

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008



ASHLAND PARKS AND RECREATION COMMISSION

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

JACKSON COUNTY, OREGON



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2008**

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

Prepared by:

City of Ashland
Administrative Services Department
Lee Tuneberg, Administrative Services and Finance Director



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ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

INTRODUCTORY SECTION





October 29, 2008

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

State law requires that all general-purpose governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Ashland Parks and Recreation Commission for the fiscal year ended June 30, 2008.

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

The licensed certified public accounting firm of Pauly, Rogers and Co., P.C. has audited the Ashland Parks and Recreation Commission's financial statements. The goal of the independent audit was to provide reasonable assurance that the Ashland Parks and Recreation Commission's financial statements for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the commission; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion the Ashland Parks and Recreation Commission's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Turn of the century residents in Ashland voted to establish the Ashland Parks and Recreation Commission (a component unit of the City of Ashland, Oregon), to provide a full range of parks and recreation services to the community. The Ashland Parks and Recreation Commission derives its authority from the City of Ashland's Charter, Articles XIX and XXII. The five-member Commission, elected by and directly responsible to Ashland's citizens, is responsible for the financing and administration of Ashland's parks and recreation system. The parks and recreation system includes approximately 180 acres of developed parkland and approximately 465 acres of undeveloped parkland, including a network of over 29 miles of maintained trails. Recreational facilities include a municipal golf course, 4 community centers, tennis courts, a swimming pool, and a seasonal ice rink.

The City Charter provides for a continuing millage levy dedicated to the care, maintenance, and development of Ashland's park system. Historically, the amount raised by the continuing millage levy changed as property tax values changed, but the millage rate remained constant.

In 1997 a statewide ballot measure eliminated all existing special millage and serial levies incorporating these levies into the overall rate which could be levied citywide. Although the statewide ballot measure restructured the manner of accounting for property tax monies, it is anticipated that the Commission will continue to receive the same percentage of citywide tax dollars as in previous years for parks and recreation purposes.

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

The Ashland Parks and Recreation Commission maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council of the City of Ashland. The annual budget serves as the foundation for the Ashland Parks and Recreation Commission's financial planning and control. The Park Director develops a proposed budget each year to present to the Commission. The Commission is required to hold public meetings on the proposed budget and to adopt a final budget no later than June 30, the close of the Ashland Parks and Recreation Commission's fiscal year. Activities of the three funds under the jurisdiction of the Commission are included in the annual appropriated budget. The level of budgetary controls (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is established by function and activity within an individual fund. Appropriations are limited to a single fiscal year; therefore, all spending authority of the Commission lapses at fiscal year end. Budget-to-actual comparisons are provided in this report for each of the three funds as part of the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local economy. The Ashland area's major economic sectors: retail, service, education and tourism, support the relatively strong and stable local economy. A steadily rising population, enduring housing market and Ashland's growing retirement community can also be attributed somewhat to the availability of attractive, well-run and maintained parks and recreation programs and facilities.

Long-term financial planning. In 1990, Ashland's residents confirmed their commitment to parks and open space by passing a charter amendment that established an Open Space Plan and map. Over the past 10 years, working jointly with the Ashland City Council, the Commission has added approximately 400 acres of park and open space land to the city's inventory. Development plans for two new significant neighborhood parks are underway, one of which is under construction. Other projects underway include improving water quality at the upper duck pond, review of facilities use policies and fees, reorganization of Nature Center staff, and implementation of a business and marketing plan for Oak Knoll Golf Course.

Cash Management. As a component unit of the City of Ashland, the Ashland Parks and Recreation Commission invests its funds through the City Recorder's office in accordance with City policies.

Risk Management. As a component unit of the City of Ashland, the Ashland Parks and Recreation Commission is incorporated into the City's risk management program and follows all City guidelines and procedures.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ashland Parks and Recreation Commission for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the eighteenth consecutive year that the commission achieved this prestigious award. In order to be awarded a Certificate of Achievement, the commission published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



Donald E. Robertson, Director
Ashland Parks and Recreation Department



Certificate of Achievement for Excellence in Financial Reporting

Presented to
Ashland Parks
and Recreation Commission
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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

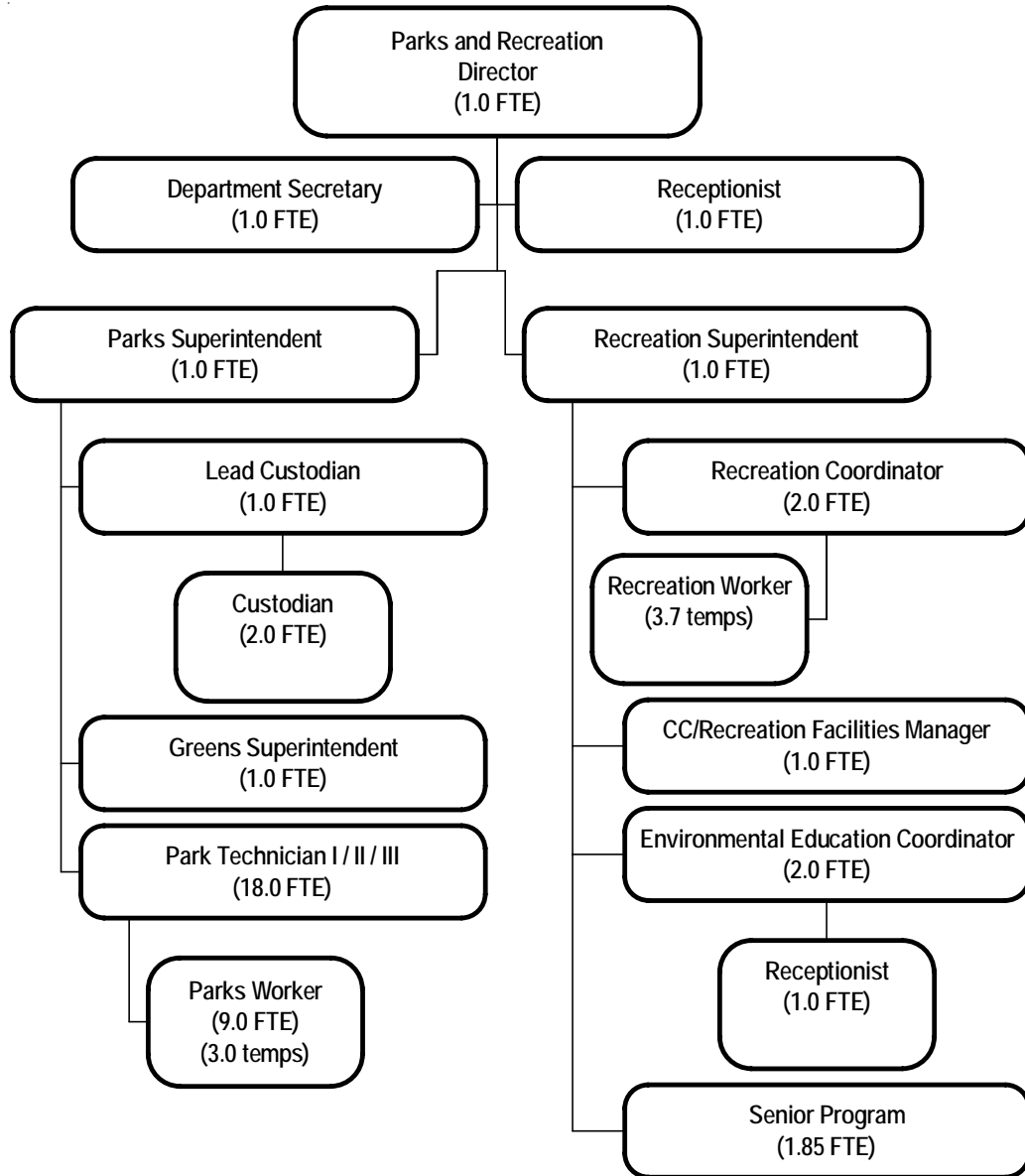


Oliver S. Cox
President

Jeffrey R. Emer
Executive Director

ASHLAND PARKS AND RECREATION COMMISSION
(A Component Unit of the City of Ashland, Oregon)
ELECTED OFFICIALS
June 30, 2008

<u>Name</u>	<u>Position</u>
Mike Gardiner 349 Orange Avenue Ashland, OR 97520	Commissioner Chair
Melody Noraas 478 Allison Street Ashland, OR 97520	Commissioner Vice Chair
JoAnne Eggers 221 Granite Street Ashland, OR 97520	Commissioner
Rich Rosenthal 1228 Rose Lane Ashland, OR 97520	Commissioner
Jim Lewis 640 A Street Ashland, OR 97520	Commissioner
	<u>Appointed Official</u>
Don Robertson 113 C Court Phoenix, OR 97535	Parks Director





ASHLAND PARKS AND RECREATION COMMISSION

340 SO. PIONEER STREET • ASHLAND, OREGON 97520

COMMISSIONERS:

JoAnne Eggers
Michel Gardiner
Jim Lewis
Melody Noraas
Rich Rosenthal



Don Robertson
Director

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

October 29, 2008

The City Council
City of Ashland, Oregon

The Audit Committee advises the City Council on matters concerning the City's financial reporting process. In fulfilling its responsibilities, the Committee recommends the independent certified public accountants to be engaged by the City Council as the City's auditors. The Committee discusses with the selected independent certified public accountants the overall scope and specific plans for the audit.

The Committee also discusses with the City's auditors the City's financial accounting and reporting processes, including the preparation of the financial statements. In addition, the Committee discusses including the safeguarding of the City's assets and other resources against unauthorized acquisition, use of disposition.

At the conclusion of the annual audit, the Committee meets with the City's auditors to discuss the results of their audit and their evaluation of the City's financial reporting.

Based on the committee's discussions with the City's auditors, we accept the Ashland Parks Commission's 2007-2008 Comprehensive Annual Financial Report (CAFR) and the related audit reports of the independent certified public accountants. Based on our acceptance, we recommend the CAFR and auditor's reports be accepted by the City Council.

Respectfully submitted,

The Chair of the Audit Committee

A handwritten signature in black ink, which appears to read "Suey M. Peltier". The signature is written in a cursive style and is positioned above a horizontal line.

Home of Famous Lithia Park



ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

FINANCIAL SECTION





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

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

September 29, 2008

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund for the Ashland Parks and Recreation Commission (a component unit of the City of Ashland, Oregon) as of and for the year ended June 30, 2008 as listed in the table of contents. The basic financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the Parks and Recreation Commission at June 30, 2008 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

Pauly, Rogers and Co., P.C.

PAULY, ROGERS AND CO., P.C.



Management's Discussion and Analysis

As management of the Ashland Parks and Recreation Commission, we offer readers of the Ashland Parks and Recreation Commission's financial statements this narrative overview and analysis of the financial activities of the Ashland Parks and Recreation Commission for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

Financial Highlights

- The assets of the Ashland Parks and Recreation Commission exceeded its liabilities at the close of the most recent fiscal year by \$11,788,781 (net assets).
- The Park and Recreation Commission's total net assets have increased by \$826,094.
- As of the close of the current fiscal year, the Ashland Parks and Recreation Commission's governmental funds reported combined ending fund balances of \$1,625,377, an increase of \$176,404 from the prior fiscal year.

Overview of Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 8 and 9 of this report.

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

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

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

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

The Ashland Parks and Recreation Commission adopts an annual appropriated budget for its general fund. A budgetary statement has been provided for all funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8-13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-23 of this report.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Ashland Parks and Recreation Commission, assets exceed liabilities by \$11,788,781 at the close of the most recent fiscal year.

By far the largest portion of the Ashland Parks and Recreation Commission's assets (81.1%) reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

Ashland Parks and Recreation Commission Net Assets

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Change</u>
Current and other assets	\$ 2,266,217	\$ 2,051,541	10.5%
Capital assets	<u>9,909,134</u>	<u>9,259,967</u>	7.0%
Total assets	12,175,351	11,311,508	7.6%
Long-term liabilities outstanding	70,229	63,778	10.1%
Other liabilities	<u>316,339</u>	<u>285,043</u>	11.0%
Total liabilities	386,568	348,821	10.8%
Net Assets			
Invested in capital assets, net of related debt	9,909,134	9,259,967	7.0%
Unrestricted	<u>1,879,647</u>	<u>1,702,720</u>	10.4%
Total net assets	<u>\$ 11,788,781</u>	<u>\$ 10,962,687</u>	7.5%

Ashland Parks and Recreation Commission's Net Assets

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

Governmental activities.

Net Assets have increased from the prior fiscal year even though less cash was on hand at the end of the year. Capital asset net value also contributed to the increase between years despite aging of depreciable assets. A large capital asset contribution for Oregon Shakespeare Festival was a key component of the increase.

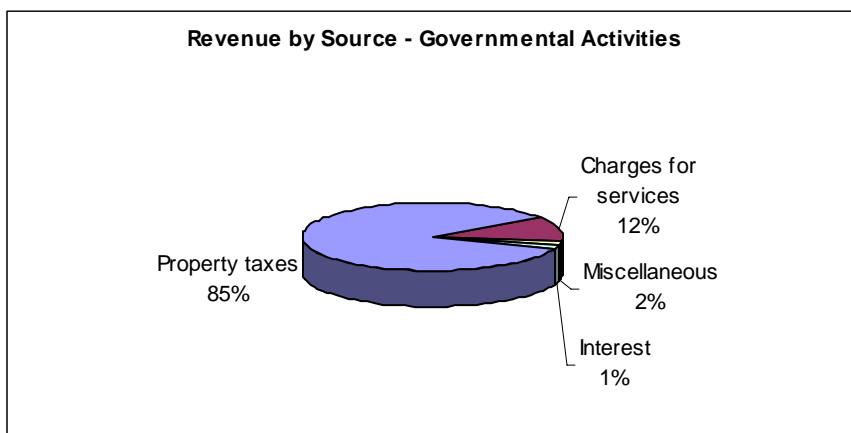
**Ashland Parks and Recreation Commission
Change in Net Assets**

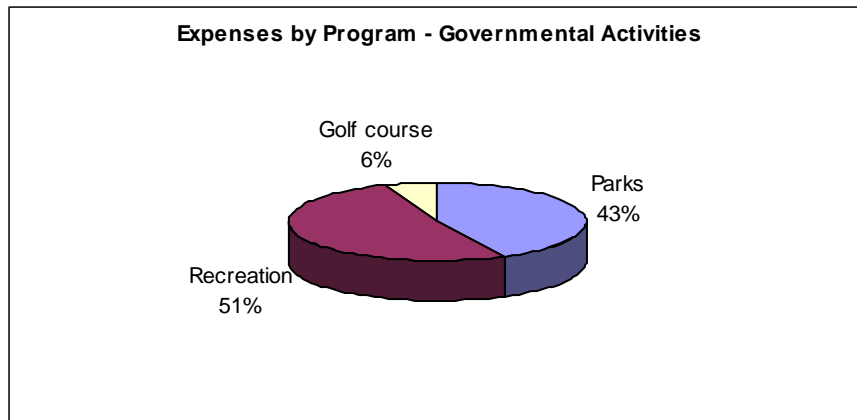
	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 890,905	\$ 888,857	0.2%
Operating grants and contributions	733,847	19,796	3607.1%
General revenues:			
Property taxes	6,434,459	5,826,859	10.4%
Miscellaneous	137,340	-	
Interest	104,150	107,140	-2.8%
Total revenues	<u>8,300,701</u>	<u>6,842,652</u>	21.3%
Expenses:			
Parks	3,600,415	3,624,837	-0.7%
Recreation	3,472,763	3,312,781	4.8%
Golf course	401,429	375,328	7.0%
Total expenses	<u>7,474,607</u>	<u>7,312,946</u>	2.2%
 Increase in net assets	 826,094	 (470,294)	 -275.7%
 Net assets - Beginning	 <u>10,962,687</u>	 <u>11,432,981</u>	 -4.1%
Net assets - Ending	<u>\$ 11,788,781</u>	<u>\$ 10,962,687</u>	7.5%

Ashland Parks and Recreation Commission's Changes in Net Assets

Significant factors leading to the increase in net assets:

- The increase in operating grants and contribution is due to changes in fixed assets from Oregon Shakespeare Festival. The bulk of the increase was a new HVAC unit installed in the Angus Bowmer Theater.
- This year miscellaneous income of \$137,340 was collected. This is due to two factors. One is the payment for the ice skating rink cover from the CCIS, our insurance company. The second one is repayment from the Ashland School District for the youth activity levy funds overpayment in the prior year.
- Property tax revenues increased by \$607,600 (10.4%) during the year. The 10.4% includes increase in assessed valuation of 3%, 3.5% is due to new construction and the remaining amount is due to change in receivables between years.
- Depreciation is included in Expenses and totals \$416,552 for the year.





Financial Analysis of the Government's Funds

As noted earlier, the Ashland Parks and Recreation Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. As of the end of the current fiscal year, the Ashland Parks and Recreation Commission's governmental funds reported a combined ending fund balance of \$1,625,377, an increase of \$176,404 (12.2%) in comparison with the prior year. The reason for the increase is capitalizing a large improvement from our lease hold tenant. A new HVAC was installed in a theater.

The general fund is the chief operating fund of the Ashland Parks and Recreation Commission. As of the end of the current fiscal year, the general fund's unreserved fund balance was \$1,201,443, a decrease of \$20,531 or -2% from the prior year. The general fund's balance represents 73.9% of the combined governmental funds balance.

The capital projects' fund has a total fund balance of \$263,343, all of which is reserved for future capital projects.

General Fund Budgetary Highlights

There were no changes to the General Fund Budget during the fiscal year. Generally, expenditure levels were slightly lower than expected (97% of budgeted appropriations) resulting in a smaller reduction in ending fund balance than projected. Personal Services expenditures were lower due to open positions and smaller than expected increases in medical benefits costs.

Capital Asset and Debt Administration

Capital assets. The Ashland Parks and Recreation Commission's investment in capital assets for its governmental activity as of June 30, 2008, amount to \$9,909,134 (net of accumulated depreciation).

A major portion of the Ashland Parks and Recreation Commission's investment in capital assets include leasehold improvements of \$5,537,514 (net of accumulated depreciation) related to a long-term lease with the Oregon Shakespeare Festival Association. New improvements reported in FY 2007-2008 totaled \$857,188. This is shown on page 21 of the Notes to the Basic Financial Statements.

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

Requests for Information

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

340 South Pioneer Street
Ashland, OR 97520

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

STATEMENT OF NET ASSETS
At June 30, 2008

	<u>PRIMARY GOVERNMENT</u>
ASSETS	
Cash and cash equivalents	\$ 1,796,482
Receivables:	
Accounts	83,579
Taxes	386,156
Capital assets, net of Accumulated Depreciation	<u>9,909,134</u>
 Total Assets	 <u>12,175,351</u>
LIABILITIES:	
Accounts payable	200,865
Payroll Liabilities	92,064
Non-Current Liabilities:	
Due Within 1 Year:	
Vacation Payable	23,410
Due In More than 1 Year:	
Vacation Payable	<u>70,229</u>
 Total Liabilities	 <u>386,568</u>
NET ASSETS:	
Invested in capital assets, net of related debt	9,909,134
Unrestricted	<u>1,879,647</u>
 Total Net Assets	 <u>\$ 11,788,781</u>

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

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008**

FUNCTIONS	EXPENSES	FUNCTION REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Parks	\$ 3,600,415	\$ 290,496	\$ 733,847	\$ (2,576,072)
Recreation	3,472,763	298,549	-	(3,174,214)
Golf Course	401,429	301,860	-	(99,569)
Total Governmental Activities	\$ 7,474,607	\$ 890,905	\$ 733,847	\$ (5,849,855)
General Revenues				
Property Taxes				6,434,459
Interest and Investment Earnings				104,150
Miscellaneous				137,340
Total General Revenues				<u>6,675,949</u>
Changes in Net Assets				826,094
Net Assets - Beginning				<u>10,962,687</u>
Net Assets - Ending				<u>\$ 11,788,781</u>

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

BALANCE SHEET
 GOVERNMENTAL FUNDS
 At June 30, 2008

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS:				
Assets:				
Cash and Investments	\$ 1,373,464	\$ 145,394	\$ 277,623	\$ 1,796,481
Receivables:				
Accounts	83,578	-	-	83,578
Taxes	232,701	153,454	-	386,155
Total Assets	<u>\$ 1,689,743</u>	<u>\$ 298,849</u>	<u>\$ 277,623</u>	<u>\$ 2,266,215</u>
LIABILITIES, FUNDE EQUITY				
Liabilities:				
Accounts Payable	\$ 186,585	\$ -	\$ 14,280	\$ 200,865
Payroll Liabilities	92,064	-	-	92,064
Deferred Revenue	209,651	138,258	-	347,909
Total Liabilities	<u>488,300</u>	<u>138,258</u>	<u>14,280</u>	<u>640,838</u>
Fund Equity:				
Fund Balance:				
Unreserved and Undesignated	1,201,443	160,591	263,343	1,625,377
Total Fund Equity	<u>1,201,443</u>	<u>160,591</u>	<u>263,343</u>	<u>1,625,377</u>
Total Liabilities and Fund Equity	<u>\$ 1,689,743</u>	<u>\$ 298,849</u>	<u>\$ 277,623</u>	<u>\$ 2,266,215</u>

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2008

Total Fund Balances - Governmental Funds	\$	1,625,377
--	----	-----------

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

Net Capital Assets		9,909,135
--------------------	--	-----------

Accrued Vacation Payable not accounted for in governmental funds		(93,639)
--	--	----------

Deferred revenue related to property taxes		<u>347,908</u>
--	--	----------------

Net Assets	\$	<u><u>11,788,781</u></u>
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**ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the year ended June 30, 2008**

	GOVERNMENTAL FUND TYPES			TOTAL GOVERNMENTAL FUNDS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	
REVENUES:				
Property Taxes	\$ 3,872,201	\$ 2,553,133	\$ -	\$ 6,425,334
Intergovernmental Revenues	-	-	79,026	79,026
Charges for Services	811,879	-	-	811,879
Interest Revenue	92,172	-	11,978	104,150
Miscellaneous Revenue	137,340	-	-	137,340
Total Revenues	4,913,592	2,553,133	91,004	7,557,729
EXPENDITURES:				
Current:				
Parks	3,460,324	-	-	3,460,324
Recreation	960,912	2,465,213	-	3,426,125
Golf Course	361,825	-	-	361,825
Capital Outlay	-	-	133,051	133,051
Total Expenditures	4,783,061	2,465,213	133,051	7,381,325
Excess of Revenues Over, (Under) Expenditures	130,531	87,920	(42,047)	176,404
Other Financing Sources, (Uses)				
Transfers In	-	-	110,000	110,000
Transfers Out	(110,000)	-	-	(110,000)
Total Other Financing Sources, (Uses)	(110,000)	-	110,000	-
Net Changes in Fund Balance	20,531	87,920	67,953	176,404
Fund Balance - Beginning of Year,	1,180,912	72,671	195,390	1,448,973
Fund Balance - End of Year	<u>\$ 1,201,443</u>	<u>\$ 160,591</u>	<u>\$ 263,343</u>	<u>\$ 1,625,377</u>

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

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2008

Total Net Changes in Fund Balances - Governmental Funds \$ 176,404

Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeds depreciation.

Capital Asset Additions - net	\$	1,065,717	
Depreciation Expense - net		<u>(416,550)</u>	
			649,167

Change in compensated Absences is an expense on the Statement of Activities but it is not an expenditure to the governmental fund, unless matured. (8,602)

Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the Commission recognizes a deferred revenue for all property taxes levied but not received, however in the Statement of Activities, there is no deferred revenue and the full property tax receivable is accrued. 9,125

Change in Net Assets of Governmental Activities \$ 826,094

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



ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING ENTITY

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

The basic financial statements include all financial activities, organizations, and functions for which the Commission is considered to be financially accountable. Financial accountability exists if the Commission appoints a voting majority of the component unit's board, and either a) the ability to impose will by the primary government (Commission), or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Commission. The Commission has no component units, but is a component unit of the City of Ashland, Oregon, and, as such, is included in the basic financial statements of the City of Ashland as a discretely presented component unit. Although the members of the Commission's governing Board are elected by the voters, the Commission is fiscally dependent upon the City because by state law and City Charter, the Commission budget and tax levy must be included as part of the City's. The City must also approve any debt issuance. Additionally, the City has ultimate financial responsibility for the Commission.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Assets and Statements of Activities display information about the reporting government as a whole.

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

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND TYPES

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

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

The Commission reports the following major funds:

GENERAL FUND

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

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SPECIAL REVENUE FUND

The Ashland Youth Activities Serial Levy Fund is used to account for proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The revenue sources are serial levy revenues. Expenditures are related to specific youth programs provided by local schools and the Parks and Recreation Commission.

CAPITAL PROJECTS FUND

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

C. BUDGET

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

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

Appropriations are at the department (organizational unit) level for funds with more than one department and by total personal services, materials and services, capital outlay, debt service, operating transfers, and contingency for those funds with only one department or function at the levels of control established by the resolution.

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

Expenditures of the various funds were within authorized appropriations.

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. PROPERTY TAXES RECEIVABLE

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

E. CAPITAL ASSETS

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

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

Buildings and improvements	33 to 50 years
Public domain infrastructure	15 to 25 years
Vehicles, Furniture, and Equipment	5 to 15 years

F. RETIREMENT PLAN

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

G. VESTED COMPENSATED ABSENCES

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

H. ESTIMATES

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. LONG TERM DEBT

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

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

J. NET ASSETS

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are classified in the following three categories.

Invested in capital assets, net of related debt – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – consists of all other net assets that are not included in the other categories previously mentioned.

2. CASH AND INVESTMENTS

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

The City of Ashland maintains a cash and investment pool that is used by all funds, including Commission funds. The Commission's cash and investments at June 30, 2008, consisted of the following:

	2008
Petty Cash	\$ 750
City Investment Pool	<u>1,795,732</u>
Total	<u>\$ 1,796,482</u>

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

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

The State Treasurer's investment policies are government by Oregon Revised Statutes and the Oregon Short-Term Fund Board (OSTFB). There were no known violations of legal or contractual provisions for deposits.

As of June 30, 2008, the Commission 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	\$ 1,795,732	\$ 1,795,732	-	-
Total	<u>\$ 1,795,732</u>	<u>\$ 1,795,732</u>	<u>\$ -</u>	<u>\$ -</u>

Investments are valued at fair value as required by GASB 31. There is no material difference between fair value of the City's position in the State Treasurer's Local Governmental Investment Pool and the value of the pool shares at June 30, 2008.

Interest Rate Risk

As a means of limiting its exposure to fair value losses resulting from rising interest rates, 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 investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

The City limits investment maturities as follows:

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

Credit Risk

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

Oregon Revised Statutes require bankers' acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by 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.

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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, 2008 the City was in compliance with all percentage restrictions.

Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. Amounts in the State Treasurer's Local Government Investment Pool 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 (BA's)	50%
Certificates of Deposit (CD)	35%
State & Local Government Securities	35%
Repurchase Transactions	25%
Commercial Paper (AA,A1,P1)	10%
State of Oregon Investment Pool Securities	100%

3. CAPITAL ASSETS

The changes in capital assets for the 2007-2008 fiscal year are as follows:

	Balance June 30, 2007	Additions & Reclasses	Retirements & Reclasses	Balance June 30, 2008
Governmental activities:				
Buildings	\$ 12,082,645	\$ 857,188		\$ 12,939,833
Machinery and Equipment	808,239	160,667		968,906
Infrastructure	536,322			536,322
Vehicles	370,620	47,862		418,482
Furniture and Fixtures	578,208			578,208
Total capital assets being depreciated	14,376,034	1,065,717	-	15,441,751
Less accumulated depreciation for:				
Buildings	3,822,125	276,963		4,099,088
Machinery and Equipment	418,797	69,057		487,854
Infrastructure	340,894	22,897		363,791
Vehicles	299,298	18,429		317,727
Furniture and Fixtures	234,953	29,204		264,157
Total accumulated depreciation	5,116,067	416,550	-	5,532,617
Total capital assets being depreciated, net	\$ 9,259,967	\$ 649,167	\$ -	\$ 9,909,134

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CAPITAL ASSETS (CONTINUED)

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

Depreciation Expense	
	2008
Parks	\$ 328,860
Recreation	47,964
Golf	39,726
Total	\$ 416,550

4. LONG-TERM DEBT

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

	June 30, 2007 Balance	Additions	Reductions	June 30, 2008 Balance	Due Within a Year
Governmental Activities:	\$ 85,037	\$ 93,639	\$ 85,037	\$ 93,639	\$ 23,410
Total Compensated Absences Payable	\$ 85,037	\$ 93,639	\$ 85,037	\$ 93,639	\$ 23,410

5. PENSION PLAN

Plan Description and Provisions:

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

Description of Funding Policy:

Plan members are required to contribute 6% of their annual covered salary. The Commission is required to contribute at an actuarially determined rate. In 2003, the Oregon Legislature revised PERS operations, including how benefits for existing and new employees are calculated and funded. The current rates are 13.49% and 13.99% for existing and new employees respectively of covered annual payroll. The Commission has "picked up" employee contributions at a rate of 6%, as allowed under ORS 237.075. The contribution requirement of plan members and their employers are established and may be amended by the PERS Retirement Board.

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. PENSION PLAN (CONTINUED)

The Commission's Three Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2006	\$ 192,630	100%	-
06/30/2007	\$ 255,537	100%	
06/30/2008	\$ 243,087	100%	

6. RISK MANAGEMENT

As a component unit of the City of Ashland, the Ashland Parks and Recreation Commission is included in the City's risk management program. The City directly manages the Commission's participation. The City is exposed to various risks of loss related to general liability and workers' compensation. The City purchases liability insurance from the City County Insurance Services. The City is self-insured for the first annual cumulative deductible of \$50,000 for its general liability insurance policy. Workers' compensation is self-insured for \$400,000 per occurrence for claims incurred. Excess coverage above these retention limits is purchased from commercial insurers on a stop-loss basis. Settled claims have not exceeded the coverage levels as stated for each of the past three fiscal years. The Commission and all participating City funds pay contributions based on prior experience, exposure, insurance premiums, and administrative costs.

7. PROPERTY TAX LIMITATIONS

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

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

8. TRANSFERS

The following transfer occurred during fiscal year 2007-2008 for scheduled equipment replacement:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 110,000
Capital Projects Fund	110,000	-
Total	\$ 110,000	\$ 110,000



ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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



ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the year ended June 30, 2008

<u>GENERAL FUND</u>				VARIANCE TO FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	
REVENUES:				
Property Taxes	\$ 3,872,201	\$ 4,021,400	\$ 4,021,400	\$ (149,199)
Intergovernmental Revenues	-	30,000	30,000	(30,000)
Charges For Services	811,879	810,000	810,000	1,879
Interest	92,172	55,000	55,000	37,172
Miscellaneous	137,340	30,000	30,000	107,340
Total Revenues	<u>4,913,592</u>	<u>4,946,400</u>	<u>4,946,400</u>	<u>(32,808)</u>
EXPENDITURES:				
Parks:				
Personal Services	2,136,232	2,194,826	2,194,826	58,594
Materials and Services	1,314,375	1,428,250	1,428,250	113,875
Capital Outlay	9,717	325,000	325,000	315,283
Total Parks	<u>3,460,324</u>	<u>3,948,076</u>	<u>3,948,076</u>	(1) <u>487,752</u>
Recreation:				
Personal Services	735,981	805,127	805,127	69,146
Materials and Services	224,931	246,600	246,600	21,669
Total Recreation	<u>960,912</u>	<u>1,051,727</u>	<u>1,051,727</u>	(1) <u>90,815</u>
Golf Course:				
Personal Services	162,551	194,018	194,018	31,467
Materials and Services	194,533	217,000	217,000	22,467
Capital Outlay	4,741	8,000	8,000	3,259
Total Golf Course	<u>361,825</u>	<u>419,018</u>	<u>419,018</u>	(1) <u>57,193</u>
Debt Service	-	10,500	10,500	(1) 10,500
Operating Contingency	-	35,000	35,000	(1) 35,000
Total Expenditures	<u>4,783,061</u>	<u>5,464,321</u>	<u>5,464,321</u>	<u>681,260</u>
Excess of Revenues Over, (Under) Expenditures	130,531	(517,921)	(517,921)	648,452
Other Financing Sources, (Uses)				
Transfers In	-	-	-	-
Transfers Out	(110,000)	(110,000)	(110,000)	(1) -
Total Other Financing Sources, (Uses)	<u>(110,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
Net Change in Fund Balance	20,531	(627,921)	(627,921)	648,452
Beginning Fund Balance	1,180,912	1,505,166	1,505,166	(324,254)
Ending Fund Balance	<u>\$ 1,201,443</u>	<u>\$ 877,245</u>	<u>\$ 877,245</u>	<u>\$ 324,198</u>

(1) Appropriation level

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the year ended June 30, 2008

<u>YOUTH ACTIVITIES LEVY</u>				VARIANCE TO FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>(UNFAVORABLE)</u>
REVENUES:				
Property Taxes	\$ 2,553,133	\$ 2,658,000	\$ 2,658,000	\$ (104,867)
Total Revenues	<u>2,553,133</u>	<u>2,658,000</u>	<u>2,658,000</u>	<u>(104,867)</u>
EXPENDITURES:				
Recreation:				
Personal Services	164,454	196,000	196,000 (1)	31,546
Materials and Services	<u>2,300,759</u>	<u>2,381,000</u>	<u>2,381,000 (1)</u>	<u>80,241</u>
Total Expenditures	<u>2,465,213</u>	<u>2,577,000</u>	<u>2,577,000</u>	<u>111,787</u>
Net Change in Fund Balance	87,920	81,000	81,000	6,920
Fund Balance - Beginning of Year	<u>72,671</u>	<u>135,893</u>	<u>135,893</u>	<u>(63,222)</u>
Fund Balance - End of Year	<u><u>\$ 160,591</u></u>	<u><u>\$ 216,893</u></u>	<u><u>\$ 216,893</u></u>	<u><u>\$ (56,302)</u></u>

(1) Appropriation level

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SUPPLEMENTARY INFORMATION



ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended June 30, 2008

<u>CAPITAL IMPROVEMENTS FUND</u>				VARIANCE TO FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
Charges for Services	\$ 79,026	\$ 95,000	\$ 95,000	\$ (15,974)
Interest	11,978	7,000	7,000	4,978
Total Revenues	<u>91,004</u>	<u>102,000</u>	<u>102,000</u>	<u>(10,996)</u>
EXPENDITURES:				
Capital Outlay	<u>133,051</u>	<u>331,000</u>	<u>331,000</u>	(1) <u>197,949</u>
Total Expenditures	<u>133,051</u>	<u>331,000</u>	<u>331,000</u>	<u>197,949</u>
Excess of Revenues Over, (Under) Expenditures	(42,047)	(229,000)	(229,000)	186,953
Other Financing Sources, (Uses)				
Transfers In	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Net Change in Fund Balance	67,953	(119,000)	(119,000)	186,953
Fund Balance - Beginning of Year	<u>195,390</u>	<u>145,926</u>	<u>145,926</u>	<u>49,464</u>
Fund Balance - End of Year	<u>\$ 263,343</u>	<u>\$ 26,926</u>	<u>\$ 26,926</u>	<u>\$ 236,417</u>

(1) Appropriation level

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF CAPITAL ASSETS - BY SOURCES
For the year ended June 30, 2008

Capital Assets:	
Buildings and improvements	\$ 12,939,833
Machinery and equipment	968,906
Infrastructure	536,322
Vehicles	418,482
Furniture and fixtures	578,208
	<hr/>
Total capital assets	<u>\$ 15,441,751</u>
Sources of Investment in Capital Assets:	
General Fund	\$ 6,920,685
Shakespeare Festival	8,521,066
	<hr/>
Total sources of investment in capital assets	<u>\$ 15,441,751</u>

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY SOURCES
 For the year ended June 30, 2008

	<u>Total</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Vehicles</u>	<u>Furniture and Fixtures</u>
Capital Assets, July 1, 2007	\$ 14,376,034	\$ 12,082,645	\$ 808,239	\$ 536,322	\$ 370,620	\$ 578,208
Additions:						
General Fund	208,529		160,667		47,862	
Shakespeare Festival	857,188	857,188	-	-	-	-
	<u>1,065,717</u>	<u>857,188</u>	<u>160,667</u>	<u>-</u>	<u>47,862</u>	<u>-</u>
Deletions:						
General Fund	-			-	-	58,798
Shakespeare Festival	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,798</u>
Capital Assets, June 30, 2008	<u>\$ 15,441,751</u>	<u>\$ 12,939,833</u>	<u>\$ 968,906</u>	<u>\$ 536,322</u>	<u>\$ 418,482</u>	<u>\$ 519,410</u>

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
For the year ended June 30, 2008

<u>Function and Activity</u>	<u>Total</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Vehicles</u>	<u>Furniture and Fixtures</u>
Parks and Recreation	<u>\$ 15,441,751</u>	<u>\$ 12,939,833</u>	<u>\$ 968,906</u>	<u>\$ 536,322</u>	<u>\$ 418,482</u>	<u>\$ 578,208</u>

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
For the year ended June 30, 2008

<u>Function and Activity</u>	<u>Capital Assets July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets June 30, 2008</u>
Parks and Recreation	\$ 14,376,034	\$ 1,065,717	\$ -	\$ 15,441,751

CITY OF ASHLAND AND
 ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
 FOR THE CITY AND COMPONENT UNIT
 For the year ended June 30, 2008

	Taxes Uncollected July 1, 2007	Add Levy Extended by Assessor	Add (Deduct) Discounts Interest Cancellations Adjustments	Deduct Interest and Tax Collections	Taxes Uncollected June 30, 2008
2007-08	\$ -	\$ 10,852,570	\$ 162,977	\$ 10,273,879	\$ 415,714
2006-07	428,935		86,971	217,000	124,964
2005-06	96,628	-	89	42,195	54,344
2004-05	43,652	-	2,267	25,829	15,556
2003-04	19,217	-	1,412	10,677	7,128
Prior years	20,876	-	(1,004)	3,074	18,806
	<u>\$ 609,308</u>	<u>\$ 10,852,570</u>	<u>\$ 252,712</u>	<u>\$ 10,572,653</u>	<u>\$ 636,512</u>
				Collections to June 30, 2008	Taxes Uncollected June 30, 2008
Taxes receivable and tax collections classified by fund:					
Primary government:					
General Fund				\$ 3,764,295	\$ 228,062
Debt Service Fund				381,757	22,295
Enterprise Funds:					
Water Fund				1,267	
Component unit:					
Parks and Recreation:					
Parks and Recreation Fund				3,872,201	232,701
Ashland Youth Activities Serial Levy Fund				2,553,133	153,454
				<u>\$ 10,572,653</u>	<u>\$ 636,512</u>

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
 FOR THE CITY AND COMPONENT UNIT

For the year ended June 30, 2008

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

	Collections	Other Taxes	Tax Revenues GAAP Basis
Primary government:			
General Fund	\$ 3,764,295	\$ 6,479,077	\$ 10,243,372
Special Revenue Funds:			
Street Fund	-	188,030	188,030
Debt Service Funds:			
Debt Service Fund	381,757	-	381,757
Capital Projects Fund:			
Capital Improvement Fund	-	391,717	391,717
Enterprise Funds:			
Water Fund	1,267	-	1,267
Wastewater Fund	-	1,566,868	1,566,868
Component unit:			
Parks and Recreation:			
Parks and Recreation Fund	3,872,201	-	3,872,201
Special Revenue Fund:			
Ashland Youth Activities Serial Levy Fund	2,553,133	-	2,553,133
	\$ 10,572,653	\$ 8,625,692	\$ 19,198,345



ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

STATISTICAL SECTION



**Ashland Parks and Recreation Commission
STATISTICAL SECTION
(Unaudited)**

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

Financial Trends	Page
These tables contain trend information that may assist the reader in assessing the Commission's current financial performance by placing it in historical perspective.	40-51
Revenue Capacity	
These tables contain information that may assist the reader is assessing the viability of the revenue sources.	52-56
Debt Capacity	
These tables present information that may assist the reader in analyzing the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.	57
Economic & Demographic Information	
These tables offer economic and demographic indicators that are commonly used for financial analysis and that can help the reader understand the Commission's present and ongoing financial status.	58-59
Operating Information	
These tables contain service and infrastructure indicators that can help the reader understand how the information in the Commission's financial statements relates to the services the Commission provides and the activities it performs.	60-66

Source:

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

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

	2008	2007	2006	2005
ASSETS				
Cash and cash equivalents	\$ 1,796,482	\$ 1,409,665	\$ 1,874,507	\$ 2,066,200
Receivables:				
Interest			4,234	4,234
Accounts	83,579	260,327	76,656	94,281
Taxes	386,156	381,549	408,391	349,604
Capital assets, net of Accumulated Depreciation	9,909,134	9,259,967	9,456,082	9,571,154
Total Assets	12,175,351	11,311,508	11,819,870	12,085,473
 LIABILITIES:				
Accounts payable	200,865	208,891	197,466	157,102
Payroll Liabilities	92,064	54,893	97,444	85,583
Vacation Payable			-	81,820
Noncurrent liabilities				
Due within one year	23,410	21,259	22,995	512
Due in more than one year	70,229	63,778	68,984	-
Total Liabilities	386,568	348,821	386,889	325,017
 NET ASSETS:				
Invested in capital assets, net of related debt	9,909,134	9,259,967	9,456,082	9,570,642
Unrestricted	1,879,647	1,702,720	1,976,899	2,189,814
Total Net Assets	\$ 11,788,781	\$ 10,962,687	\$ 11,432,981	\$ 11,760,456

2004	2003
\$ 2,092,630	\$ 2,064,911
972	3,314
123,807	7,500
425,926	464,084
<u>9,589,054</u>	<u>9,198,423</u>
<u>12,232,389</u>	<u>11,738,232</u>
222,640	225,020
68,370	62,899
64,574	69,993
15,192	16,736
<u>2,813</u>	<u>20,150</u>
<u>373,589</u>	<u>394,798</u>
9,571,049	9,173,800
<u>2,287,751</u>	<u>2,169,634</u>
<u>\$ 11,858,800</u>	<u>\$ 11,343,434</u>

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

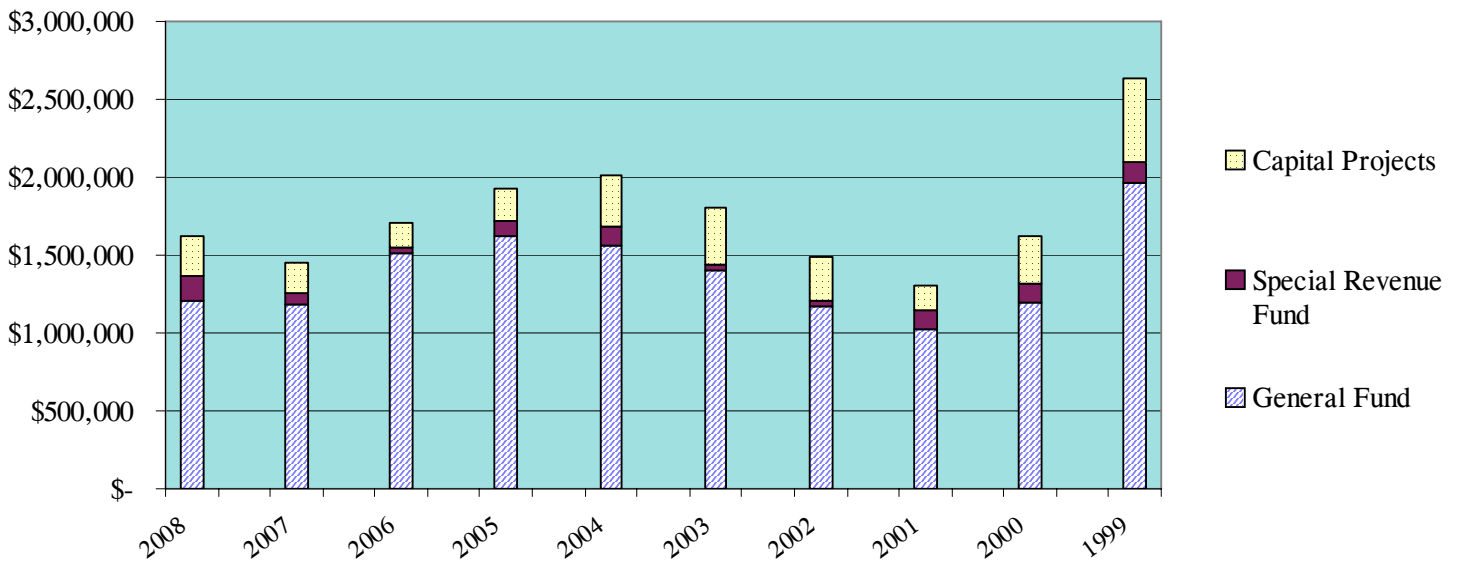
	2008	2007	2006	2005
Revenues:				
Program revenues:				
Charges for services	\$ 890,905	\$ 888,857	\$ 957,870	\$ 967,613
Operating grants and contributions	-	19,796	33,536	29,559
General revenues:				
Property taxes	6,434,459	5,826,859	5,734,513	5,285,297
Interest	104,150	107,140	73,410	54,424
Other	137,340	-	-	118,364
Total revenues	<u>7,566,854</u>	<u>6,842,652</u>	<u>6,799,329</u>	<u>6,455,257</u>
Expenses:				
Parks	2,866,568	3,624,837	3,484,095	3,685,972
Recreation	3,472,763	3,312,781	3,240,475	2,491,094
Golf course	401,429	375,328	390,461	375,323
Debt service	-	-	11,773	1,212
Total expenses	<u>6,740,760</u>	<u>7,312,946</u>	<u>7,126,804</u>	<u>6,553,601</u>
Increase (Decrease) in net assets	826,094	(470,294)	(327,475)	(98,344)
Net assets - Beginning	10,962,687	11,432,981	11,760,456	11,858,800
Prior Infrastructure			-	-
Net assets - Ending	<u>\$ 11,788,781</u>	<u>\$ 10,962,687</u>	<u>\$ 11,432,981</u>	<u>\$ 11,760,456</u>

<u>2004</u>	<u>2003</u>
\$ 812,020	\$ 666,782
17,382	31,203
5,135,720	4,817,730
29,383	35,640
144,331	355,563
<u>6,138,836</u>	<u>5,906,918</u>
3,287,600	3,104,796
2,228,909	2,159,601
375,640	332,042
21,738	5,223
<u>5,913,887</u>	<u>5,601,662</u>
224,949	305,256
11,343,434	11,038,178
290,417	-
<u>\$ 11,858,800</u>	<u>\$ 11,343,434</u>

ASHLAND PARKS AND RECREATION COMMISSION
Fund Balances
Last Ten Years for June 30,

	2008	2007	2006	2005	2004
General Fund					
Unreserved, reported in:					
General Fund	\$ 1,201,443	\$ 1,180,912	\$ 1,507,367	\$ 1,621,679	\$ 1,558,332
Total General Fund	<u>1,201,443</u>	<u>1,180,912</u>	<u>1,507,367</u>	<u>1,621,679</u>	<u>1,558,332</u>
Special Revenue Fund					
Unreserved, reported in:					
Special revenue Funds	160,591	72,671	35,374	103,733	122,588
Total Special Revenue	<u>160,591</u>	<u>72,671</u>	<u>35,374</u>	<u>103,733</u>	<u>122,588</u>
Capital Projects					
Unreserved, reported in:					
Capital projects funds	263,343	195,390	165,326	207,375	330,331
Total Capital Projects	<u>263,343</u>	<u>195,390</u>	<u>165,326</u>	<u>207,375</u>	<u>330,331</u>
Total Governmental Funds	<u>\$ 1,625,377</u>	<u>\$ 1,448,973</u>	<u>\$ 1,708,067</u>	<u>\$ 1,932,787</u>	<u>\$ 2,011,251</u>

Fund Balance Comparison
Governmental Funds
Last Ten Years



2003	2002	2001	2000	1999
\$ 1,403,171	\$ 1,168,934	\$ 1,023,774	\$ 1,196,510	\$ 1,966,643
<u>1,403,171</u>	<u>1,168,934</u>	<u>1,023,774</u>	<u>1,196,510</u>	<u>1,966,643</u>
36,403	36,341	125,706	125,192	133,769
<u>36,403</u>	<u>36,341</u>	<u>125,706</u>	<u>125,192</u>	<u>133,769</u>
367,733	280,337	151,955	295,000	536,494
<u>367,733</u>	<u>280,337</u>	<u>151,955</u>	<u>295,000</u>	<u>536,494</u>
<u>\$ 1,807,307</u>	<u>\$ 1,485,612</u>	<u>\$ 1,301,435</u>	<u>\$ 1,616,702</u>	<u>\$ 2,636,906</u>

ASHLAND PARKS AND RECREATION COMMISSION
Statement of Revenues, expenditures and
Changes in Fund Balance- Governmental Funds
last ten years
For the year ended June 30,

	2008	2007	2006	2005	2004
REVENUES:					
Property Taxes:	\$ 6,425,334	\$ 5,848,886	\$ 5,683,452	\$ 5,320,346	\$ 5,207,567
Intergovernmental Revenues	79,026	118,097	128,536	94,310	101,297
Charges for Services	811,879	747,933	814,550	875,613	859,876
Interest Revenue	104,150	107,140	73,410	54,424	29,380
Miscellaneous Revenue	137,340	42,623	48,320	70,581	32,360
Total Revenues	7,557,729	6,864,679	6,748,268	6,415,274	6,230,480
EXPENDITURES:					
Current:					
Parks	3,460,324	3,454,492	3,202,140	3,408,058	3,022,863
Recreation	3,426,125	3,156,750	3,195,195	2,454,099	2,180,325
Golf Course	361,825	357,650	348,104	340,716	327,763
Capital Outlay	133,051	154,881	273,460	242,130	503,847
Debt Service	-	-	12,285	18,735	21,738
Total Expenditures	7,381,325	7,123,773	7,031,184	6,463,738	6,056,536
Excess of Revenues Over, (Under) Expenditures	176,404	(259,094)	(282,916)	(48,464)	173,944
Other Financing Sources, (Uses)					
Transfers In	110,000	80,000	125,000	50,000	70,000
Transfers Out	(110,000)	(80,000)	(125,000)	(50,000)	(70,000)
Total Other Financing Sources, (Uses)	-	-	-	-	-
Net Changes in Fund Balance	176,404	(259,094)	(282,916)	(48,464)	173,944
Fund Balance - Beginning of Year,	1,448,973	1,708,067	1,932,787	1,981,251	1,807,307
Prior Period Adjustment	-	-	(58,196)	-	-
Fund Balance - End of Year	\$ 1,625,377	\$ 1,448,973	\$ 1,708,067	\$ 1,932,787	\$ 1,981,251

	2003	2002	2001	2000	1999
\$	4,800,223	\$ 4,487,578	\$ 4,213,307	\$ 3,496,890	\$ 3,489,694
	123,203	249,397	1,272,956	138,703	131,845
	666,782	566,803	819,931	739,611	490,797
	35,640	46,733	104,651	165,769	131,351
	355,563	58,946	217,412	44,067	57,907
	<u>5,981,411</u>	<u>5,409,457</u>	<u>6,628,257</u>	<u>4,585,040</u>	<u>4,301,594</u>
	3,023,828	2,656,383	2,464,847	2,332,452	1,986,650
	2,112,565	2,081,010	1,883,865	1,332,092	1,350,231
	304,165	325,230	295,977	322,677	261,818
	197,977	91,106	2,290,338	1,804,355	1,355,041
	21,181	21,550	8,497	12,132	17,929
	<u>5,659,716</u>	<u>5,175,279</u>	<u>6,943,524</u>	<u>5,803,708</u>	<u>4,971,669</u>
	<u>321,695</u>	<u>234,178</u>	<u>(315,267)</u>	<u>(1,218,668)</u>	<u>(670,075)</u>
	70,000	70,000	65,000	333,464	20,000
	(70,000)	(120,000)	(65,000)	(135,000)	(20,000)
	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>198,464</u>	<u>-</u>
	321,695	184,178	(315,267)	(1,020,204)	(670,075)
	<u>1,485,612</u>	<u>1,301,434</u>	<u>1,616,702</u>	<u>2,636,906</u>	<u>2,854,058</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>1,807,307</u>	<u>\$ 1,485,612</u>	<u>\$ 1,301,435</u>	<u>\$ 1,616,702</u>	<u>\$ 2,636,906</u>

ASHLAND PARKS AND RECREATION COMMISSION
 Adopted and Actual Fund Balance
 Last Ten Years

Fund Balances	2008 Adopted	2007 Adopted	2006 Adopted	2005 Adopted	2004 Adopted
Parks Component					
Parks and Recreation Fund	\$ 877,245	\$ 667,250	\$ 993,667	\$ 965,822	\$ 815,000
Youth Activities Levy Fund	216,893	-	125,306	2,166	2,000
Parks Capital Improvements Fund	26,926	44,866	112,569	169,965	234,000
Total Budget	\$ 1,121,064	\$ 712,116	\$ 1,231,542	\$ 1,137,953	\$ 1,051,000
For the Fiscal Year Ended June 30, Fund Balances	2008 Actual	2007 Actual	2006 Actual	2005 Actual	2004 Actual
Parks Component					
Parks and Recreation Fund	\$ 1,201,443	\$ 1,180,912	\$ 1,507,367	\$ 1,621,679	\$ 1,558,332
Youth Activities Levy Fund	160,591	72,671	35,374	103,733	122,588
Parks Capital Improvements Fund	263,343	195,390	165,326	207,375	300,331
Total Budget	\$ 1,625,377	\$ 1,448,973	\$ 1,708,067	\$ 1,932,787	\$ 1,981,251

2003 Adopted	2002 Adopted	2001 Adopted	2000 Adopted	1999 Adopted
\$ 782,294	\$ 805,300	\$ 735,715	\$ 577,000	\$ 180,000
9,000	9,000	-	-	34,000
185,000	148,000	-	195,000	564,000
<u>\$ 976,294</u>	<u>\$ 962,300</u>	<u>\$ 735,715</u>	<u>\$ 772,000</u>	<u>\$ 778,000</u>

2003 Actual	2002 Actual	2001 Actual	2000 Actual	1999 Actual
\$ 1,403,171	\$ 1,168,934	\$ 1,023,774	\$ 1,196,511	\$ 1,966,643
36,403	36,341	125,706	125,191	133,769
367,733	280,337	151,955	295,000	536,494
<u>\$ 1,807,307</u>	<u>\$ 1,485,612</u>	<u>\$ 1,301,435</u>	<u>\$ 1,616,702</u>	<u>\$ 2,636,906</u>

ASHLAND PARKS AND RECREATION COMMISSION
Assessed and Estimated Actual Value of Taxable Property
for the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Real (1)	Mobile Home	Personal	Utilities	Total	Taxable ratio (True Cash Value to Assessed)
2007-08	\$ 1,802,639,910	\$ 5,762,080	\$ 44,536,050	\$ 22,372,000	\$ 1,875,310,040	46.9%
2006-07	1,700,020,579	5,498,040	40,468,280	20,509,400	1,766,496,299	46.6%
2005-06	1,610,148,502	5,301,570	38,820,610	20,344,260	1,674,614,942	51.3%
2004-05	1,524,210,039	5,108,410	38,419,400	27,532,841	1,595,270,690	65.1%
2003-04	1,446,150,336	5,400,552	37,453,000	22,831,681	1,511,835,569	61.1%
2002-03	1,360,297,002	5,147,040	34,209,260	24,241,450	1,423,894,752	61.1%
2001-02	1,272,205,820	4,983,960	32,044,090	23,806,860	1,333,040,730	68.6%
2000-01	1,183,527,490	4,760,560	30,004,310	21,823,850	1,240,116,210	83.0%
1999-00	1,106,322,240	4,241,270	26,183,680	20,989,320	1,157,736,510	94.0%
1998-99	1,039,559,010	4,439,960	25,093,370	19,043,890	1,088,136,230	87.0%

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

Source: County Assessor tax roll property values.

ASHLAND PARKS AND RECREATION COMMISSION
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
for the last ten fiscal years - Unaudited

Fiscal Year	City of Ashland	Jackson County Vector Control	Jackson County	Rogue Valley Transit District	Net General Government Tax Rate	Jackson County Education Service District	School District 5	RCC	Net School Support Tax Rate	Total
2007-08	\$ 5.73	\$ 0.04	\$ 2.18	\$ 0.17	\$ 8.12	\$ 0.34	\$ 5.94	0.62	\$ 6.90	\$ 15.02
2006-07	5.56	0.04	2.52	0.17	8.30	0.34	5.41	0.62	6.37	14.67
2005-06	5.25	0.04	2.55	0.17	8.01	0.34	5.31	0.62	6.28	14.28
2004-05	5.26	0.04	2.75	0.17	8.22	0.34	5.44	0.50	6.28	14.50
2003-04	5.34	0.04	2.79	0.17	8.34	0.34	5.49	0.50	6.33	14.67
2002-03	5.36	0.04	2.70	0.17	8.10	0.34	5.53	0.50	6.37	14.47
2001-02	5.38	0.04	2.66	0.18	8.08	0.86	5.83		6.69	14.77
2000-01	5.46	0.04	2.56	0.18	8.06	1.84	5.03		6.87	14.93
1999-00	4.81	0.04	2.25	0.18	7.28	1.95	5.03		6.98	14.26
1998-99	4.92	0.04	2.01	0.18	7.15	0.35	6.08		6.43	13.58

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

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

Source: Jackson County Assessor and Tax Collector

ASHLAND PARKS AND RECREATION COMMISSION
Property Value and New Construction History
for the City of Ashland, Oregon
for the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Property Value (1)	Commercial Construction		Residential Construction	
		Number of Units	Value	Number of Units	Value
2007-08	\$ 1,875,310,040	23	\$ 16,269,379	82	\$ 8,258,031
2006-07	1,766,496,299	26	8,086,124	98	15,270,781
2005-06	1,674,614,942	19	20,988,810	160	24,336,944
2004-05	1,595,270,690	42	18,426,846	188	35,576,749
2003-04	1,511,835,569	30	10,137,442	154	35,764,484
2002-03	1,423,894,752	17	9,077,761	152	25,170,310
2001-02	1,333,040,730	17	13,702,661	106	11,464,493
2000-01	1,240,116,210	9	12,715,512	150	19,907,603
1999-00	1,157,736,510	15	7,081,675	233	31,940,531
1998-99	1,088,136,230	17	22,097,963	169	30,183,930

(1) Property value is assessed valuation

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

City of Ashland, Department of Community Development

Jackson County Assessor

ASHLAND PARKS AND RECREATION COMMISSION
Principal Property Taxpayers
June 30, 2008 - Unaudited

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

Source: Jackson County Assessor

ASHLAND PARKS AND RECREATION COMMISSION
Property Tax Levies and Collections
for the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Total Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	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
2007-08	\$ 6,437,000	\$ 6,120,830	95.1%	\$ 304,504	\$ 6,425,334	99.8%	\$ 386,155	6.0%
2006-07	6,116,000	5,655,058	92.5%	202,943	5,858,001	95.8%	381,549	6.2%
2005-06	5,825,000	5,113,995	87.8%	569,457	5,683,451	97.6%	408,392	7.0%
2004-05	5,542,457	5,122,235	92.4%	198,111	5,320,346	96.0%	371,735	6.7%
2003-04	5,286,831	4,978,807	94.2%	228,760	5,207,567	98.5%	425,925	8.1%
2002-03	5,018,000	4,590,566	91.5%	209,657	4,800,223	95.7%	464,084	9.2%
2001-02	4,565,000	4,271,758	93.6%	215,820	4,487,578	98.3%	446,578	9.8%
2000-01	4,298,000	4,032,637	93.8%	180,670	4,213,307	98.0%	396,121	9.2%
1999-00	3,558,000	3,310,250	93.0%	186,640	3,496,890	98.3%	348,611	9.8%
1998-99	3,558,000	3,295,994	92.6%	194,881	3,490,875	98.1%	320,651	9.0%

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

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

(3) Includes adjustments, rounding and discounts.

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

ASHLAND PARKS AND RECREATION COMMISSION
 Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds
 June 30, 2008 - Unaudited

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
Direct:			
City of Ashland	\$ 18,840,000 (1)	100.00%	\$ 18,840,000
Overlapping:			
Jackson County	38,561,021	13.54%	5,221,162
School District #5	44,775,000	80.41%	36,003,578
Rogue Community College	<u>43,615,000 (2)</u>	9.94%	<u>4,335,331</u>
	<u>\$ 145,791,021</u>		<u>\$ 64,400,071</u>

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

(2) Net tax supported debt

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

ASHLAND PARKS AND RECREATION COMMISSION
Principal Employers
Current and Ten Years Ago

2008		
Employer	Employees	Percentage of Total City Employment
Southern Oregon University	850	9.44%
Ashland Community Hospital	410	4.56%
Oregon Shakespeare Festival	398	4.42%
Ashland Public Schools	350	3.89%
City of Ashland*	269	2.99%
Butler Ford	160	1.78%
Pathway Enterprises	140	1.56%
Ashland Food Cooperative	130	1.44%
Professional Tool Mfg. LLC	100	1.11%
Prestige Care (Linda Vista)	75	0.83%
Total	2,882	32.02%
Total City Employment	9,000	

1999		
Employer	Employees	Percentage of Total City Employment
Southern Oregon State College	740	12.33%
Public Schools	382	6.37%
Oregon Shakespeare Festival	430	7.17%
Ashland Community Hospital	264	4.40%
Southern OR Training & Habilitation	246	4.10%
City of Ashland*	197	3.28%
Darex Corporation	135	2.25%
Butler Ford	100	1.67%
Linda Vista Care	85	1.42%
Parson's Pine Products	71	1.18%
Total	2,650	44.17%
Total City Employment	6,000	

Source: Ashland Chamber of Commerce
Oregon Employment Department

* Includes Ashland Parks Commission

ASHLAND PARKS AND RECREATION COMMISSION
 Demographic Statistics for the City of Ashland, Oregon
 for the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate Jackson Co. (2)
2007-08	21,800	N/A	3,000	6.7%
2006-07	21,430	N/A	3,000	5.6%
2005-06	20,880	\$ 31,785	2,777	5.7%
2004-05	20,590	30,239	2,920	6.2%
2003-04	20,430	28,531	3,138	7.3%
2002-03	20,130	26,477	3,321	6.8%
2001-02	19,770	25,772	3,393	6.6%
2000-01	19,610	24,917	3,411	5.9%
1999-00	19,490	24,004	3,258	5.7%
1998-99	19,220	23,214	3,309	6.4%

Sources:

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

ASHLAND PARKS AND RECREATION COMMISSION
Commission Employee by Function/Program

Function/Program	2008	2007	2006	2005	2004
Parks Division					
Director	1.00	1.00	1.00	1.00	1.00
Parks Superintendent	1.00	1.00	1.00	1.00	1.00
Greens Superintendent	1.00	1.00	1.00	1.00	1.00
Department Secretary	1.00	1.00	1.00	1.00	1.00
Lead Custodian	1.00	1.00	1.00	1.00	1.00
Custodian	2.00	2.00	2.00	1.00	1.00
Park Worker	8.00	8.00	8.00	9.00	7.00
Park Technician I	6.00	5.00	5.00	5.00	6.00
Park Technician II	7.00	8.00	8.00	8.00	8.00
Park Technician III	5.00	5.00	5.00	5.00	3.00
Temps	6.70	6.70	6.70	6.70	-
Recreation Division					
Recreation Superintendent	1.00	1.00	1.00	1.00	-
Recreation Supervisor	-	-	-	-	1.00
CC/Recreation Facilities Manager	1.00	1.00	1.00	1.00	1.00
Recreation Coordinator	2.00	1.00	1.00	1.00	-
Environmental Education Coordinator	2.00	2.00	2.00	1.60	1.60
Promotions Coordinator	1.00	-	-	-	-
Senior Program Director	0.80	0.80	0.80	-	-
Senior Center Specialist	0.70	0.70	0.70	-	-
Senior Center Info/Ref Specialist	0.35	0.25	0.25	-	-
Receptionist	1.00	1.00	1.00	1.00	1.00
Environmental Ed Assistant	1.00	1.00	1.00	1.60	0.80
	<u>50.55</u>	<u>48.45</u>	<u>48.45</u>	<u>46.90</u>	<u>35.40</u>



ASHLAND PARKS AND RECREATION COMMISSION
Operating Indicators and Capital Assets and Infrastructure by Function/Program

Function/Program	Actual 2008	Actual 2007	Actual 2006	Actual 2005	Actual 2004
Forestry, Trails, and Natural Resources					
Acres treated/retreated for fuel reduction	40	45	45	45	40
Miles of trail maintained	25	25	25	20	10
Horticulture					
Trees maintained	5,000	5,000	5,000	5,000	5,000
Number of trees planted	100	60	50	100	100
Number of plants planted	15,100	15,000	15,000	15,000	15,000
Acres mowed- athletic area	46	46	46	46	44
Parks and Recreation Community Facilities					
Community Center Rentals	300	267	139	97	135
Pioneer Hall Rentals	297	229	110	113	113
Hunter Park Rentals	70	60	20	17	24
Lithia Park Reservations	109	104	104	101	NA
The Grove Rentals	50	35	20	41	NA
Aquatic Facilities					
Recreational swimmers	11,000	12,100	12,200	12,150	13,222
Lesson participants	500	603	576	642	554
Accidents per season	-	-	-	-	-
Number of seasonal employees	14	17	17	17	17
Ice Rink Facilities					
Number of admissions	11,500	12,400	12,299	12,500	12,299
Accidents per season	-	1	-	-	-
Number of seasonal employees	9	10	10	10	8
Golf Division					
Total rounds of golf	17,159	19,623	20,964	20,253	18,392

Actual 2003	Actual 2002	Actual 2001	Actual 2000	Actual 1999
33.5	33.5	34	NA	NA
10	10	10	NA	NA
5,000	5,000	5,000	NA	NA
100	100	100	NA	NA
15,000	15,000	15,000	NA	NA
44	44	44	44	44
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
11,392	19,907	15,992	22,439	26,056
740	775	880	1,202	1,183
2	1	2	3	2
14	16	20	23	23
12,389	15,685	15,842	18,078	15,027
1	4	4	8	10
6	6	6	8	12
22,757	22,375	24,848	27,038	24,562

ASHLAND PARKS AND RECREATION COMMISSION
Miscellaneous Statistics
June 30, 2008

Dedicated Park Land 640 Acres

Dedicated Park Sites: 19

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

Number of Parks and Recreation Facilities

- Community Centers 3
- Swimming Pool 1
- Tennis Courts 12
- Playgrounds 10
- Golf Course 1
- Seasonal Ice Rink 1
- Skateboard Facility 1
- Trails 29 Miles

Number of Parks and Recreation Employees 44

(not including temporary or part time employees)

Usage Agreements:

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

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

ASHLAND PARKS AND RECREATION COMMISSION
 General Government Expenditures by Function (1)
 for the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Parks and Recreation	Capital Outlay	Debt Service	Total Expenditures
2007-08	\$ 7,248,274	\$ 133,051	\$ -	\$ 7,381,325
2006-07	6,968,892	154,881	-	7,123,773
2005-06	6,870,437	273,460	12,285	7,156,183
2004-05	6,202,873	242,130	18,735	6,463,738
2003-04	5,801,792	233,006	21,738	6,056,536
2002-03	5,440,558	197,977	21,181	5,659,716
2001-02	5,062,623	91,106	21,550	5,175,279
2000-01	4,644,689	2,290,338	8,497	6,943,524
1999-00	3,987,221	1,804,355	12,132	5,803,708
1998-99	3,336,880	1,178,927	2,939	4,518,746

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

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

ASHLAND PARKS AND RECREATION COMMISSION
 General Government Revenues By Source (1)
 for the last ten fiscal years - Unaudited

Fiscal Year Ended June 30	Property Taxes	Intergovernmental	Charges for Services	Interest	Miscellaneous	Total Revenues
2007-08	\$ 6,425,334	\$ 79,026	\$ 811,879	\$ 104,150	\$ 137,340	\$ 7,557,729
2006-07	5,848,886	118,097	747,933	107,140	42,623	6,864,679
2005-06	5,683,451	128,536	909,550	73,410	48,320	6,843,267
2004-05	5,342,477	94,310	875,613	54,424	27,248	6,394,072
2003-04	5,207,567	101,297	859,876	29,380	32,360	6,230,480
2002-03	4,800,223	123,203	666,782	35,640	355,563	5,981,411
2001-02	4,487,578	249,397	566,803	46,733	58,946	5,409,457
2000-01	4,213,307	1,272,956	819,931	104,651	217,412	6,628,257
1999-00	3,496,890	138,703	739,611	165,769	44,067	4,585,040
1998-99	3,489,694	131,845	490,797	131,351	57,907	4,301,594

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

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

ASHLAND PARKS AND RECREATION COMMISSION
JACKSON COUNTY, OREGON

2007-08 AUDITORS' COMMENTS AND DISCLOSURES





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

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- PHONE (503) 620-2632 • FAX (503) 684-7523

September 29, 2008

2007-2008 AUDITORS' COMMENTS AND DISCLOSURES

Oregon Administrative Rules 162-10-000 through 162-16-000 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding pages of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth as follows.

REPORT ON INTERNAL ACCOUNTING CONTROL

We have audited the basic financial statements of Ashland Parks and Recreation Commission, Jackson County, Oregon, as of and for the year ended June 30, 2008, and have issued our report thereon dated September 29, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

The management of Ashland Parks and Recreation Commission, Jackson County, Oregon, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of basic financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the basic financial statements of Ashland Parks and Recreation Commission, Jackson County, Oregon, for the year ended June 30, 2008, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses or significant deficiencies under standards established by the American Institute of Certified Public Accountants.

INTERNAL CONTROL (CONTINUED)

A material weakness is a significant deficiency in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above. We have issued a report on significant deficiencies dated September 29, 2008.

These factors were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the basic financial statements, and this report does not affect our report on the basic financial statements dated September 29, 2008.

This report is intended solely for the information and use of the board, audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ACCOUNTING RECORDS

The Commission's accounting records are adequate for audit.

BUDGET TRANSACTIONS

Expenditures of the various funds were within authorized appropriations.

2007-2008 and 2008-2009 BUDGETS

The budgets adopted by the Commission for the current and ensuing fiscal year were examined during the audit. Based upon our testing it was determined that budget preparation and adoption procedures followed by the Commission were in compliance with the Oregon Local Budget Law.

COLLATERAL SECURING BANK DEPOSITS

The Commission's deposits appeared to be adequately covered by federal depository insurance or certificates of participation at all times during 2007-2008, based upon our testing. Deposits in the State Local Government Investment Pool are not required to be collateralized.

INVESTMENTS

The Commission's investments for the year ending June 30, 2008, were reviewed and based upon our testing appeared to comply with the legal requirements pertaining to the investment of public funds contained in ORS 294.035.

PUBLIC CONTRACTS AND PURCHASING

The Commission's procedures for awarding public contracts were reviewed and based upon our testing we found one instances of non-compliance with ORS Chapter 279 during 2007-2008.

INSURANCE AND FIDELITY BONDS

Details concerning insurance and fidelity bond coverage were reviewed during the audit. Fidelity bond coverage provided appears to meet legal requirements set forth in ORS 221.903. We do not have the professional expertise to state whether the insurance coverage is adequate.

DEBT LIMITATION

The Commission's bonded debt outstanding was within the provisions of ORS 552.645.

COMMISSION HIGHWAY FUNDS

The Commission did not receive state highway funds during fiscal year 2007-2008.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

We reviewed and tested, to the extent we considered necessary in the circumstances, transactions and reports relative to federal and state programs. Since the Commission did not expend greater than \$500,000 in federal financial assistance for the year ended June 30, 2008, it was not necessary to perform, nor did we perform, tests in accordance with the Federal Single Audit Act, as amended (U.S. Office of Management and Budget Circular A-133)



PAULY, ROGERS AND CO., P.C.

