transactions			Interest Transactions			
Matured	Paid	Outstanding June 30, 2015	Outstanding June 30, 2014	Matured	Paid	Outstanding June 30, 2015
\$ 775,000	\$ 775,000	\$ -	\$ -	\$ 20,906	\$ 20,906	\$ -
205,000	205,000	1,190,000	-	69,750	69,750	-
59,127	59,127	684,962	-	36,110	36,110	-
1,185,000	1,215,000	1,215,000	-	408,750	408,750	-
115,000	120,000	120,000	-	83,188	83,188	-
295,000	295,000	11,205,000	-	253,360	253,360	-
20,000	160,000	160,000	-	29,600	29,600	-
280,000	280,000	4,210,000	-	91,525	91,525	-
385,000	250,000	-	-	3,875	3,875	-
21,714	21,714	152,000	-	2,036	2,036	-
-	-	1,724,546	-	-	-	-
-	-	114,043	-	-	-	-
303,563	303,563	2,316,521		40,323	40,323	-
<u>\$ 3,644,404</u>	<u>\$ 3,684,404</u>	<u>\$ 23,092,071</u>	<u>\$ -</u>	<u>\$ 1,039,422</u>	<u>\$ 1,039,422</u>	<u>\$ -</u>

**2015 supplementary information**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF PROPERTY TAX TRANSACTIONS  
COLLECTED AND UNCOLLECTED  
FOR THE CITY  
For the year ended June 30, 2015**

	<b>Taxes Uncollected July 1, 2014</b>	<b>Add Levy Extended by Assessor</b>	<b>Add (Deduct) Discounts Interest Cancellations Adjustments</b>	<b>Deduct Interest and Tax Collections</b>	<b>Taxes Uncollected June 30, 2015</b>
<b>2014-15</b>	\$ -	\$ 10,374,563	\$ (241,351)	\$ 9,774,296	\$ 358,916
<b>2013-14</b>	341,542		6,908	172,815	175,635
<b>2012-13</b>	175,971	-	15,398	78,381	112,988
<b>2011-12</b>	104,236	-	22,058	57,427	68,867
<b>2010-11</b>	34,999	-	5,669	27,206	13,462
<b>Prior years</b>	48,058	-	13,981	23,022	39,017
	<u>\$ 704,806</u>	<u>\$ 10,374,563</u>	<u>\$ (177,337)</u>	<u>\$ 10,133,147</u>	<u>\$ 768,885</u>

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	<b>Collections to June 30, 2015</b>	<b>Taxes Uncollected June 30, 2015</b>
Taxes receivable and tax collections classified by fund:		
<b>Primary government:</b>		
General Fund	\$ 9,628,248	\$ 730,440
Debt Service Fund	504,871	38,444
Enterprise Funds:		
Water Fund	28	
	<u>\$ 10,133,147</u>	<u>\$ 768,884</u>

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**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**AND BALANCES OF TAXES UNCOLLECTED**  
**FOR THE CITY**  
**for the year ended June 30, 2015**

**Reconciliation of tax collections by fund to tax revenues on the Generally Accepted Accounting Principles**

	Collections	Other Taxes	Tax Revenues GAAP Basis
<b>Primary government:</b>			
General Fund	\$ 9,628,248	\$ 8,499,902	\$ 18,128,150
Special Revenue Funds:			
Street Fund	-	57,888	57,888
Debt Service Funds:			
Debt Service Fund	504,871	-	504,871
Capital Projects Fund:			
Capital Improvement Fund	-	520,148	520,148
Enterprise Funds:			
Water Fund	28	-	28
Wastewater Fund	-	2,080,588	2,080,588
	<u>\$ 10,133,147</u>	<u>\$ 11,158,526</u>	<u>\$ 21,291,673</u>

**2015 supplementary information**

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**CITY OF ASHLAND, OREGON**  
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES**  
**ELECTED OFFICIALS**  
**For the year ended June 30, 2015**

	Cash Balance July 1, 2014	Receipts	Turnovers to			Cash Balance June 30, 2015
			Treasurer	State	Other	
City Recorder/Treasurer	\$ 31,444,507	\$ 167,119,368	\$ -	\$ -	\$ 167,001,665	\$ 31,562,210
Judge	-	471,693	384,550	87,143	-	-
	<u>\$ 31,444,507</u>	<u>\$ 167,591,061</u>	<u>\$ 384,550</u>	<u>\$ 87,143</u>	<u>\$ 167,001,665</u>	<u>\$ 31,562,210</u>

## **STATISTICAL SECTION**

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### **Total Reporting Entity (Unaudited)**





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

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

<b>Financial Trends</b>	<b>Page</b>
These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	114-127
<b>Revenue Capacity</b>	
These tables contain information that may assist the reader is assessing the viability of the City's revenue sources.	128-137
<b>Debt Capacity</b>	
These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	138-147
<b>Economic and Demographic Information</b>	
These tables offer economic and demographic indicators that are commonly used for financial analysis that can help the reader understand the City's present and ongoing financial status.	158-149
<b>Operating Information</b>	
These tables contain service and infrastructure indicators that can help the reader understand how the information in the City's financial statements relates to the services the City provides and the activities it performs.	150-157

**Source:**

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the City of Ashland. The City implemented GASB Statement No. 34 in fiscal year 2003, therefore, some of the tables presenting government-wide information include only eight years.

**2015 statistical section**

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

**Last ten years  
For the year ended June 30, 2015**

	2015	2014	2013	2012
<b>Assets:</b>				
Cash and cash equivalents	\$ 20,251,175	\$ 19,534,572	\$ 17,585,953	\$ 18,062,202
Receivables (net of allowance for	4,167,775	3,471,767	3,688,713	3,462,383
Inventories	187,511	73,094	74,943	61,605
Internal balances	(1,945,133)	(1,392,782)	(1,122,695)	(690,129)
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	855,545	1,149,616	1,140,881	976,265
Proportional Share of Net Pension Assets	4,350,234	-	-	-
Capital assets:				
Land	12,466,348	12,466,348	12,466,348	12,261,807
Buildings and improvements	35,850,207	35,739,298	22,389,683	19,563,238
Machinery and equipment	17,116,629	16,653,654	13,169,274	12,890,582
Infrastructure	54,917,223	53,668,418	49,724,924	48,193,897
Construction in progress	1,614,351	1,620,133	3,541,161	2,692,359
Accumulated depreciation	(61,946,174)	(58,028,592)	(48,437,198)	(46,093,174)
<b>Total assets</b>	<b>\$ 87,885,691</b>	<b>\$ 84,955,526</b>	<b>\$ 74,221,987</b>	<b>\$ 71,381,035</b>
<b>Liabilities:</b>				
Accounts payable and other current liabilities	\$ 7,163,036	\$ 7,116,594	\$ 5,271,651	\$ 4,811,345
Unearned revenue	130,429	155,091	130,897	382,895
Noncurrent liabilities:				
Claims and Judgment	122,107			
Due within one year	793,836	1,555,932	1,452,982	1,127,229
Due in more than one year	16,009,707	16,925,776	18,337,270	17,779,689
<b>Total liabilities</b>	<b>24,219,115</b>	<b>25,753,393</b>	<b>25,192,800</b>	<b>24,101,158</b>
<b>Net position:</b>				
Invested in capital assets, net of related debt	43,215,041	43,637,551	33,063,940	30,601,791
Restricted for:				
Asset forfeiture	29,678	28,897	14,579	224,361
TOT tourism	99,108	116,131		102,786
Library Levy	56,587	142,497		
System development	3,036,906	2,924,188	2,835,567	2,763,714
Debt service	861,561	794,695	785,823	982,650
CDBG restriction	33,797	33,801	33,801	33,798
Perpetual care: nonexpendable	922,667	896,572	874,045	861,244
Unrestricted	8,907,564	10,627,801	11,421,432	11,709,533
<b>Total net position</b>	<b>\$ 57,162,909</b>	<b>\$ 59,202,133</b>	<b>\$ 49,029,187</b>	<b>\$ 47,279,877</b>

**2015 statistical section**

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

**Last ten years  
For the year ended June 30, 2015 (continued)**

2011	2010	2009	2008	2007	2006
\$ 12,769,637	\$ 11,832,259	\$ 9,453,086	\$ 9,845,351	\$ 10,922,900	\$ 9,274,073
4,085,185	2,647,744	2,668,694	2,444,054	2,530,776	2,353,604
54,579	32,325	36,193	59,984	36,173	31,621
(354,295)	(534,894)	(640,731)	(1,304,641)	(1,587,111)	(1,319,579)
802,870	755,885	1,066,850	1,240,543	542,190	451,672
-	-	-	-	-	-
12,400,610	12,400,610	12,400,610	9,829,360	9,829,360	8,559,612
19,563,238	19,563,238	19,563,238	19,563,238	19,563,238	19,563,238
13,487,439	13,278,430	13,130,505	14,380,378	13,183,769	12,405,182
44,589,519	44,299,409	43,579,697	42,249,665	42,121,600	41,047,189
3,510,539	484,590	340,422	673,643	143,017	798,324
(44,589,333)	(42,260,637)	(39,728,339)	(38,631,224)	(35,789,232)	(33,506,950)
\$ 66,319,988	\$ 62,498,959	\$ 61,870,225	\$ 60,350,351	\$ 61,496,680	\$ 59,657,986
\$ 5,715,843	\$ 3,190,369	\$ 3,153,914	\$ 2,672,369	\$ 2,683,604	\$ 2,590,134
393,592	417,042	430,105	449,038	396,208	12,700
1,067,338	1,276,871	1,183,044	1,327,360	925,973	590,000
15,781,372	17,330,191	18,316,590	19,263,447	20,341,095	5,731,134
22,958,145	22,214,473	23,083,653	23,712,214	24,346,880	8,923,968
32,113,302	29,449,210	29,786,499	27,577,843	27,969,339	42,669,821
187,864	129,510	140,974	236,514	329,180	-
105,063	-	-	-	-	-
2,345,201	2,469,667	2,363,441	2,146,609	1,930,458	1,663,317
	762,199	1,072,785	1,246,509	479,262	459,095
34,424	-	-	-	-	-
831,603	807,797	788,753	771,948	749,918	719,429
7,744,386	6,666,013	4,634,120	4,658,714	5,691,643	5,222,356
\$ 43,361,843	\$ 40,284,396	\$ 38,786,572	\$ 36,638,137	\$ 37,149,800	\$ 50,734,018

**2015 statistical section**

**CITY OF ASHLAND, OREGON**  
**STATEMENT OF NET POSITION**  
**BUSINESS TYPE ACTIVITIES**  
**Last ten years**  
**For the year ended June 30, 2015**

	2015	2014	2013	2012
<b>Assets:</b>				
Cash and cash equivalents	\$ 10,455,490	\$ 10,760,319	\$ 9,732,516	\$ 6,155,621
Receivables (net of allowance for uncollectibles)	2,780,841	3,493,316	5,255,513	2,545,430
Inventories	1,054,059	1,024,111	880,651	899,374
Deferred charges	288,672	488,135	607,054	725,973
Internal balances	1,949,133	1,392,782	1,122,695	690,129
Restricted assets:				
Proportional Share of Net Pension Assets	1,148,384	-	-	-
Capital assets:				
Land	1,906,925	1,880,637	1,880,637	1,880,637
Buildings and improvements	22,089,254	22,089,254	22,089,254	22,089,254
Machinery and equipment	1,271,975	1,169,663	1,059,798	894,352
Infrastructure	84,289,573	83,671,768	89,768,372	88,885,630
Construction in progress	5,788,805	3,069,144	4,033,297	3,453,267
Accumulated depreciation	(51,317,039)	(48,811,228)	(53,721,485)	(49,710,027)
<b>Total assets</b>	<b>\$ 81,706,072</b>	<b>\$ 80,227,901</b>	<b>\$ 82,708,302</b>	<b>\$ 78,509,640</b>
<b>Liabilities:</b>				
Accounts payable and other current liabilities	\$ 2,511,527	\$ 2,865,087	\$ 2,798,666	\$ 1,407,377
Accrued interest payable	91,720	98,772	107,357	105,621
Unearned revenue				-
Noncurrent liabilities:				
Due within one year	1,769,057	1,885,841	1,843,020	1,610,333
Due in more than one year	18,623,294	17,216,872	16,477,803	15,210,823
<b>Total liabilities</b>	<b>22,995,598</b>	<b>22,066,572</b>	<b>21,226,846</b>	<b>18,334,154</b>
<b>Net position:</b>				
Invested in capital assets, net of related debt	43,637,142	43,966,525	46,789,050	50,671,957
Restricted for:				
System development	3,723,378	3,786,696	3,606,339	3,621,447
Debt service	875,490	875,490	875,490	875,490
Unrestricted	8,757,613	9,532,618	10,210,577	5,006,592
<b>Total net position</b>	<b>\$ 56,993,623</b>	<b>\$ 58,161,329</b>	<b>\$ 61,481,456</b>	<b>\$ 60,175,486</b>

**2015 statistical section**

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

**Last ten years  
For the year ended June 30, 2014 (continued)**

2011	2010	2009	2008	2007	2006
\$ 6,743,304	\$ 6,959,037	\$ 6,993,295	\$ 6,437,889	\$ 9,836,733	\$ 12,951,933
2,408,196	2,307,864	2,227,713	2,190,239	2,105,403	2,203,826
740,438	732,821	810,073	881,530	806,047	799,588
844,892	966,228	1,098,448	1,215,668	1,340,389	1,721,312
354,295	534,984	640,731	1,304,641	1,587,111	1,319,579
-	-	-	-	-	-
1,880,637	1,880,637	1,880,637	1,880,638	1,880,638	1,945,107
22,089,254	22,089,254	22,089,254	21,782,187	21,782,187	21,782,188
1,072,204	875,928	823,580	823,581	673,607	636,103
87,809,652	87,809,652	84,636,277	84,636,278	81,141,248	80,305,280
3,335,467	2,538,176	4,620,579	3,981,724	5,156,412	2,998,341
(46,028,522)	(42,247,672)	(38,584,771)	(35,041,272)	(31,502,402)	(28,803,335)
<u>\$ 81,249,817</u>	<u>\$ 84,446,909</u>	<u>\$ 87,235,816</u>	<u>\$ 90,093,103</u>	<u>\$ 94,807,373</u>	<u>\$ 97,859,922</u>
\$ 1,591,542	\$ 1,769,929	\$ 1,467,227	\$ 1,571,810	\$ 1,554,049	\$ 1,678,775
113,296	121,211	130,104	144,127	153,639	587,720
-	-	-	-	-	-
1,757,774	1,735,032	1,669,770	1,595,081	1,379,209	1,475,373
16,821,156	19,654,652	21,389,683	22,056,168	23,497,674	40,366,883
<u>20,283,768</u>	<u>23,280,824</u>	<u>24,656,784</u>	<u>25,367,186</u>	<u>26,584,571</u>	<u>44,108,751</u>
51,579,762	51,556,291	52,406,103	54,411,887	54,264,807	42,661,428
3,395,974	3,646,949	3,800,824	3,838,867	4,315,088	4,251,713
875,490	875,490	875,490	1,751,369	-	1,913,648
5,114,823	5,087,355	5,496,615	4,723,794	9,642,907	4,924,382
<u>\$ 60,966,049</u>	<u>\$ 61,166,085</u>	<u>\$ 62,579,032</u>	<u>\$ 64,725,917</u>	<u>\$ 68,222,802</u>	<u>\$ 53,751,171</u>

**2015 statistical section**

**CITY OF ASHLAND, OREGON  
CHANGES IN NET POSITION  
GOVERNMENTAL ACTIVITIES  
Last ten years  
For the year ended June 30, 2015**

	2015	2014	2013	2012
<b>Program Revenues:</b>				
General government:				
Charges for services	\$ 1,777,397	\$ 2,022,814	\$ 6,054,232	\$ 6,915,050
Operating grants and contributions	611,864	252,742	199,701	290,097
Capital grants and contributions	-	-	-	99,591
Capital system development charges	-	-	-	-
Public safety:				
Charges for services	1,805,092	1,412,785	1,722,410	1,525,601
Operating grants and contributions	132,061	180,422	77,257	37,537
Capital grants and contributions	-	-	-	3,060,434
Capital System Development Charges				
Highways and streets:				
Charges for services	2,248,027	2,093,705	2,090,907	3,024,262
Operating grants and contributions	25,712	-	620,913	-
Capital grants and contributions	-	-	-	868,543
Capital system development charges	-	-	-	-
Parks and Recreation :				
Charges for Services	1,149,154	1,578,123	-	-
Operating Grants and Contributions	320,539	-	-	-
	<u>8,069,846</u>	<u>7,540,591</u>	<u>10,765,420</u>	<u>15,821,115</u>
<b>Program Expenses:</b>				
General government	4,010,499	4,921,674	7,269,820	6,086,034
Public safety	11,271,574	14,677,285	10,352,003	13,893,641
Highways and streets	4,536,755	5,420,004	3,080,513	3,923,526
Parks and Recreation	5,452,550	5,881,480	-	-
Interest on long-term debt	322,330	435,790	1,618,065	966,063
	<u>25,593,708</u>	<u>31,336,233</u>	<u>22,320,401</u>	<u>24,869,264</u>
<b>Net (Expense) Revenue:</b>				
General government	(1,621,238)	(2,646,118)	(1,015,887)	1,218,704
Public safety	(9,334,421)	(13,084,078)	(8,552,336)	(9,270,609)
Highways and streets	(2,263,016)	(3,326,299)	(368,693)	(30,721)
Parks and Recreation	(3,982,857)	(4,303,357)	-	-
Interest on long-term debt	(322,330)	(435,790)	(1,618,065)	(966,063)
	<u>(17,523,862)</u>	<u>(23,795,642)</u>	<u>(11,554,981)</u>	<u>(9,048,689)</u>
<b>General Revenues:</b>				
Property taxes	10,203,218	10,216,080	5,783,168	5,416,909
Utility users tax	4,607,586	4,572,352	4,306,761	4,209,696
Users taxes	2,547,514	2,784,842	2,688,525	2,547,854
State subventions - unrestricted	-	-	-	-
Unrestricted interest earnings	137,558	186,146	179,794	173,648
Capital assets transfers	-	-	-	-
Miscellaneous	5,721,728	4,877,216	346,043	618,616
<b>Transfers:</b>	-	(90,000)		
Total general revenues and transfers	<u>23,217,604</u>	<u>22,546,636</u>	<u>13,304,291</u>	<u>12,966,723</u>
Change in net position	5,693,742	(1,249,006)	1,749,310	3,918,034
Recognition of prior infrastructure	-	-	-	-
<b>Net position - ending</b>	<u>\$ 64,985,875</u>	<u>\$ 59,292,133</u>	<u>\$ 49,029,187</u>	<u>\$ 47,279,877</u>

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

**Last ten years  
For the year ended June 30, 2015 (continued)**

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 6,946,410	\$ 6,336,870	\$ 5,084,158	\$ 5,786,031	\$ 5,058,193	\$ 4,110,436
19,793	18,890	3,641	2,122	35,144	141,500
1,428,253	196,058	3,991	178,186	17,377	299,171
22,701	16,377	18,375	48,308	67,014	105,193
1,551,370	1,551,370	1,487,673	1,524,229	1,600,538	1,556,909
189,248	95,570	114,188	98,302	182,281	-
-	-	-	-	312,000	-
2,006,385	2,027,116	1,842,187	1,807,939	1,662,360	1,659,421
-	-	-	-	-	-
-	-	-	-	366,549	202,982
-	76,101	72,643	167,486	269,338	388,654
-	-	-	-	-	-
-	-	-	-	-	-
12,164,160	10,318,352	8,626,856	9,612,603	9,570,794	8,464,266
5,963,977	4,813,802	3,856,719	4,876,071	4,287,280	2,818,129
10,457,134	11,410,483	10,312,721	11,555,693	10,082,938	7,903,054
3,650,817	2,893,462	2,505,897	4,000,048	2,583,641	2,419,380
-	-	-	-	-	-
976,011	1,033,451	442,168	1,178,388	1,139,346	637,146
21,047,939	20,151,198	17,117,505	21,610,200	18,093,205	13,777,709
2,453,180	1,721,639	1,253,446	1,138,576	890,448	1,838,171
(8,716,516)	(9,763,543)	(8,710,860)	(9,933,162)	(7,988,119)	(6,346,145)
(1,644,432)	(942,447)	(591,067)	(2,024,623)	(285,394)	(168,323)
-	-	-	-	-	-
(976,011)	(1,033,451)	(442,168)	(1,178,388)	(1,139,346)	(637,146)
(8,883,779)	(10,017,802)	(8,490,649)	(11,997,597)	(8,522,411)	(5,313,443)
5,093,848	4,821,809	4,391,088	4,170,062	3,557,262	2,970,566
4,170,896	3,989,351	3,888,747	3,945,382	2,345,323	2,323,390
2,315,909	2,276,353	2,013,026	1,899,320	1,952,810	1,784,302
-	-	-	247,357	1,486,776	1,817,175
117,112	134,142	127,224	444,557	406,964	256,648
-	-	-	-	(15,896,208)	1,425,346
263,461	293,971	218,999	779,133	1,085,266	617,542
11,961,226	11,515,626	10,639,084	11,485,811	(5,061,807)	11,194,969
3,077,447	1,497,824	2,148,435	(511,786)	(13,584,218)	5,881,526
-	-	-	-	-	-
\$ 43,361,843	\$ 40,284,396	\$ 38,786,572	\$ 36,638,137	\$ 37,149,800	\$ 51,025,973

**2015 statistical section**

**CITY OF ASHLAND, OREGON**  
**CHANGES IN NET POSITION**  
**BUSINESS TYPE ACTIVITIES**  
**Last ten years**  
**For the year ended June 30, 2015**

<b>Program Revenues:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Water:				
Charges for services	\$ 6,163,924	\$ 5,913,633	\$ 5,547,560	\$ 4,891,233
Capital grants and contributions	70,473	89,747	1,969,979	461,964
Capital system development charges	328,414	269,029	266,196	491,612
Wastewater:				
Charges for services	4,651,836	4,171,230	3,928,342	3,601,900
Capital system development charges	112,989	80,570	95,132	81,998
Electric:				
Charges for services	13,817,822	13,671,443	12,938,039	12,402,857
Operating grants and contributions	157,698	178,002	148,642	125,123
Telecommunications:				
Charges for services	1,960,462	1,929,101	1,896,106	1,931,126
	<u>27,263,618</u>	<u>26,302,755</u>	<u>26,789,996</u>	<u>23,987,813</u>
<b>Program Expenses:</b>				
Water	7,832,250	6,852,085	7,581,708	5,256,110
Wastewater	5,359,115	7,475,207	3,846,640	5,035,171
Electric	13,521,819	15,825,968	13,613,715	13,673,739
Telecommunications	1,945,375	2,240,951	3,233,961	3,308,448
	<u>28,658,559</u>	<u>32,394,211</u>	<u>28,276,024</u>	<u>27,273,468</u>
<b>Net (Expense) Revenue:</b>				
Water	(1,269,439)	(579,676)	202,027	588,699
Wastewater	(594,290)	(3,223,407)	176,834	(1,351,273)
Electric	453,701	(1,976,523)	(527,034)	(1,145,759)
Telecommunications	15,087	(311,850)	(1,337,855)	(1,377,322)
	<u>(1,394,941)</u>	<u>(6,091,456)</u>	<u>(1,486,028)</u>	<u>(3,285,655)</u>
<b>General Revenues:</b>				
Property taxes	-	-	-	-
Users taxes	2,080,616	1,891,730	1,839,711	1,707,079
Unrestricted interest earnings	55,019	156,492	166,290	155,478
Capital assets transfers	-	-	-	-
Miscellaneous	132,966	723,106	785,997	632,532
Gain (loss) on disposal of assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers:</b>				
Total general revenues and transfers	<u>2,268,601</u>	<u>2,771,328</u>	<u>2,791,998</u>	<u>2,495,089</u>
Change in net position	873,660	(3,320,128)	1,305,970	(790,566)
Net position - beginning	<u>58,161,329</u>	<u>61,481,457</u>	<u>60,175,486</u>	<u>60,966,052</u>
<b>Net position - ending</b>	<u>\$ 59,034,989</u>	<u>\$ 58,161,329</u>	<u>\$ 61,481,457</u>	<u>\$ 60,175,486</u>



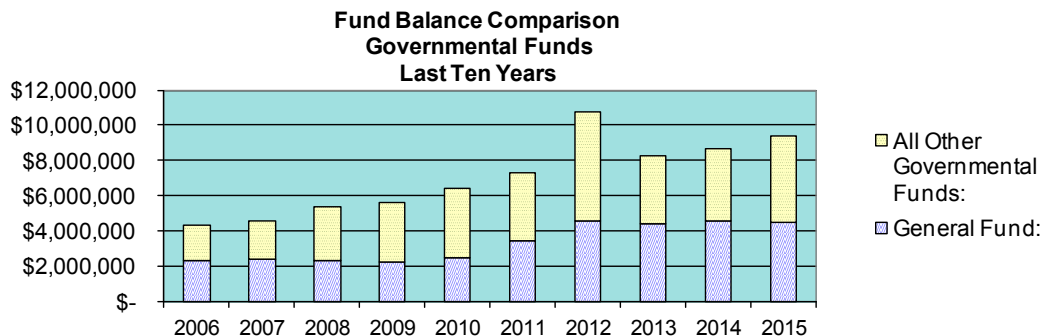
**CITY OF ASHLAND, OREGON  
CHANGES IN NET POSITION  
BUSINESS TYPE ACTIVITIES  
Last ten years  
For the year ended June 30, 2015 (continued)**

	2011		2010		2009		2008		2007		2006
\$	4,250,255	\$	4,146,730	\$	4,067,377	\$	3,780,193	\$	3,829,222	\$	4,092,206
	344,396		99,928		55,628		48,096		135,828		43,622
	180,604		151,864		125,389		340,835		367,839		439,306
	3,385,748		3,148,850		2,734,001		2,607,275		2,432,868		2,428,775
	68,956		55,945		75,843		127,224		208,554		410,910
	12,238,716		12,144,279		11,688,967		12,260,230		12,163,467		12,095,363
	187,436		267,850		47,121		67,620		32,233		36,043
	1,944,758		1,818,789		1,805,746		1,709,706		2,029,467		2,738,635
	22,600,869		21,834,235		20,600,072		20,941,179		21,199,478		22,284,860
	5,260,907		4,599,205		4,969,862		4,959,525		4,955,737		4,974,536
	4,300,986		5,223,619		4,675,433		5,261,713		4,895,541		4,397,923
	12,516,992		12,585,218		12,823,006		13,876,456		12,904,663		12,831,758
	3,535,592		2,931,512		2,845,198		2,756,528		2,682,968		4,182,956
	25,614,477		25,339,554		25,313,499		26,854,222		25,438,909		26,387,173
	(485,652)		(200,683)		(721,468)		(790,401)		(622,848)		(399,402)
	(846,282)		(2,018,824)		(1,865,589)		(2,527,214)		(2,254,119)		(1,558,238)
	(90,840)		(173,089)		(1,086,918)		(1,548,606)		(708,963)		(700,352)
	(1,590,834)		(1,112,723)		(1,039,452)		(1,046,823)		(653,501)		(1,444,321)
	(3,013,608)		(3,505,319)		(4,713,427)		(5,913,044)		(4,239,431)		(4,102,313)
	-		-		-		-		322		86,335
	1,592,942		1,583,908		1,495,488		1,568,385		1,619,849		1,573,251
	106,904		114,266		108,066		459,073		1,194,688		518,138
	-		-		-		-		15,896,208		(1,425,346)
	1,113,726		394,199		962,989		388,701		-		57,103
	-		-		-		-		-		-
	-		-		-		-		-		-
	2,813,572		2,092,373		2,566,543		2,416,159		18,711,067		809,481
	(200,036)		(1,412,946)		(2,146,884)		(3,496,885)		14,471,636		(3,292,832)
	61,166,088		62,579,034		64,725,918		68,222,803		53,751,167		57,043,999
\$	60,966,052	\$	61,166,088	\$	62,579,034	\$	64,725,918	\$	68,222,803	\$	53,751,167

**2015 statistical section**

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

<b>General Fund:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Restricted for:				
Asset forfeiture	\$ 29,678	\$ 28,897	\$ 14,579	\$ 224,361
Transient Occupancy Tax - tourism	99,108	116,131	-	102,786
Library services	56,587	142,497		
Committed for:				
Parking surcharge	334,949	287,725	273,965	247,725
Public art	85,667	78,154	82,849	73,011
Affordable housing	166,351	148,426	148,426	148,426
Grubbs case	22,235	22,230	22,230	21,230
Unassigned, reported in:				
General fund	3,671,969	3,731,916	3,863,212	3,692,190
<b>Total general fund</b>	<b>4,466,544</b>	<b>4,555,976</b>	<b>4,405,261</b>	<b>4,509,729</b>
<b>Street Fund:</b>				
Restricted for:				
System development charges	2,479,609	2,415,789	2,376,109	2,352,315
Unassigned, reported in:				
Special revenue funds	2,798,621	2,321,834	2,041,013	690,977
<b>Total street fund</b>	<b>5,278,230</b>	<b>4,737,623</b>	<b>4,417,122</b>	<b>3,043,292</b>
<b>Parks Fund:</b>				
Unassigned, reported in:				
Special revenue funds	503,626	583,394	-	-
<b>Total parks fund</b>	<b>503,626</b>	<b>583,394</b>	<b>-</b>	<b>-</b>
<b>All Other Governmental Funds:</b>				
Restricted for:				
System development charges	557,297	508,399	459,458	411,399
Community Development Grant Block funding	33,797	33,801	33,801	33,798
Cemetery perpetual care	922,667	896,572	874,045	861,244
Committed for:				
Committed for parks activities	209,302	332,482		
Committed for airport activities	117,516	80,488	97,697	83,711
Committed for food and beverage	524,663	470,422	365,466	365,466
Committed for facilities	1,667,528	944,553	1,268,783	3,463,420
Committed for debt service	861,560	794,695	785,823	982,650
Unassigned, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total all other governmental funds</b>	<b>4,894,330</b>	<b>4,061,412</b>	<b>3,885,073</b>	<b>6,201,688</b>
<b>Total governmental funds</b>	<b>\$ 15,142,730</b>	<b>\$ 13,938,405</b>	<b>\$ 8,290,334</b>	<b>\$ 10,711,417</b>



**2015 statistical section**

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

2011	2010	2009	2008	2007	2006
\$ 187,864	\$ 129,510	\$ 140,974	\$ 236,514	\$ 329,180	\$ -
100,563	-	-	-	-	-
232,497	-	-	-	-	-
28,113	-	-	-	-	-
23,367	-	-	-	-	-
2,875,653	2,345,060	2,044,482	2,060,152	2,038,534	2,326,936
3,448,057	2,474,570	2,185,456	2,296,666	2,367,714	2,326,936
1,980,292	2,115,971	2,085,259	2,049,977	1,761,561	1,597,642
256,008	704,546	316,999	120,493	615,659	(133,598)
2,236,300	2,820,517	2,402,258	2,170,470	2,377,220	1,464,044
-	-	-	-	-	-
-	-	-	-	-	-
364,909	353,696	348,746	96,632	168,896	65,675
34,424	-	-	-	-	-
831,603	807,796	788,752	771,948	749,918	719,429
60,083	-	-	-	-	-
526,148	-	-	-	-	-
1,241,604	-	-	-	-	-
809,249	762,199	1,072,785	1,246,509	559,263	459,095
-	32,160	19,979	6,891	(24,661)	130,126
-	1,969,977	1,154,776	951,989	714,329	586,843
3,868,020	3,925,828	3,385,038	3,073,969	2,167,745	1,961,168
\$ 7,316,077	\$ 6,400,398	\$ 5,570,494	\$ 5,370,635	\$ 4,535,459	\$ 4,288,104

**2015 statistical section**

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

**Last ten years  
For the year ended June 30**

<b>Revenues:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Taxes	\$ 19,210,392	\$ 18,850,869	\$ 13,661,986	\$ 13,270,221
Fees, licenses and permits	1,205,381	667,416	583,679	1,340,102
Intergovernmental	2,774,500	2,847,336	2,500,297	2,878,726
Special assessments	67,508	59,483	41,048	43,542
Charges for services	12,358,624	10,835,737	6,319,508	6,520,263
Fines and forfeitures	178,455	183,732	196,535	168,305
Interest on investments	79,835	86,025	72,312	87,553
Miscellaneous	221,293	410,589	559,195	262,858
<b>Total revenues</b>	<b>36,095,988</b>	<b>33,941,187</b>	<b>23,934,560</b>	<b>24,571,570</b>
<b>Expenditures:</b>				
General government	9,346,850	9,381,555	4,820,740	4,631,724
Public safety	13,328,400	13,102,433	11,868,980	11,411,045
Highways and streets	2,762,562	1,974,219	2,529,333	2,422,483
Parks and recreation	6,591,385	6,854,314		
Capital outlay	959,542	1,636,407	4,984,031	2,374,574
Debt service	1,902,924	1,842,374	2,754,188	2,172,846
Principal	1,454,442	1,320,000	1,732,744	1,196,086
Interest	447,689	522,374	1,021,444	976,760
<b>Total expenditures</b>	<b>34,891,663</b>	<b>34,791,302</b>	<b>26,957,272</b>	<b>23,012,672</b>
Excess (deficiency) of revenues over expenditures	1,204,325	(850,115)	(3,022,712)	1,558,898
<b>Other financing sources (uses):</b>				
Proceeds from debt issuance	-	-	1,767,459	-
Interfund loans	-	-	208,000	-
Transfers in	556,515	750,927	41,461	203,105
Transfers out	(556,515)	(840,927)	(41,461)	(203,105)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(90,000)</b>	<b>1,975,459</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 1,204,325</b>	<b>\$ (940,115)</b>	<b>\$ (1,047,253)</b>	<b>\$ 1,558,898</b>
Non-capital expenditures:				
Total expenditures	\$ 34,891,663	\$ 34,791,302	\$ 26,957,272	\$ 23,012,672
Less: capital assets expenditures	(959,542)	(1,636,407)	(4,984,031)	(2,374,574)
Non-capital expenditures:	\$ 33,932,121	\$ 33,154,895	\$ 21,973,241	\$ 20,638,098
Ratio of debt service to noncapital expenditures	5.61%	5.56%	12.53%	10.53%

**2015 statistical section**

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

2011	2010	2009	2008	2007	2006
\$ 12,978,142	\$ 12,636,896	\$ 11,790,772	\$ 11,204,876	\$ 10,620,715	\$ 9,454,799
482,275	474,379	768,451	886,644	847,665	1,106,317
3,642,108	2,103,165	1,630,055	1,848,914	2,606,832	2,168,873
17,867	3,292	25,587	67,195	108,864	360,860
6,315,976	5,799,929	5,732,687	5,594,106	4,564,898	3,817,938
183,239	183,266	156,092	150,346	169,558	137,460
62,062	102,302	97,379	330,413	310,478	197,960
272,814	190,732	164,995	787,159	719,478	554,076
23,954,483	21,493,961	20,366,018	20,869,653	19,948,488	17,798,283
4,300,262	4,278,859	3,982,889	4,114,305	3,423,269	3,081,984
10,914,166	10,896,098	10,701,354	10,578,525	10,227,177	9,152,421
3,778,610	2,361,523	2,298,680	2,341,178	2,245,609	2,191,178
			-	-	-
1,859,097	479,600	1,502,763	1,355,293	1,359,308	1,889,998
2,562,886	2,229,718	2,363,685	1,852,049	1,622,412	820,218
1,563,425	1,183,203	1,277,584	725,753	533,630	523,769
999,461	1,046,515	1,086,101	1,126,296	1,088,782	296,449
23,415,021	20,245,798	20,849,371	20,241,350	18,877,775	17,135,799
539,462	1,248,163	(483,353)	628,303	1,070,713	662,484
-	-	915,000	-	-	2,761,180
(208,000)	-	-	-	89,818	-
997,349	469,360	328,173	336,253	936,934	347,780
(997,349)	(469,360)	(328,173)	(336,253)	(936,934)	(347,780)
(208,000)	-	915,000	-	89,818	2,761,180
\$ 331,462	\$ 1,248,163	\$ 431,647	\$ 628,303	\$ 1,160,531	\$ 3,423,664
\$ 23,415,021	\$ 20,245,798	\$ 20,849,371	\$ 20,241,350	\$ 18,877,775	\$ 17,135,799
(1,859,097)	(479,600)	(1,502,763)	(1,355,293)	(1,359,308)	(1,889,998)
\$ 21,555,924	\$ 19,766,198	\$ 19,346,608	\$ 18,886,057	\$ 17,518,467	\$ 15,245,801
11.89%	11.28%	12.22%	9.81%	9.26%	5.38%

**2015 statistical section**
**CITY OF ASHLAND, OREGON  
FUND BALANCE COMPARISON**

**Last ten years  
For the year ended June 30**

<b>Fund Balances</b>	<b>2015 Adopted</b>	<b>2014 Adopted</b>	<b>2013 Adopted</b>	<b>2012 Adopted</b>
<b>City Component</b>				
General Fund	\$ 777,434	\$ 2,594,256	\$ 1,563,870	\$ 1,729,188
Community Development Block Grant Fund	-	-	(34,424)	-
Reserve Fund	454,910	336,910	1,018,502	869,172
Street Fund	1,059,860	1,403,337	1,669,993	2,205,420
Airport Fund	64,468	34,564	99,276	44,387
Capital Improvements Fund	1,890,308	1,858,486	545,638	1,828,450
Debt Service Fund	606,593	637,043	949,626	1,020,546
Water Fund	3,559,316	3,575,115	2,383,044	1,121,531
Wastewater Fund	2,305,611	2,415,670	2,235,859	233,204
Electric Fund	590,117	1,012,411	1,077,114	1,091,591
Telecommunications Fund	30,968	210,594	153,998	339,464
Central Services Fund	392,031	754,268	32,508	10,026
Insurance Services Fund	429,287	622,602	477,568	646,302
Health Benefits Fund	86,718	348,359		
Equipment Fund	1,280,781	1,233,835	2,553,013	1,124,500
Cemetery Trust Fund	937,744	912,244	892,603	852,797
<b>Total city component</b>	<b>14,466,146</b>	<b>17,949,694</b>	<b>15,618,188</b>	<b>13,116,578</b>
<b>Parks Component</b>				
Parks and Recreation Fund	666,289	583,396	1,290,439	1,703,840
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	302,132	270,032	242,067	193,504
<b>Total parks component</b>	<b>968,421</b>	<b>853,428</b>	<b>1,532,506</b>	<b>1,897,344</b>
<b>Total budget</b>	<b>\$ 15,434,567</b>	<b>\$ 18,803,122</b>	<b>\$ 17,150,694</b>	<b>\$ 15,013,922</b>

<b>Fund Balances</b>	<b>2015 Actual</b>	<b>2014 Actual</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>City Component</b>				
General Fund	\$ 3,620,264	\$ 3,719,809	\$ 3,385,681	\$ 3,495,819
Community Development Block Grant Fund	33,797	33,801	33,801	33,798
Reserve Fund	196,279	336,167	1,019,580	1,013,910
Street Fund	5,278,231	4,737,624	4,417,121	3,043,292
Airport Fund	117,516	80,488	116,697	83,710
Capital Improvements Fund	2,749,488	1,923,374	2,094,707	4,449,285
Debt Service Fund	861,560	1,159,490	1,150,618	982,649
Water Fund	5,208,592	6,273,413	6,437,576	2,708,910
Wastewater Fund	5,095,342	4,271,386	4,290,774	2,794,806
Electric Fund	900,609	1,899,104	2,327,540	2,418,099
Telecommunications Fund	305,058	479,997	587,624	586,943
Central Services Fund	870,190	870,190	853,280	o
Insurance Services Fund	1,766,284	1,584,721	848,857	761,552
Health Benefits Fund	473,726	169,366		
Equipment Fund	2,937,105	2,540,413	3,357,663	2,479,905
Cemetery Trust Fund	922,667	896,572	874,045	861,243
<b>Total city component</b>	<b>31,336,708</b>	<b>30,975,915</b>	<b>31,795,564</b>	<b>25,713,921</b>
<b>Parks Component</b>				
Parks and Recreation Fund	503,628	583,396	1,783,433	2,242,227
Youth Activities Levy Fund	-	-	-	20,326
Parks Capital Improvements Fund	209,302	332,482	387,632	449,131
<b>Total parks component</b>	<b>712,930</b>	<b>915,878</b>	<b>2,171,065</b>	<b>2,711,684</b>
<b>Total actual</b>	<b>\$ 32,049,638</b>	<b>\$ 31,891,793</b>	<b>\$ 33,966,629</b>	<b>\$ 28,425,605</b>

**2015 statistical section**
**CITY OF ASHLAND, OREGON  
FUND BALANCE COMPARISON**
**Last ten years**
**For the year ended June 30 (continued)**

2011 Adopted	2010 Adopted	2009 Adopted	2008 Adopted	2007 Adopted	2006 Adopted
\$ 1,484,490	\$ 1,332,508	\$ 1,190,469	\$ 1,127,520	\$ 1,047,023	\$ 1,051,983
-	-	11,799	-	-	-
151,500	215,000	-	-	-	-
2,199,998	1,447,363	3,634,173	1,223,241	6,308,766	733,073
10,804	9,024	31,727	2,942	12,382	37,660
1,493,676	2,137,061	1,753,706	807,222	1,680,528	3,609,193
790,646	1,149,113	1,166,758	601,085	148,902	569,205
4,302,000	836,814	3,041,343	2,804,328	5,401,307	2,158,888
2,328,958	3,020,769	4,069,588	5,539,312	3,035,439	3,899,968
1,387,036	649,494	2,067,545	1,677,245	1,185,892	1,405,027
281,732	325,135	396,498	362,716	217,611	70,187
70,593	12,531	106,614	82,987	92,793	10,000
394,466	543,266	977,803	908,275	492,028	417,936
88,202	1,322,161	1,252,898	508,357	618,799	856,499
826,753	812,948	790,918	774,453	735,212	699,876
<b>15,810,854</b>	<b>13,813,187</b>	<b>20,491,839</b>	<b>16,419,683</b>	<b>20,976,682</b>	<b>15,519,495</b>
1,409,225	1,450,910	1,190,614	877,245	667,250	993,667
-	10,591	-	216,893	-	125,306
195,991	287,239	107,590	26,926	44,866	112,569
<b>1,605,216</b>	<b>1,748,740</b>	<b>1,298,204</b>	<b>1,121,064</b>	<b>712,116</b>	<b>1,231,542</b>
<b>\$ 17,416,070</b>	<b>\$ 15,561,927</b>	<b>\$ 21,790,043</b>	<b>\$ 17,540,747</b>	<b>\$ 21,688,798</b>	<b>\$ 16,751,037</b>
2011 Actual	2010 Actual	2009 Actual	2008 Actual	2007 Actual	2006 Actual
\$ 2,938,556	\$ 2,474,570	\$ 2,185,456	\$ 2,296,666	\$ 2,367,714	\$ 2,326,936
34,424	37,424	69,618	44,705	12,033	4,599
509,502	148,072	-	-	-	-
2,236,300	2,820,517	2,402,258	2,170,470	2,377,220	1,464,044
60,083	32,160	99,978	86,891	55,339	54,874
2,132,661	2,138,176	1,433,904	1,003,916	656,315	803,171
809,248	762,199	1,072,785	1,246,509	559,263	459,095
2,212,401	1,851,885	2,323,768	1,865,418	3,241,590	6,179,246
3,250,111	3,496,009	3,710,771	3,764,972	4,862,001	5,301,598
2,476,294	2,054,733	1,642,543	1,469,744	2,178,995	2,116,269
517,916	953,315	929,945	869,719	963,896	518,687
491,546	266,820	161,163	368,086	726,743	439,010
605,943	640,110	696,071	1,138,699	974,450	1,060,790
1,858,969	1,760,305	844,150	1,329,672	1,750,852	1,510,170
831,602	870,797	788,753	771,948	749,918	719,429
<b>20,965,556</b>	<b>20,307,092</b>	<b>18,361,163</b>	<b>18,427,415</b>	<b>21,476,329</b>	<b>22,957,918</b>
2,214,031	1,787,781	1,379,752	1,201,443	1,180,912	1,507,367
9,899	22,534	27,356	160,591	72,671	35,374
432,866	252,864	166,991	263,343	195,390	165,326
<b>2,656,796</b>	<b>2,063,179</b>	<b>1,574,099</b>	<b>1,625,377</b>	<b>1,448,973</b>	<b>1,708,067</b>
<b>\$ 23,622,352</b>	<b>\$ 22,370,271</b>	<b>\$ 19,935,262</b>	<b>\$ 20,052,792</b>	<b>\$ 22,925,302</b>	<b>\$ 24,665,985</b>

**2015 statistical section**

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

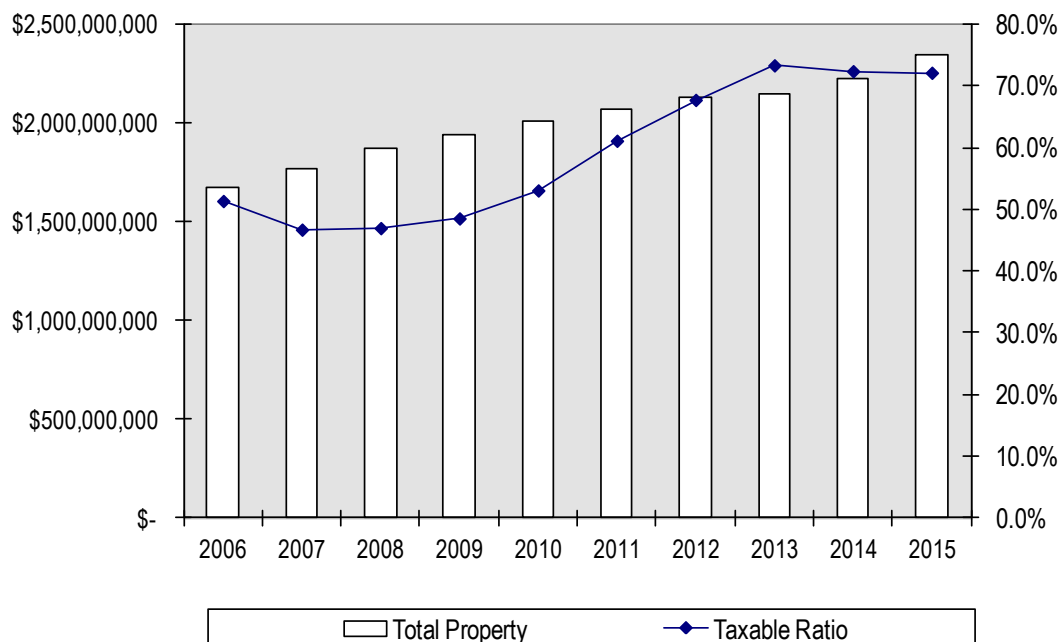
Fiscal Year Ended June 30,	Real Property	Mobile Home	Personal (1)	Utilities	Total	Property Tax Rate	Taxable ratio (True Cash Value to Assessed)
2015	\$ 2,274,534,883	\$ 6,445,605	\$ 38,438,560	\$ 29,027,740	\$ 2,348,446,788	\$ 4.42	72.1%
2014	2,154,231,164	6,060,576	36,756,490	24,858,300	2,221,906,530	4.61	72.3%
2013	2,079,286,927	6,060,300	36,739,550	26,166,700	2,148,253,477	4.63	73.3%
2012	2,055,111,118	6,318,010	40,939,090	26,290,929	2,128,659,147	4.71	67.7%
2011	2,000,563,826	5,956,110	41,057,580	24,422,710	2,072,000,226	4.60	61.0%
2010	1,937,303,620	5,881,825	40,133,110	24,860,300	2,008,178,855	2.10	53.0%
2009	1,871,896,544	5,744,350	44,282,840	21,243,990	1,943,167,724	4.42	48.4%
2008	1,802,639,910	5,762,080	44,536,050	22,372,000	1,875,310,040	5.73	46.9%
2007	1,700,020,579	5,498,040	40,468,280	20,509,400	1,766,496,299	5.56	46.6%
2006	1,610,148,502	5,301,570	38,820,610	20,344,260	1,674,614,942	5.25	51.3%

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

(1) Includes non-profit housing

Source: Jackson County Assessor tax roll property values

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





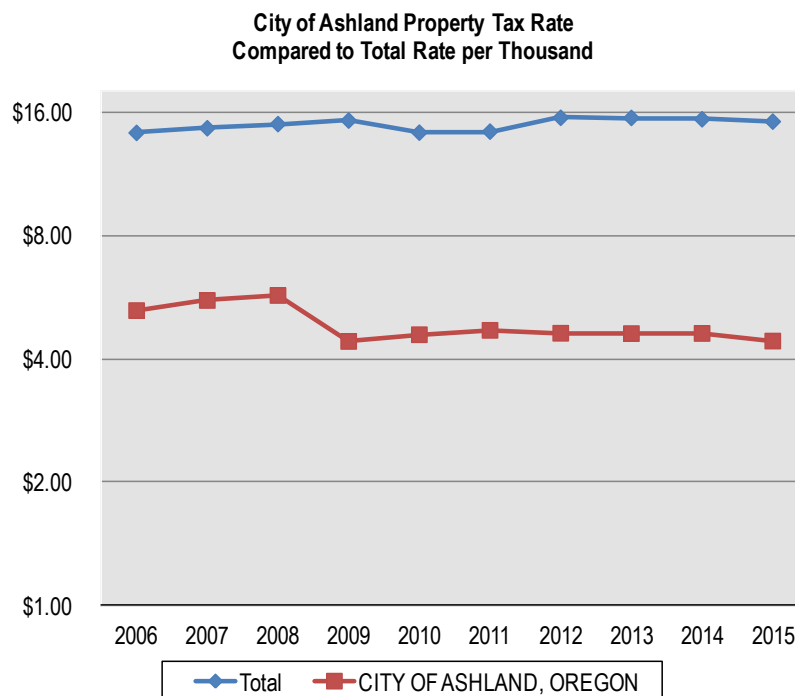
**CITY OF ASHLAND, OREGON  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
(Per \$1,000 of Assessed Valuation)  
Last ten years - Unaudited**

Fiscal Year Ended June 30,	City of Ashland Permanent rate	City of Ashland Local Option Levies	City of Ashland Bonded Debt	City of Ashland Component Unit	City of Ashland Total Tax Rate	Net General Government Tax Rate	Net School Support Tax Rate	Total
2015	\$ 4.20	\$ -	\$ 0.22	\$ -	\$ 4.43	\$ 6.90	\$ 8.33	\$ 15.22
2014	4.20	0.19	0.22	-	4.62	7.09	8.34	15.42
2013	2.10	0.19	0.24	2.09	4.62	7.16	8.38	15.54
2012	2.10	0.19	0.24	2.09	4.63	7.18	8.38	15.56
2011	2.10	0.19	0.32	2.09	4.70	7.25	7.14	14.39
2010	2.10	0.19	0.20	2.09	4.59	7.17	7.14	14.31
2009	1.99	0.13	0.21	2.09	4.42	6.90	8.42	15.31
2008	1.85	0.20	0.20	3.47	5.72	8.12	6.90	15.01
2007	1.88	-	0.21	3.47	5.56	8.30	6.37	14.67
2006	1.62	-	0.16	3.47	5.26	8.01	6.28	14.29

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

(2) Rogue Community College

Source: Jackson County Assessor and Tax Collector



**2015 statistical section**

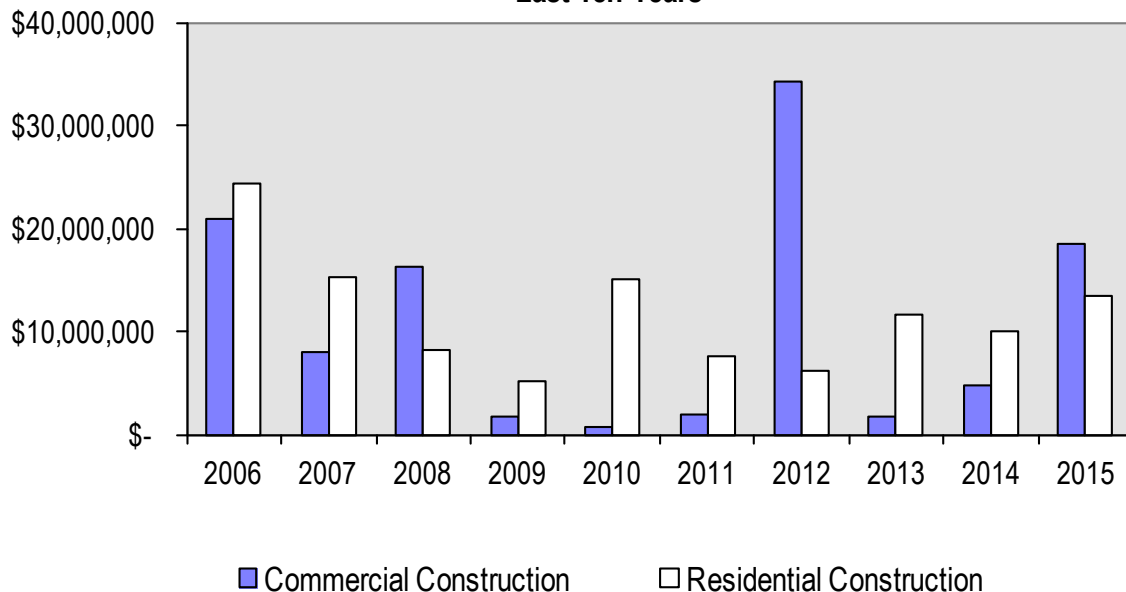
**CITY OF ASHLAND, OREGON**  
**PROPERTY VALUE AND NEW CONSTRUCTION HISTORY**  
**Last ten years - Unaudited**

Fiscal Year Ended June 30,	Property Value (1)	Commercial Construction		Residential Construction	
		Number of Units	Value	Number of Units	Value
2015	\$ 2,348,446,788	8	\$ 18,530,998	62	\$ 13,371,460
2014	2,262,503,440	9	4,770,334	50	10,032,795
2013	2,079,286,927	8	1,632,075	56	11,568,784
2012	2,128,659,147	10	34,221,808	33	6,123,270
2011	2,072,000,226	11	1,989,421	47	7,531,926
2010	1,937,303,620	4	611,406	89	14,985,434
2009	1,943,167,724	15	1,812,635	21	5,108,099
2008	1,875,310,040	23	16,269,379	82	8,258,031
2007	1,766,496,299	26	8,086,124	98	15,270,781
2006	1,674,614,942	19	20,988,810	160	24,336,944

(1) Property value is assessed valuation

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

**Commercial and Residential Construction  
Last Ten Years**



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

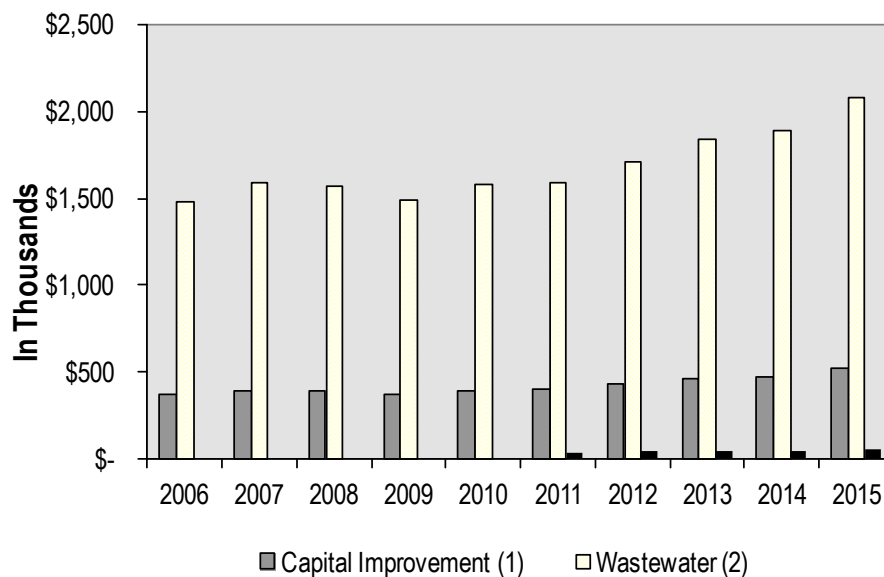
Fiscal Year Ended June 30,	Capital Improvement (1)	Wastewater (2)	Central Service	Total (3)	Cumulative
2015	\$ 520	\$ 2,080	\$ 53	\$ 2,653	\$ 36,423
2014	473	1,892	48	2,413	33,770
2013	460	1,840	47	2,347	31,357
2012	427	1,707	47	2,181	29,010
2011	398	1,593	31	2,022	26,829
2010	396	1,584	-	1,980	24,807
2009	374	1,495	-	1,869	22,827
2008	392	1,567	-	1,959	20,958
2007	395	1,594	-	1,989	18,999
2006	370	1,481	-	1,851	17,010

(1) Dedicated to acquisition of open space parkland

(2) Derived from wastewater enterprise operations

(3) Tax enacted July 1, 1993

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



**2015 statistical section**

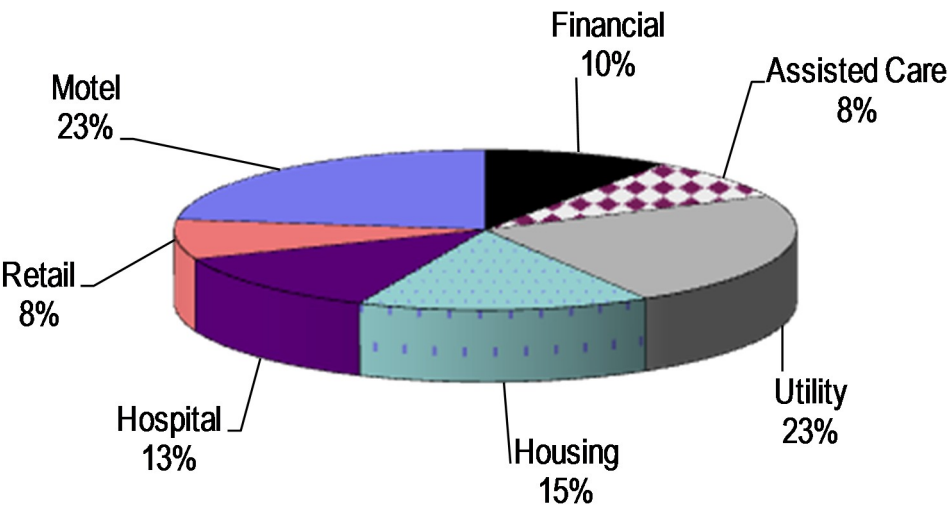
**CITY OF ASHLAND, OREGON  
PRINCIPAL PROPERTY TAXPAYERS  
Current and ten years ago**

<b>Taxpayers</b>	<b>Type of Business</b>	<b>2015 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Deluca Ronald L Trustee	Housing	\$ 11,047,590	0.49%
Avista Corp.	Utility	10,740,000	0.47%
Ashland Community Hopsital	Hospital	9,014,730	0.40%
Financial Pacific INC	Financial	7,003,110	0.31%
Charter Communication	Utility	6,215,400	0.27%
Skylark Assisted Living	Assisted Care	6,067,120	0.27%
Ashland Shopping Center LLC	Retail	5,815,390	0.26%
Mark Antony Hist Prop LLC	Motel	5,799,800	0.25%
Bard's Inn	Motel	5,471,920	0.24%
Plaza Hospitality	Motel	5,379,140	0.24%
All other		2,275,892,588	96.80%
<b>Total</b>		<b>\$ 2,348,446,788</b>	<b>100.00%</b>

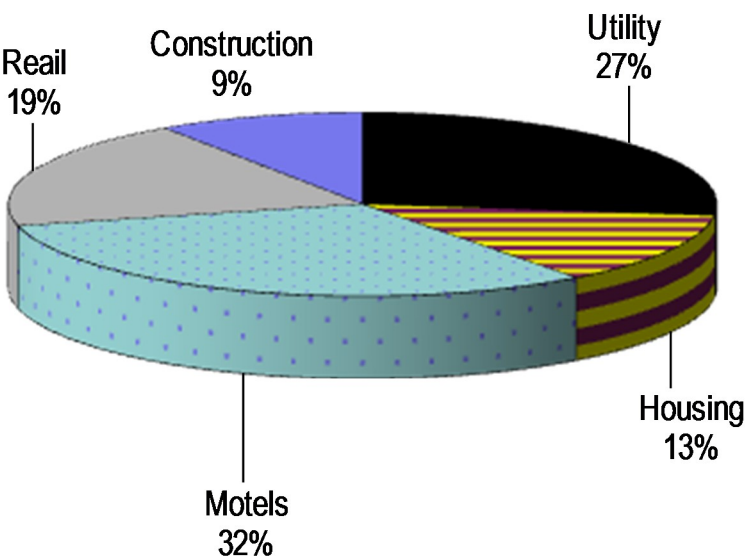
<b>Taxpayers</b>	<b>Type of Business</b>	<b>2006 Assessed Valuation</b>	<b>of Total Assessed Valuation</b>
AHI Inc.	Motels	\$ 14,752,870	0.93%
US West Communications, Inc.	Utility	9,339,270	0.59%
Washington Water Power Co.	Utility	7,732,200	0.49%
Warren Family Limited Partnership	Construction	5,979,500	0.38%
Brodeur/Brodeur Inc.	Motels	5,164,000	0.32%
Payless Drug Stores	Retail	4,327,280	0.27%
Stand-By Corporation Inc.	Retail	4,268,270	0.27%
Ashland Investment Group	Housing	4,071,850	0.26%
MDK Investments	Housing	3,986,320	0.25%
Albertson's Inc.	Retail	3,649,510	0.23%
All other		1,528,249,280	96.02%
<b>Total</b>		<b>\$ 1,591,520,350</b>	<b>100.00%</b>

Source: Jackson County Assessor

2015 Principal Property Tax Payers



2006 Principal Property Tax Payers



**2015 statistical section**

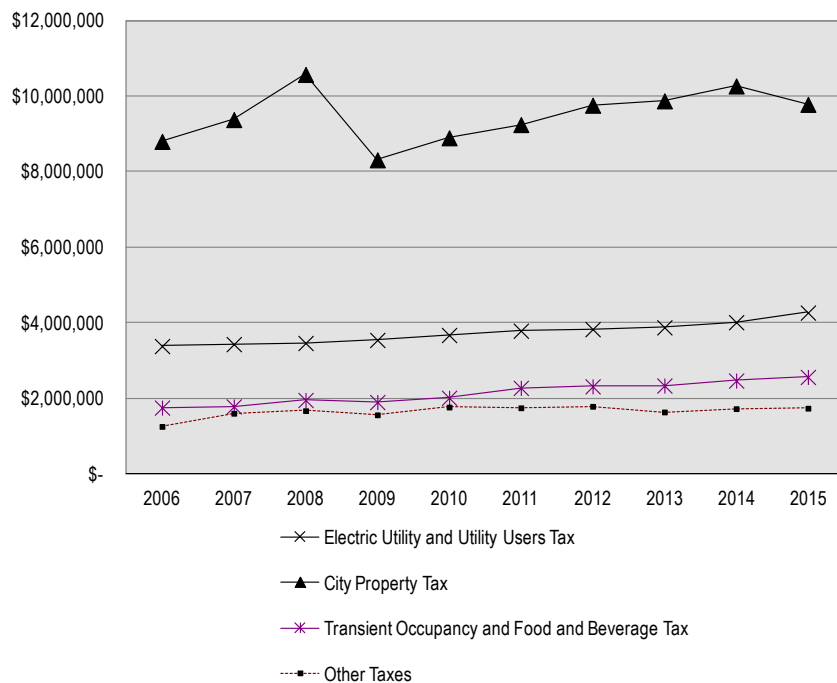
**CITY OF ASHLAND, OREGON**  
**GENERAL GOVERNMENTAL TAX REVENUES**  
**BY SOURCE**  
(amounts expressed in thousands)  
**Last ten years - Unaudited**

Fiscal Year Ended June 30,	Combined Property Taxes	Electric Utility Franchise (1)	Utility Users Tax (1)	Other Franchise and Privilege Taxes	Transient Occupancy Tax	Food and Beverage Tax (2)	Business License Tax	Total
2015	\$ 9,781	\$ 1,390	\$ 2,923	\$ 1,513	\$ 2,460	\$ 520	\$ 209	\$ 18,796
2014	10,268	1,373	2,895	1,530	2,091	473	208	18,838
2013	9,874	1,311	2,704	1,518	2,009	460	208	18,084
2012	9,759	1,251	2,627	1,436	1,911	427	202	17,613
2011	9,246	1,228	2,603	1,591	1,918	398	197	17,181
2010	8,896	1,232	2,557	1,552	1,880	396	197	16,710
2009	8,313	1,207	2,468	1,567	1,639	374	201	15,769
2008	10,573	1,170	2,375	1,362	1,508	392	201	17,581
2007	9,378	1,119	2,345	1,544	1,559	395	129	16,469
2006	8,801	1,111	2,323	1,399	1,414	370	205	15,623

(1) Derived from city-owned electric utility operations

(2) Tax enacted July 1, 1993

**GENERAL GOVERNMENTAL TAX REVENUES**  
**BY SOURCE**



**2015 statistical section**

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

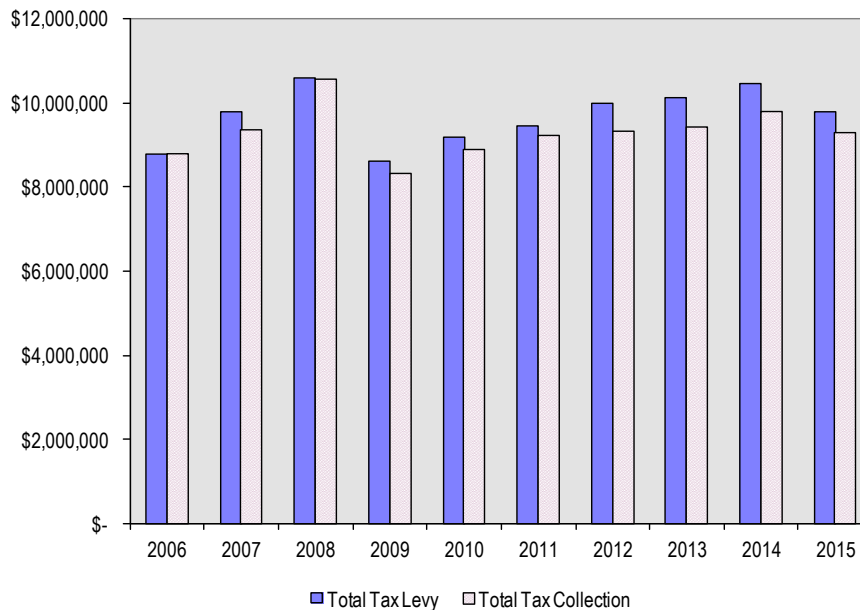
Fiscal Year Ended June 30,	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collections (2)(3)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2015	\$ 9,780,890	\$ 9,301,056	95.1%	\$ 346,208	\$ 9,647,264	98.6%	\$ 768,885	7.9%
2014	10,453,597	9,799,116	93.7%	468,669	10,267,785	98.2%	704,806	6.7%
2013	10,119,532	9,440,360	93.3%	394,679	9,835,039	97.2%	785,377	7.8%
2012	9,997,229	9,322,678	93.3%	436,198	9,758,876	97.6%	755,098	7.6%
2011	9,470,164	8,885,987	93.8%	359,767	9,245,754	97.6%	773,714	8.2%
2010	9,176,778	8,511,729	92.8%	384,362	8,896,091	96.9%	699,122	7.6%
2009	8,616,000	7,981,337	92.6%	331,445	8,312,782	96.5%	684,345	7.9%
2008	10,609,706	10,273,879	96.8%	298,774	10,572,653	99.7%	636,512	6.0%
2007	9,797,262	9,142,734	93.3%	235,560	9,378,294	95.7%	609,308	6.2%
2006	8,803,680	8,428,550	95.7%	372,526	8,801,076	100.0%	642,298	7.3%

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

(2) Includes adjustments, rounding and discounts

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

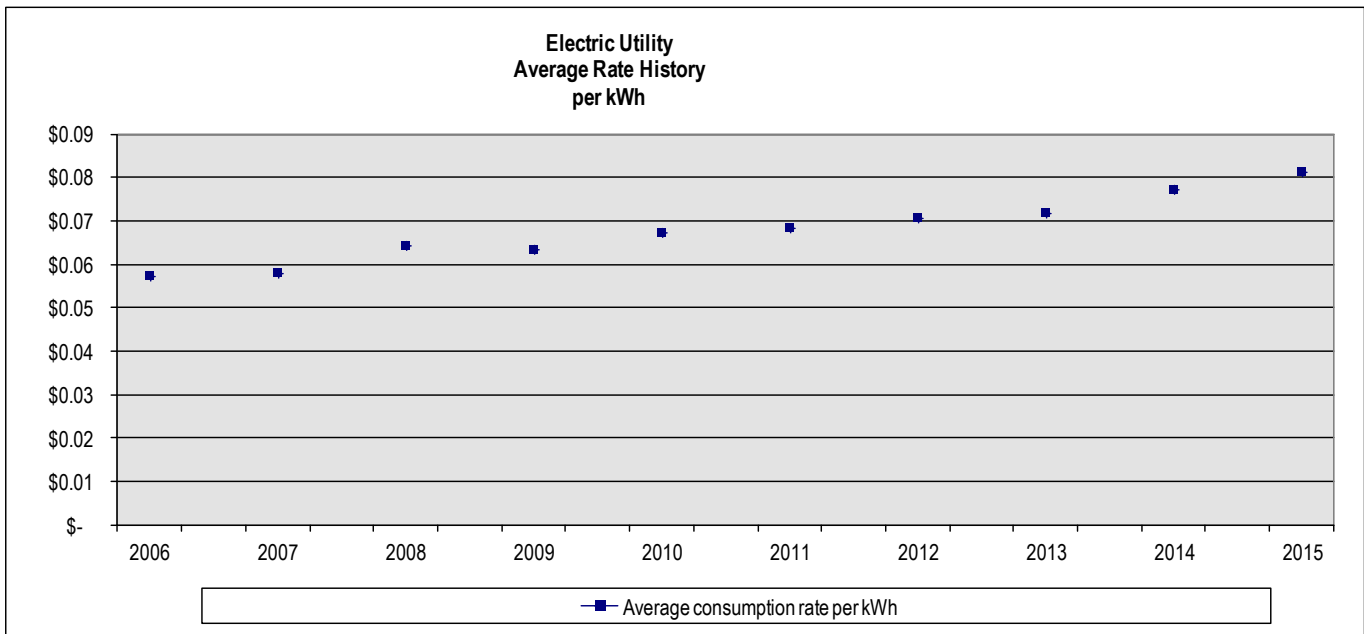
**PROPERTY TAX LEVIES AND COLLECTIONS**



**2015 statistical section**

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

	2015	2014	2013	2012
<b>Electric:</b>				
Commercial	57,241,622	57,351,533	58,984,152	55,628,874
Governmental	18,894,191	19,552,546	19,934,831	20,136,246
Municipal	6,439,200	6,410,372	5,978,193	6,164,885
Residential	85,448,299	91,309,827	89,637,162	91,550,691
<b>Electric usage total</b>	<b>168,023,312</b>	<b>174,624,278</b>	<b>174,534,338</b>	<b>173,480,696</b>
<b>Total electric revenue</b>	<b>\$ 13,700,057</b>	<b>\$ 13,536,923</b>	<b>\$ 12,575,449</b>	<b>\$ 12,305,176</b>
Average consumption rate per kWh	\$ 0.082	\$ 0.078	\$ 0.072	\$ 0.071
BPA surcharge revenue	NA	NA	NA	NA
Average surcharge per consumed kWh (1)	NA	NA	NA	NA



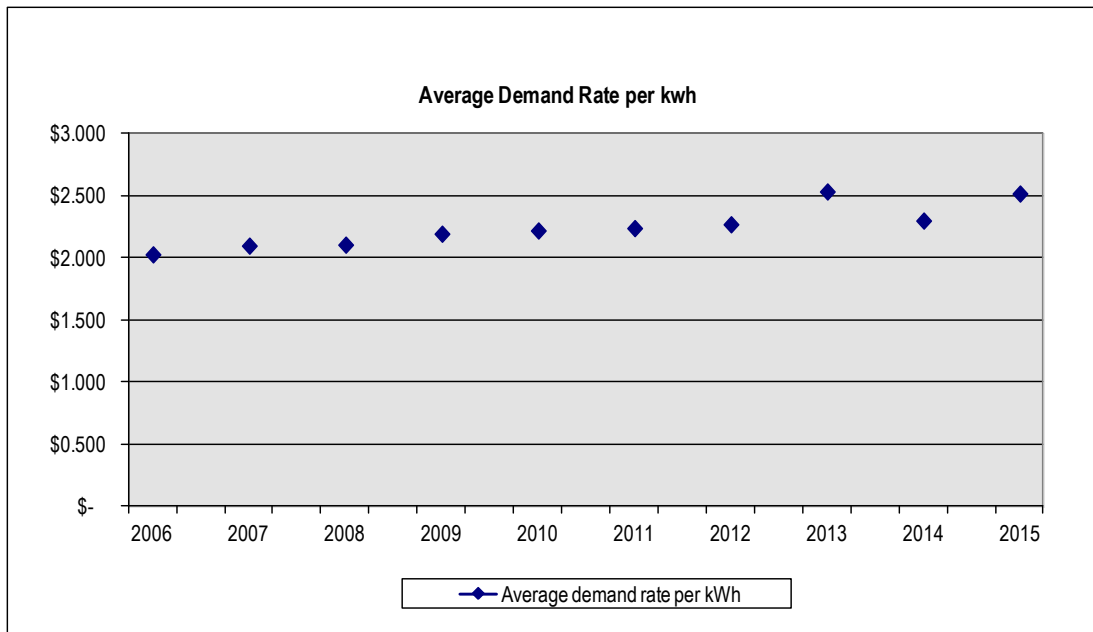
(1) Council implemented the surcharge due to increasing costs and changes in the wholesale power industry in FY 2002

	2015	2014	2013	2012
<b>Demand:</b>				
Commercial	209,020	158,829	175,675	164,566
Governmental/Municipal	66,037	67,481	67,388	71,111
<b>Demand usage total</b>	<b>275,057</b>	<b>226,310</b>	<b>243,063</b>	<b>235,677</b>
<b>Total demand revenue</b>	<b>\$ 691,225</b>	<b>\$ 519,458</b>	<b>\$ 614,862</b>	<b>\$ 533,947</b>
Average demand rate per kWh	\$ 2.513	\$ 2.295	\$ 2.530	\$ 2.266



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

2011	2010	2009	2008	2007	2006
55,617,369	56,996,490	56,893,914	59,730,031	59,796,009	58,939,938
20,539,286	19,467,344	18,283,476	18,328,996	16,771,812	17,684,660
6,107,945	6,407,172	6,288,095	6,231,719	5,911,482	5,798,328
94,402,343	93,634,626	91,638,620	95,853,685	91,324,747	90,977,982
<b>176,666,943</b>	<b>176,505,632</b>	<b>173,104,105</b>	<b>180,144,431</b>	<b>173,804,050</b>	<b>173,400,908</b>
<b>\$ 12,126,401</b>	<b>\$ 11,931,379</b>	<b>\$ 11,028,224</b>	<b>\$ 11,638,234</b>	<b>\$ 10,118,284</b>	<b>\$ 9,978,512</b>
\$ 0.069	\$ 0.068	\$ 0.064	\$ 0.065	\$ 0.058	\$ 0.058
NA	NA	NA	\$ 1,016,152	\$ 1,123,490	\$ 1,133,645
NA	NA	NA	\$ 0.006	\$ 0.006	\$ 0.007



2011	2010	2009	2008	2007	2006
162,175	151,072	147,155	159,430	164,228	160,133
68,480	63,445	70,242	65,931	69,856	68,828
<b>230,655</b>	<b>214,517</b>	<b>217,397</b>	<b>225,361</b>	<b>234,084</b>	<b>228,961</b>
<b>\$ 515,481</b>	<b>\$ 475,273</b>	<b>\$ 476,024</b>	<b>\$ 473,565</b>	<b>\$ 490,039</b>	<b>\$ 463,244</b>
\$ 2.235	\$ 2.216	\$ 2.190	\$ 2.101	\$ 2.093	\$ 2.023

**2015 statistical section**

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

<b>Fiscal Year Ended June 30,</b>	<b>Population (1)</b>	<b>Percentage Change</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt (3)</b>	<b>Debt Service Fund Monies Available</b>
2015	20,684	1.56%	\$ 2,348,446,788	\$ 37,195,894	\$ 861,561
2014	20,366	0.20%	2,262,503,440	37,462,187	\$ 794,695
2013	20,325	-5.29%	2,186,388,026	38,111,076	785,823
2012	21,460	6.79%	2,128,659,147	35,728,075	976,265
2011	20,095	-6.56%	2,072,000,226	35,331,935	804,633
2010	21,505	0.09%	2,008,178,855	39,708,269	762,199
2009	21,485	-1.44%	1,943,167,724	42,560,804	1,072,785
2008	21,800	1.73%	1,875,310,040	44,138,466	1,246,509
2007	21,430	2.63%	1,766,496,299	46,090,591	479,262
2006	20,880	1.41%	1,674,614,942	49,105,540	459,095

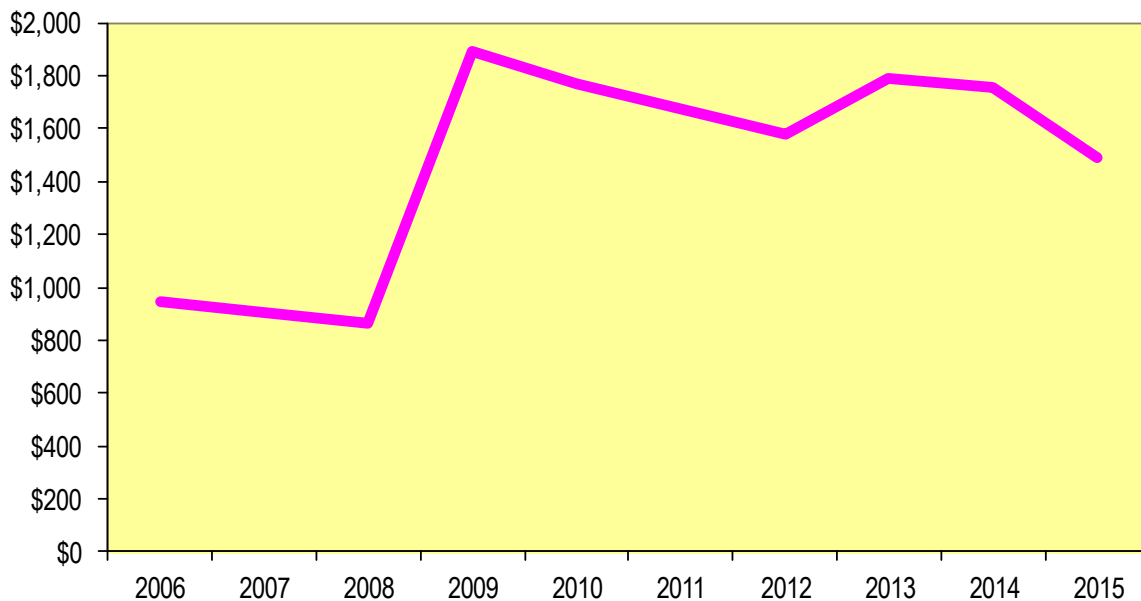
Source:

- (1) Center for Population Research and Census, Portland State University
- (2) Jackson County Assessor tax roll property value records
- (3) City of Ashland financial records - includes all long-term general obligation debt, including general obligation special assessments, general obligation bonds, and general obligation warrants.
- (4) Includes general obligation debt paid from Hospital Enterprise Fund operations, Utility Services Revenue Fund operations, and special assessment payments from benefited property owners.
- (5) Includes Gross Bonded Debt reduced by Debt Service Fund and Enterprise Fund monies available to pay General Obligation Bonded Debt.

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

<b>Enterprise Fund Monies Available</b>	<b>Debt Payable for Enterprise Revenues (4)</b>	<b>Net General Obligation Bonded Debt (5)</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
\$ 875,490	\$ 20,392,351	\$ 30,764,962	1.31%	\$ 1,487.38
875,490	19,102,713	35,792,002	1.58%	1,757.44
875,490	18,320,823	36,449,763	1.67%	1,793.35
875,490	16,821,156	33,876,320	1.59%	1,578.58
875,490	18,578,931	33,651,812	1.62%	1,674.64
875,490	21,389,684	38,070,580	1.90%	1,770.31
875,490	23,059,454	40,612,529	2.09%	1,890.27
1,751,369	38,652,249	18,840,000	1.00%	864.22
-	40,456,883	19,425,000	1.10%	906.44
1,913,648	41,842,256	19,770,000	1.18%	946.84

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

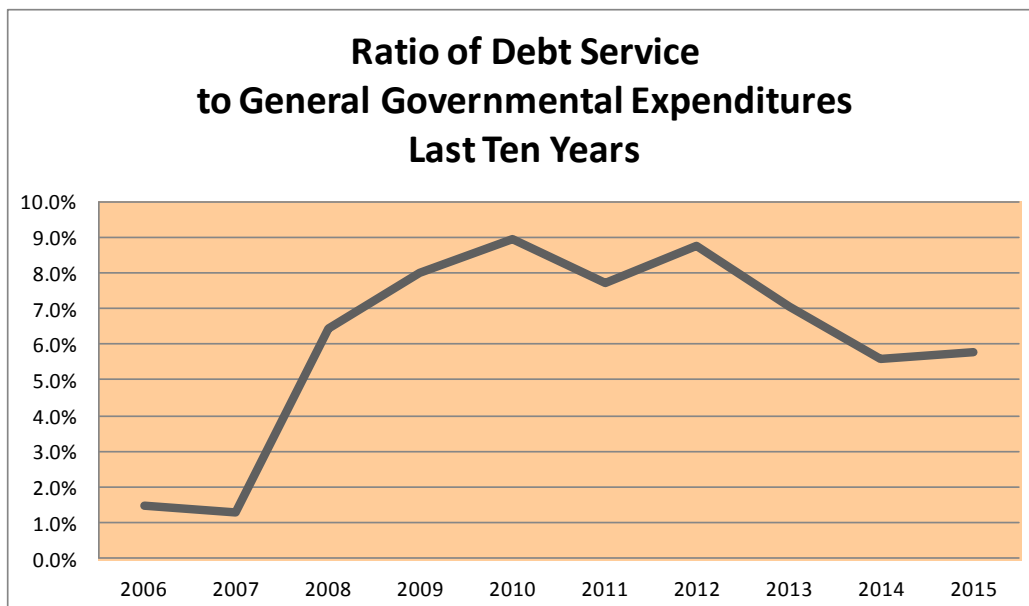


**2015 statistical section**

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

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service (1)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2015	\$ 1,495,000	\$ 415,879	\$ 1,902,924	\$ 32,988,739	5.8%
2014	1,320,000	522,374	1,842,374	32,948,928	5.6%
2013	1,000,000	906,689	1,906,689	26,957,272	7.1%
2012	1,105,000	916,434	2,021,434	23,012,672	8.8%
2011	905,000	904,149	1,809,149	23,415,021	7.7%
2010	865,000	943,917	1,808,917	20,245,798	8.9%
2009	695,000	976,738	1,671,738	20,849,371	8.0%
2008	415,000	885,470	1,300,470	20,241,350	6.4%
2007	205,000	34,836	239,836	18,877,775	1.3%
2006	195,000	62,360	257,360	17,302,206	1.5%

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



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

Fiscal Year Ended June 30,	Gross Revenues (1)	Operating Expenses (2)	Future Rate Stabilization Offset (3)	Net Revenues Available for Debt Service	Debt Service Requirements (4)			
					Principal	Interest	Total	Coverage
2015	\$ 6,604,339	\$ 4,256,299	\$ -	\$ 2,348,040	\$ 899,952	\$ 147,300	1,047,251	2.24
2014	6,322,142	4,244,890	-	2,077,252	584,414	129,093	713,507	2.91
2013	8,280,514	5,776,098	-	2,504,416	412,533	82,471	495,004	5.06
2012	5,745,624	3,597,970	-	2,147,654	580,742	127,436	708,178	3.03
2011	4,806,603	3,597,701	-	1,208,902	394,036	135,574	529,610	2.28
2010	4,455,767	3,439,267	-	1,016,500	345,000	112,206	457,206	2.22
2009	4,543,609	3,451,254	-	1,092,355	335,000	120,288	455,288	2.40
2008	4,321,582	3,089,546	-	1,232,036	335,000	127,406	462,406	2.66
2007	4,651,122	3,321,176	-	1,329,946	325,000	133,191	458,191	3.34
2006	4,531,503	2,797,896	-	1,733,607	320,000	140,456	460,456	4.21

(1) Total Operating Revenues, including System Development Charges

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

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

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

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

<b>Governmental Activities</b>			<b>Notes and Contracts</b>		
Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value	Promissory Notes	OECD (1) Loans	Per Capita (2)
2015	\$ 16,325,000	0.70%	\$ 478,543	\$ -	\$ 812.39
2014	17,820,000	0.79%	539,474	-	901.48
2013	19,140,000	0.88%	650,253	-	973.69
2012	17,550,000	0.82%	681,780	675,138	853.51
2011	15,695,000	0.76%	354,502	703,502	833.69
2010	16,600,000	0.83%	488,197	1,230,388	851.83
2009	17,465,000	0.90%	622,313	1,412,321	907.59
2008	18,160,000	0.97%	740,079	1,587,138	939.78
2007	18,575,000	1.05%	883,775	1,754,932	989.91
2006	18,625,000	1.11%	1,066,510	1,920,792	1,035.07

**Business - Type Activities**

Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value	Revenue Bonds and Notes	DEQ (3) Loan	Per Capita (2)
2015	\$ 14,439,962	0.61%	\$ 4,193,067	\$ 1,759,323	\$ 985.90
2014	16,054,089	0.71%	3,048,624	-	937.97
2013	17,490,395	0.80%	830,429	-	901.39
2012	14,034,014	0.66%	2,787,143	-	783.84
2011	15,400,074	0.74%	3,178,857	-	924.55
2010	1,298,697	0.06%	3,560,571	16,530,415	994.64
2009	1,505,000	0.08%	3,927,286	17,627,168	1,073.28
2008	680,000	0.04%	4,284,000	18,687,249	1,084.92
2007	850,000	0.05%	4,315,000	19,711,883	1,160.84
2006	1,145,000	0.07%	4,640,000	20,702,256	1,268.55

**Total Outstanding Debt**

Fiscal Year Ended June 30,	Total Outstanding Debt	Personal Income (4)	Debt as a Percentage of Personal Income
2015	\$ 37,195,894	unavailable	NA
2014	37,462,187	unavailable	NA
2013	38,111,077	unavailable	NA
2012	35,728,075	unavailable	NA
2011	35,331,935	unavailable	NA
2010	39,708,269	unavailable	NA
2009	42,559,088	391,431,000	10.87%
2008	44,138,466	430,978,000	10.24%
2007	46,090,591	463,652,000	9.94%
2006	48,099,558	461,001,000	10.43%

(1) OECD - Oregon Economic and Community Development Department

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

(3) DEQ - Oregon Department of Environmental Quality

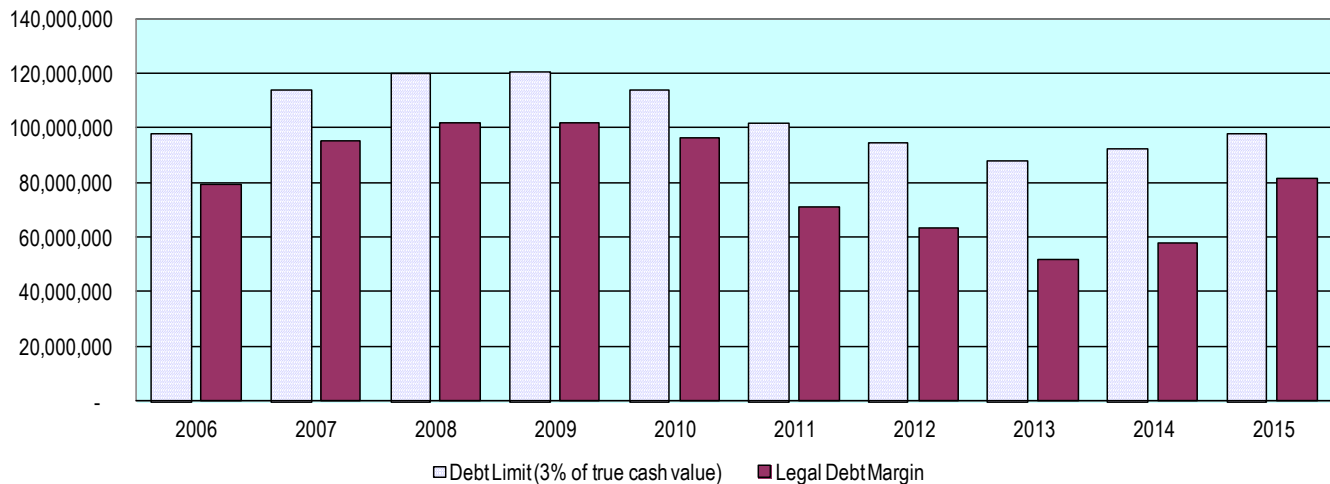
(4) Oregon Department of Revenue Personal Income Tax Statistics

**2015 statistical section**

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

	2015	2014	2013	2012
<b>True Cash Value</b>	\$ 3,258,618,439	\$ 3,072,079,759	\$ 2,931,862,235	\$ 3,145,655,451
<b>Legal Debt Margin</b>				
Debt limit (3% of true cash value)	97,758,553	92,162,393	87,955,867	94,369,664
<b>Net Bonded Debt:</b>				
Gross bonded debt	16,325,000	34,295,413	36,630,395	31,584,014
Less amounts exempted:				
Water	-	-	-	-
Special assessment	-	-	-	-
Re-funding	-	-	-	-
Water re-funding	-	(250,000)	(375,000)	(370,000)
Total debt applicable to margin	16,325,000	34,045,413	36,255,395	31,214,014
<b>Legal Debt Margin</b>	\$ 81,433,553	\$ 58,116,980	\$ 51,700,472	\$ 63,155,650

**Legal Debt Margin**  
**Compared to Debt Limit**  
**Last Ten Years**





**2015 statistical section**

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

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>\$ 3,394,416,254</b>	<b>\$ 3,790,236,802</b>	<b>\$ 4,011,032,636</b>	<b>\$ 4,000,418,984</b>	<b>\$ 3,788,568,503</b>	<b>\$ 3,266,109,773</b>
101,832,488	113,707,104	120,330,979	120,012,570	113,657,055	97,983,293
31,095,074	17,898,697	18,970,000	18,840,000	19,425,000	19,780,000
-	-	-	(25,000)	(50,000)	(60,000)
-	-	-	-	-	-
-	-	-	-	-	-
(360,000)	(345,000)	(505,000)	(655,000)	(800,000)	(940,000)
30,735,074	17,553,697	18,465,000	18,160,000	18,575,000	18,780,000
<b>\$ 71,097,414</b>	<b>\$ 96,153,407</b>	<b>\$ 101,865,979</b>	<b>\$ 101,852,570</b>	<b>\$ 95,082,055</b>	<b>\$ 79,203,293</b>

**2015 statistical section**

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**CITY OF ASHLAND, OREGON  
COMPUTATION OF LEGAL DEBT MARGIN  
June 30, 2015 - Unaudited**

True cash value	\$	3,258,618,439	
3% of true cash value		<u>0.03</u>	
			\$ 97,758,553
<b>NET BONDED DEBT:</b>			
Gross bonded debt		16,325,000	
Less amounts exempted:			
Water			
Water re-funding		<u>-</u>	
Total debt applicable to margin			<u>16,325,000</u>
<b>LEGAL DEBT MARGIN</b>			<u><u>\$ 81,433,553</u></u>

ORS 287.004 provides a debt limit of three percent of the true cash value of all taxable property within the Municipality's boundaries. According to ORS 287.004, the three percent limitation does not apply to bonds issued for water, sanitary or storm sewers, sewage disposal plants, hospitals, power or lighting purposes, nor to bonds issued pursuant to applications to pay assessments for improvements or installments for benefited property owners.

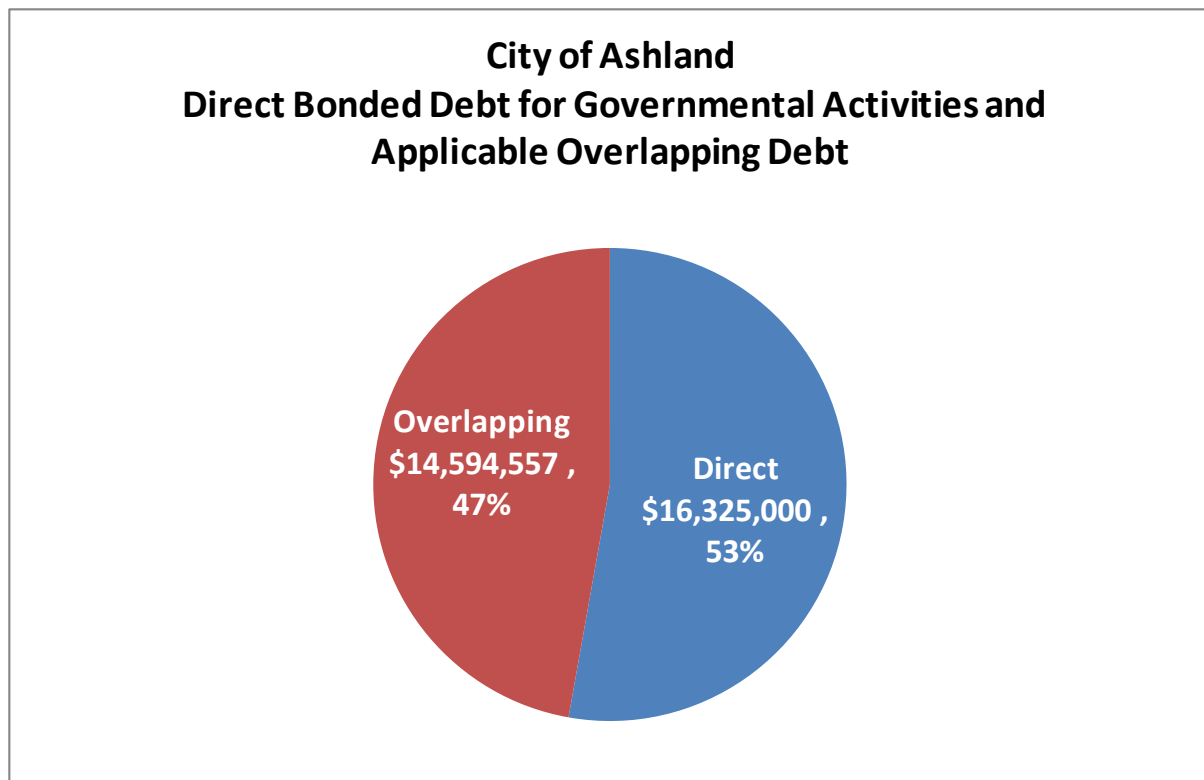
Source: Jackson County Assessor's Office  
Audited Financial Statements  
Oregon Revised Statutes (ORS) 287.004

**CITY OF ASHLAND, OREGON**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**GENERAL OBLIGATION BONDS**  
**June 30, 2015 - Unaudited**

<b>Jurisdiction</b>	<b>Net General Obligation Bonded Debt Outstanding</b>	<b>Percentage Applicable to City (1)</b>	<b>Amount Applicable to City</b>
Direct:			
City of Ashland - Governmental Activities only	\$ 16,325,000	100.00%	\$ 16,325,000
Overlapping:			
Jackson County	2,696,701	14.60%	393,718
School District No. 5	17,149,297	80.59%	13,820,618
Rogue Community College	2,604,249	14.60%	380,220
	<u>\$ 22,450,247</u>		<u>\$ 14,594,557</u>
	<u>\$ 38,775,247</u>		<u>\$ 30,919,557</u>

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

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



**2015 statistical section**


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

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<u>2015</u>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Southern Oregon University	784	10.30%
Oregon Shakespeare Festival	676	8.88%
Ashland Public Schools	308	4.04%
City of Ashland	305	4.01%
Asante Ashland Community Hospital	290	3.81%
Total	2,363	31.03%
Estimated total city employment	7,614	

<u>2006</u>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Southern Oregon University	750	8.96%
Oregon Shakespeare Festival	450	5.38%
Ashland Public Schools	429	5.13%
Ashland Community Hospital	425	5.08%
City of Ashland	269	3.21%
Subtotal	2,323	25.81%
Professional Tool Mfg. LLC	95	1.14%
Prestige Care (dba Linda Vista)	84	1.00%
Albertsons	71	0.85%
Ashland Springs Hotel	65	0.78%
Windmill Inn of Ashland	53	0.63%
	0	0.00%
Total	2,691	32.15%
Estimated total city employment	8,369	

Source: Ashland Chamber of Commerce

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

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

<b>Fiscal Year Ended June 30,</b>	<b>Population (1)</b>	<b>Percentage Change</b>	<b>Per Capita Income</b>	<b>Total Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Jackson County Unemployment Rate (4)</b>
2015	20,684	1.56%	-	unavailable	2,735	6.6%
2014	20,366	0.20%	-	unavailable	2,800	8.4%
2013	20,325	-5.29%	-	unavailable	2,700	8.3%
2012	21,460	6.79%	-	unavailable	2,720	8.3%
2011	20,095	-6.56%	-	unavailable	2,737	11.9%
2010	21,505	0.09%	-	unavailable	2,819	12.1%
2009	21,485	-1.44%	18,219	391,431	2,767	13.6%
2008	21,800	1.73%	19,770	430,978	2,846	6.7%
2007	21,430	2.63%	21,636	463,652	2,909	5.6%
2006	20,880	1.41%	22,079	461,001	2,915	5.7%

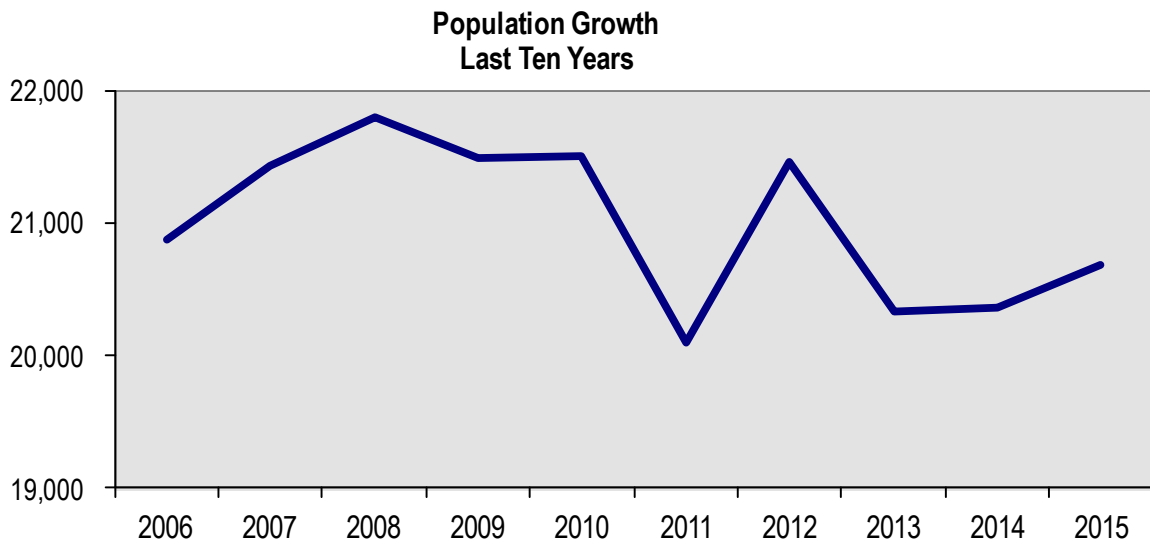
Sources:

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

(2) State of Oregon Employment Division, Department of Human Resources

(3) Ashland School District

(4) US Bureau of Labor Statistics



**2015 statistical section**

**CITY OF ASHLAND, OREGON  
SCHEDULE OF MAJOR INSURANCE IN FORCE  
June 30, 2015**

Company	Coverage	Policy Period	Annual Aggregate/Each Occurrence	Premium
Citycounty Insurance Services	<b>General Liability</b>	07/01/2014-07/01/2015	\$ 15,000,000 / \$ 5,000,000	\$ 195,469
	Public Officials Liability	07/01/2014-07/01/2015	\$ 15,000,000 / \$ 5,000,000	
	Employment Practices	07/01/2014-07/01/2015	\$ 15,000,000 / \$ 5,000,000	
	<b>Automobile Liability</b>			37,930
	Scheduled Autos	07/01/2014-07/01/2015	None / \$ 5,000,000	
	Hired Autos/Non Owned	07/01/2014-07/01/2015	None / \$ 5,000,000	
	Uninsured Motorist	07/01/2014-07/01/2015	None / \$ 5,000,000	
	<b>Auto Physical Damage</b>			14,243
	Scheduled Autos	07/01/2014-07/01/2015	Per Filed Value	
	Rented or Leased	07/01/2014-07/01/2015	Per Filed Value	
	Newly Acquired Autos	07/01/2014-07/01/2015	Per Filed Value	
	<b>Property</b>			82,367
	Buildings	07/01/2014-07/01/2015	Per Filed Value	
	Mobile Equipment	07/01/2014-07/01/2015	Per Filed Value	
	<b>Boiler and Machinery</b>	07/01/2014-07/01/2015	Replacement Cost of Machinery & Equipment not covered elsewhere	Included above
	<b>Excess Crime</b>	07/01/2014-07/01/2015	Per Loss/ \$250,000	1,195
ACE Property & Casualty	<b>Airport Liability</b>	07/01/2014-07/01/2015	\$4,000,000/\$4,000,000	2,441
The Hartford	<b>Flood</b>	10/23/2014-10/23/2015	\$ 62,700	1,276
Safety National Casualty Corp.	<b>Workers' Compensation Self-Insured Bond</b>	07/01/2014-07/01/2015		6,000
Midwest Employers Casualty Co	<b>Excess Workers' Compensation</b>	07/01/2014-07/01/2015	Statutory / \$ 1,000,000	66,743
AIG/Chartis	<b>Volunteer Accident Ins</b>	07/01/2014-07/01/2015	Per Schedule of Benefits	1,788
ACE Group.	<b>Underground Tank Pollution Liability</b>	07/01/2014-07/01/2015	\$1,000,000/\$1,000,000	630

**2015 statistical section**

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006*
Administration	4.00	4.00	4.00	5.00	4.00	4.00	4.00	3.06	3.00	3.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	2.00
Legal	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	3.50
Information Technology	8.80	8.80	8.80	8.80	8.80	7.95	7.95	7.60	7.60	7.60
Finance	16.25	16.25	16.25	16.25	16.25	17.25	17.25	15.75	15.50	17.50
Municipal Court	4.15	4.15	4.15	3.15	3.65	3.65	3.65	4.15	4.15	4.15
City Recorder/Treasurer	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police	36.75	36.75	36.30	35.30	34.80	34.80	36.80	39.30	40.30	39.80
Fire	34.75	34.75	34.75	33.75	32.00	32.40	33.40	35.40	35.40	35.00
Streets	10.70	10.70	10.95	9.90	9.90	10.20	10.20	10.20	10.20	10.20
Water	14.50	14.50	14.50	14.50	14.50	16.30	16.30	16.30	16.30	14.80
Wastewater	11.30	11.30	11.30	10.30	10.30	12.80	12.80	11.80	11.80	11.80
Public Works Administration	7.00	7.00	7.00	6.00	7.50	7.00	7.00	8.00	8.00	8.00
Engineering	7.00	7.00	7.00	6.00	5.00	6.00	6.00	6.00	6.00	6.00
Facilities Maintenance / Cemetery	4.00	4.00	4.50	4.50	4.50	4.00	4.00	4.00	4.00	4.00
Fleet Maintenance	4.80	4.80	4.80	4.80	5.00	3.50	3.50	3.50	3.50	3.50
Planning	9.00	9.00	9.00	8.90	8.90	8.70	8.70	10.65	11.75	10.50
Building	4.00	4.00	4.00	3.70	3.60	3.85	3.85	5.75	6.05	6.50
Electric	17.25	17.25	17.25	17.75	17.75	18.50	18.50	18.10	18.10	18.10
Telecommunication	5.70	5.70	5.70	6.70	6.20	7.55	7.55	7.55	7.55	8.05
Conservation	3.50	3.50	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Senior Program	*	*	*	*	*	*	*	*	*	*
Subtotal	210.45	210.45	210.75	205.30	202.65	208.45	211.45	218.61	220.70	219.00
Parks	43.80	43.80	43.80	43.80	43.45	45.65	48.55	50.55	48.45	48.45
Total	254.25	254.25	254.55	249.10	246.10	254.10	260.00	269.16	269.15	267.45

\* Senior Program included in Parks in 2006

\*\*2004 figures do not include temporary employees

The City implemented GASB Statement No. 34 in fiscal year 2003; therefore, some of the tables presenting government-wide information include only nine years.

**2015 statistical section**

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

Function/Program	2015	2014	2013	2012
<b>Police</b>				
Physical arrests, juvenile and adult	2,591	2,509	2,868	2,670
Traffic violations	2,504	3,461	3,061	2,679
<b>Fire</b>				
Fire alarm responses	462	398	390	379
Emergency medical responses	3144	3,098	2,927	3,105
Non-emergency public service responses	261	155	97	94
Code enforcement plans review	499	404	380	246
Total calls for service	3867	3,533	3,414	3,577
Total ambulance patient transports	1895	1,600	1,523	1,635
<b>Water</b>				
Service connections	8,738	8,870	9,038	9,071
Daily average consumption in millions of gallons	3	3	2.7	2.7
Maximum daily capacity of plant in million gallons	8	8	8	8
<b>Sewer</b>				
Service connections	8,308	8,295	8,181	7,850
Daily average treatment in million of gallons	2.4	2	2.2	2.2
Maximum daily capacity in millions of gallons	4	4	4	3
<b>Electric</b>				
Service connections	12,678	12,662	11,914	12,148
<b>Telecommunications</b>				
Cable TV	1306	1,400	1,840	-
Cable modem	3,800	3,961	4,082	4,066
Potential station capacity	140	140	140	140

<sup>1</sup> Identifies correction to capacity

<sup>2</sup> Identifies the implementation of new software that correctly accounts for crimes

<sup>3</sup> Cable TV outsourced

<sup>4</sup> Cable TV analog channels



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

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
2,343	2,073	2,098	2,489	2,748	2,607
2,868	3,160	2,784	2,600	3,036	3,773
291	359	363	500	457	425
2,694	2,705	2,761	3,022	2,955	2,716
79	75	46	76	87	109
215	293	262	440	495	535
3,327	3,128	3,170	3,590	3,534	4,000
1,611	1,456	1,476	1,700	1,616	1,511
8,678	8,433	8,126	8,291	8,281	7,870
4.6	2.7	3.3	3.4	4	4
8	8	8	8	8	8
8,181	7,995	8,008	8,153	8,129	7,722
2.1	2.2	2.2	2.2	2	2
4	4	4	4	4	4
11,985	11,275	11,944	11,979	11,780	11,277
-	-	-	-	-	3,095
4,454	4,094	4,160	4,153	3,988	3,823
140	140	80	80	80	140

**2015 statistical section**

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

Function/Program	2015	2014	2013	2012
<b>Police</b>				
Stations	1	1	1	1
Contact station	1	1	1	1
Patrol units (vehicles)	8	8	8	8
Sworn officers	28	28	28	25
<b>Fire</b>				
Stations	2	2	2	2
Fire fighters	27	27	27	26
<b>Streets</b>				
Miles of paved streets	92	92	92	92
Miles of gravel streets	9	9	9	9
Miles of storm sewers	93	93	93	93
<b>Water</b>				
Miles of water mains	130	130	130	130
Hydrants	1267	1,266	1,262	1,248
Water treatment plant	1	1	1	1
<b>Sewer</b>				
Miles of sanitary sewers	110	110	110	110
Treatment plant	1	1	1	1

<sup>1</sup> Identifies integration of Cartegraph System with GIS that has provided more accurate figures.

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

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1	1	1	1	1	1
1	1	1	1	NA	NA
8	8	8	8	8	8
25	26.5	26.5	27	27	27
2	2	2	2	2	2
26	26	29	31	31	31
92	92	92	100	100	100
9	14	14	11	10	14
93	93	90	89	85	85
130	130	130	124	124	124
1,248	1,245	1,237	1,154	1,115	1,142
1	1	1	1	1	1
110	110	110	110	110	110
1	1	1	1	1	1

**2015 statistical section**

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

Function/Program	2015	2014	2013	2012
<b>Electric</b>				
Street lights	1864	1864	1,858	1,827
Electrical transformers	2040	2032	2,025	2,007
Poles	3602	3605	3,600	3,506
Substations	3	3	3	3
<b>Telecommunications</b>				
Miles of fiber	25	25	25	25
Miles of coax	119	119	119	119
<b>Parks and Recreation</b>				
Community centers	3	3	3	3
Parks	19	19	16	16
Park acreage	642	642	642	642
Golf courses	1	1	1	1
Swimming pools	1	1	1	1
Ice skating rinks	1	1	1	1
Skateboard parks	1	1	1	1
Tennis courts	12	12	12	12
Trails (miles)	41	29	29	29
<b>Health Care</b>				
Hospital	1	1	1	1
Hospital beds	49	49	49	49
<b>Education</b>				
Elementary schools	4	4	4	4
Elementary school instructors	75	69	69	69
Secondary schools	2	2	2	2
Secondary school instructors	103	91	91	91
State universities	1	1	1	1

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

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1,827	1,832	1,811	1,802	1,802	1,771
2,007	2,002	1,996	1,982	1,982	1,973
3,506	3,560	3,557	3,453	2,551	2,559
3	3	3	3	3	3
25	25	25	25	25	29
119	119	118	117	117	110
3	3	3	3	3	3
16	19	19	19	19	19
642	642	640	640	640	3
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
12	12	12	12	12	12
29	29	29	29	29	29
1	1	1	1	1	1
49	49	49	49	49	49
4	4	4	4	4	3
69	59	59	59	59	59
2	2	2	2	2	2
91	106	106	106	106	106
1	1	1	1	1	1



## **AUDIT COMMENTS AND DISCLOSURES**

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### **Required by State Regulations**

***2015 audit comments and disclosures required by state regulations***

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



**2015 audit comments and disclosures required by state regulations**

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[www.paulyrogersandcpcpas.com](http://www.paulyrogersandcpcpas.com)

**Independent Auditor's Report Required by Oregon State Regulations**

We have audited the basic financial statements of the City of Ashland as of and for the year ended June 30, 2015, and have issued our report thereon dated November 2, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

**Compliance**

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

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

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

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

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

**2015 audit comments and disclosures required by state regulations**

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**OAR 162-10-0230 Internal Control**

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

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

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

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

## **GOVERNMENT AUDITING STANDARDS COMPLIANCE REPORTS**

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**2015 government auditing standards compliance reports**

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November 2, 2015

To the Mayor and City Council  
City of Ashland

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ashland as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 2, 2015.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **2015 government auditing standards compliance reports**

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

**2015 government auditing standards compliance reports**

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November 2, 2015

To the Mayor and City Council  
City of Ashland

**Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

**Report on Compliance for Each Major Federal Program**

We have audited City of Ashland's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2015. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, City of Ashland, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## **2015 government auditing standards compliance reports**

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### **Report on Internal Control Over Compliance**

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



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



## 2015 government auditing standards compliance reports

### CITY OF ASHLAND SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE For the year ended June 30, 2015

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal Grantor's Number	Program or Award Amount	Year to Date Disbursements / Expenditures
Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds Oregon Infrastructure Finance Authority Loop Road Reservoir, PS and TAP Intertie 7/19/2014 - 7/19/2017 Project # 200808	66.468	S14005	\$ 2,970,000.00	\$ 744,916.00
United States Department of Agriculture Cooperative Forestry Assistance Oregon Department of Forestry ODF-Biomass Grant 3/5/2013-09/30/2014 Project # 000339	10.664	12-DG-11062764-027	\$ 75,000.00	\$ 14,785.00
United States Department of Agriculture Cooperative Forestry Assistance via The Nature Conservancy Promoting Ecosystem Resiliency via Collaboration (PERC) 3/12/2012-12/31/2015	10.664	11-CA-11132543-094	\$ 282,345.00	\$ 33,491.25
United States Department of Agriculture Schools and Roads - Grants to States Jackson County Title III - Community Wildfire Grant 07/01/2014-06/30/2015 Project# 000442	10.665	3240	\$ 18,000.00	\$ -
United States Department of Agriculture Schools and Roads - Grants to States Jackson County Title III - FY15 Firewise Grant 07/01/2014-06/30/2015 Project# 000443	10.665	3232	\$ 65,000.00	\$ 50,278.71
United States Department of Agriculture Schools and Roads - Grants to States Jackson County Title III - FY15/FY16 Firewise Grant 07/01/2014-06/30/2016 Project# 000444	10.665	3235	\$ 28,000.00	\$ -
United States Department of Agriculture Forest Stewardship Program Lomakatsi Restoration Project Ashland Forest Resiliency Stewardship Project (AFR) 01/26/15-09/30/16	10.678	10-SA-11061001-031	\$ 8,871.00	\$ 13,010.27
United States Department of Homeland Security Assistance to Firefighters Grant Federal Emergency Management Agency FY2014 Assistance to Firefighters Grant 5/12/2015-5/11/2016 Project# 000472	97.044	EMW-2014-FO-05859	\$ 256,273.00	\$ -
United States Department of Homeland Security State Homeland Security Program Grant Oregon Military Department CERT Grant 10/1/2014-05/31/2015	97.073	14-200	\$ 4,800.00	\$ 4,628.75
United States Department of Housing and Urban Development Community Development Block Grant Unallocated Carryover 07/01/2013-06/30/2014-Grant Award 07/01/2014-06/30/2015-Grant Award TOTAL CDBG in FY15	14.218 14.218 14.218	 B13MC410008 B14MC410008	 \$ 69,262.20 14,297.40 100,815.80 \$ 184,375.40	 \$ - 12,798.65 69,522.76 82,321.41
United States Department of Justice Bulletproof Vest Partnership Program 04/01/2014-08/31/2016	16.607	ASHLAND CITY	\$ 4,384.64	\$ -
United States Department of Transportation Airport Improvement Program Federal Aviation Administration Ashland Municipal Airport Grant 7/3/2014-not specific Project# 201321	20.106	3-41-0002-010-2014	\$ 576,690.00	\$ 438,830.67
United States Department of Transportation Interagency Hazardous Materials Public Sector Training and Planning Grants State of Oregon Highway Material Emergency Grant (HazMat) 10/01/2014-09/30/2015	20.703	IGA-356-2014	\$ 17,850.00	\$ 21,076.48
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ 4,491,589.04</b>	<b>\$ 1,403,338.54</b>

**2015 government auditing standards compliance reports**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors’ report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(s) identified that are not considered to be material weaknesses?

☐ yes

☒ none reported

Noncompliance material to financial statements noted?

☐ yes

☒ no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 505(d)(2) of OMB Circular A-133?

☐ yes

☒ no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(s) identified that are not considered to be material weaknesses?

☐ yes

☒ none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, section 510(a)?

☐ yes

☒ no

**IDENTIFICATION OF MAJOR PROGRAMS**

**CFDA NUMBER**

**NAME OF FEDERAL PROGRAM CLUSTER**

66.468

Capitalization Grants for Drinking Water State Revolving Funds

20.106

Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

**2015 government auditing standards compliance reports**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:**

None

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Ashland and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

