

Council Business Meeting

December 5, 2017

Title:	Acceptance of FY 2016/17 Comprehensive Annual Financial Report and Component Unit Financial Report		
From:	Mark Welch	Director of Administrative Services	
	mark.welch@ashland.or.us		

Summary:

On November 13th the Audit Commission met with the auditor, Kenny Allen (Pauly, Rogers & Co., CPA's) and city staff to review the annual audit for fiscal year ending June 30, 2017.

The City's audit received an "unmodified opinion", which is the auditor's judgment that the financial records and statements are fairly and appropriately presented in accordance with Generally Accepted Accounting Principles (GAAP).

The Audit Commission's report and recommendation to accept the Comprehensive Annual Financial Report (CAFR) can be found in the report on page 16.

Actions, Options, or Potential Motions:

I move to accept the Audit Committee Report and the FY 2016/17 Comprehensive Annual Financial Report and Component Unit Financial Report.

Staff Recommendation:

Staff recommends acceptance of Audit Committee Report and the FY 2016/17 Comprehensive Annual Financial Report and Component Unit Financial Report.

Resource Requirements:

N/A

Policies, Plans and Goals Supported:

N/A

Background and Additional Information:

The CAFR is prepared each year as part of the state-required audit by an independent, certified and municipally licensed auditor. The City is responsible for completeness and accuracy of the annual report.

In Ashland, the auditor reports to the Audit Commission established by the Council. The Audit Commission receives the auditor opinion, management letter and annual financial reports (including Ashland Parks Commission Component Unit Financial Report) prepared by staff. When satisfied with the reports and related information, the Audit Commission forwards the report to Council with a recommendation to accept.

The Independent Auditors report is included in the document and presented on their letterhead. These reports attest to the City's compliance with Oregon Budget Law and federal reporting requirements (Pg.24). The auditor reports on legal and regulatory matters in accordance with Government Audit Standards (Pg.184) and that the CAFR conforms to generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board Statements (GASBS). The audit also included a review of federal financial assistance funds received through the Community Development Block Grant Program where no issues of noncompliance were found.

City staff prepares a comprehensive annual report for both the City and Parks. Parks' report is referred to as a component unit financial report (CUFR) by the City. The CUFR is submitted to the Parks and Recreation Commission for acceptance after review by the Audit Commission. In the City's financial report the Parks' activities are included per GAAP as a "blended" component unit. Thus, Parks funds are named and presented separately and its financial information is blended with city financial information.

Both City and Parks are prepared to submit the annual report to the Government Finance Officers Association for the "Certificate of Achievement" award, which is the highest national award attainable for excellence in financial reporting. It is commendable that the City of Ashland has earned the GFOA award for 28 years.

Financial Overview:

On June 30, 2017 the City's total net position was \$106,565,163; a \$2.8 million (2.7%) increase from the previous year.

The increase is due largely due to increased revenue and decreased expenditures across many funds. The largest revenue increase in the General Fund was increased permit, largely related to Southern Oregon University new athletic center.

Key informational items within the annual report include the Transmittal Letter (Pg.9), Management's Discussion and Analysis (Pg.26), and Notes to the Financial Statements (Pg.49); all which are intended to provide the reader with a general understanding of the financial condition and changes that may have occurred during the audited period.

Attachments:

1. FY 2016/17 Comprehensive Annual Financial Report
2. FY 2016/17 Component Unit Financial Report

**CITY OF
ASHLAND**



STATE OF OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the year ended June 30, 2017

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



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INTRODUCTORY SECTION





November 13, 2017

RE: City of Ashland Comprehensive Annual Financial Report

To the Citizens of the City of Ashland:

The City of Ashland is pleased to submit our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. State statutes require the City of Ashland to issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants licensed by the State of Oregon to conduct municipal audits.

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

Based upon their audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion and that the City's financial statements for the year ended June 30, 2017, are presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report. It is followed by a Management Discussion and Analysis (MD&A). The reader is encouraged to review the MD&A for a better understanding of the City, its financial condition, and its activities for the year.

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

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

GOVERNMENTAL STRUCTURE, ECONOMIC CONDITIONS AND OUTLOOK

The City, incorporated in 1874, is located in the southwest part of the state and currently has a land area of 6.52 square miles with a population of 20,620. The government has all powers necessary or convenient for the conduct of its municipal affairs, including the power to levy a property tax on both real and personal property located within its boundaries. The City also has the power, by state statute, to extend its corporate limits

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by annexation, which is done periodically when deemed appropriate by the City Council.

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

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

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

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

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

Ashland is home of an educated population. 96.8% of all residents have graduated from High School or above with 57.2% with a Bachelors or higher. In comparison Jackson County has 25.6% with a Bachelors or higher and the State of Oregon is at 30.8%.

The Oregon Employment Division reports the larger sectors for payroll in Ashland to be 21% in accommodations & Food, 14% in retail trade and 13% in health care services. Government (all sectors) represents approximately 7% of total payroll paid in Ashland.

The Ashland Chamber of Commerce publication, Living and Doing Business Guide 2017 provides a host of current information relevant to the city's economy. Based on data from the Oregon Economic development Department, the guide reports that Ashland's consumer expenditures were almost \$1 billion in 2016, with nearly \$212 million for housing, \$193 million for transportation and \$152 million for food and beverage services. Additionally, the median price of a home was \$394,000, still below the peak of \$447,000 in 2006.

Much of this can be attributed to tourism generated by cultural attractions, the largest of which is the Oregon Shakespeare Festival Association (OSFA), a nationally renowned theater company presenting 780 performances over a season from February through October, to an estimated attendance of over 400,000. OSFA employs approximately 435 (85 are actors) and has nearly 500 volunteers. Southern Oregon University re-

ports over 6,100 students, over 750 faculty and administration members and over \$125 million in annual revenue. The Ashland Independent Film Festival, Ski Ashland, local galleries, museums and many more also play key roles in the economic impacts identified above.

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

MISSION STATEMENT

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

City Council Goals 2016

GOVERNMENT

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

ORGANIZATION

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

PEOPLE

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

ENVIRONMENT

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

ECONOMY

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

ENERGY AND INFRASTRUCTURE

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

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PUBLIC SAFETY

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

FINANCIAL INFORMATION

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

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

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

Tests were made of the government's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. Although this testing was not sufficient to support an opinion on the City's internal control system or its compliance with laws and regulation related to non-major federal financial assistance programs, the audit for the year ended June 30, 2017, disclosed no material internal control weaknesses or material violations of laws and regulations.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the biennium appropriations budget resolution adopted by the City Council. All funds are included in the biennium appropriated budget. The biennium 2015/17 budget was prepared on a fund basis with department, program, and line item detail.

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

Legal level of Budgetary Control:

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

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

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

Significant Impacts. The City's investment policy objectives are to preserve capital, maintain liquidity and diversification, and to attain a market rate of return throughout budgetary and economic cycles. Investments are valued at fair value, as required by GASBS 31. Changes in the economy and investment market are prompting a review of the City's policy. As of June 30, 2017, the fair market value of the investment in the Local Government Investment Pool was 100 percent of the pool shares, as reported in Oregon

Short Term Fund audited financial statements.

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

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

OTHER INFORMATION

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

The education category property taxes were limited to \$15.00 per thousand of real market value (RMV) initially, and have been lowered to \$5.00 per thousand. The local government category is limited to \$10.00 per thousand. The 2016-2017 local net general government tax rate in the City of Ashland, was \$8.537, Ashland Schools \$4.1601 and The City of Ashland \$4.1972, within the limitation. Voter approved general obligation debt is not subject to the \$10.00 limitation.

In November 1996, the citizens of the State of Oregon approved another property tax limitation, commonly referred to as Measure 47. Prior to enactment, this measure was repealed and replaced by Measure 50, by special election on May 20, 1997. Measure 50 changed the property tax limitation on levies, rates assessment, and equalization, after the 1996-1997 fiscal year. Measure 50 includes a reduction of property tax to previous levels and a limit on the growth in assessed valuation, which will result in a limit on a tax increase in subsequent years. Specifically, Measure 50 rolled the assessed value of each unit of property for the tax year 1997-98 back to its 1995-96 “real market value” less ten percent. The measure limited increases in assessed value in future years to three percent per year. The measure also establishes a new permanent tax rate for each taxing district. Ashland’s permanent rate for the operating levies is set at \$4.2865, although the City chose to levy only \$4.1972 of this amount in fiscal year 2016/17. The measure also provides for voter approved “Local Option Levies” for levies outside the limits. No local option levies were included in the biennial budget.

Awards. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for fiscal year ended June 30, 2016. This was the twenty ninth year the City had submitted its report for review. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program’s requirements, and we intend to submit it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Ashland received the GFOA’s Award for Distinguished Budget Presentation for its biennial 2015/17 budget. In order to qualify for the Distinguished Budget Presentation Award, the City’s budget document was judged to be proficient in several categories, including policy documentation, as an operational guide, as a financial plan, and as a communication device.

Acknowledgments. The timely preparation of the Comprehensive Annual Financial Report was made

2017 Introductory Section

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

Sincerely,

A handwritten signature in black ink that reads "John Karns". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

John Karns
Interim City Administrator

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November 13, 2017

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

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

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

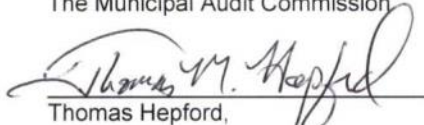
At the conclusion of the annual audit, the Commission meets with the City's auditor to discuss the results of their audit and their evaluation of the City and Parks financial reporting. The Commission also discusses the financial accounting and reporting processes with the City's auditor, including the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


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

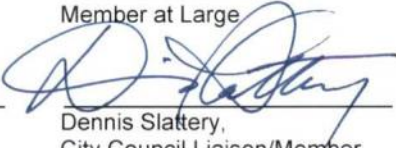
Based upon the above, we accept the 2017 Comprehensive Annual Financial Report (CAFR) and the related audit reports of the independent certified public accountants for the City of Ashland and the Ashland Parks and Recreation Commission and recommend that the respective CAFR and auditor's reports be accepted by the Council and the Commission.

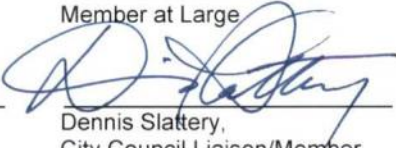
Respectfully submitted,

The Municipal Audit Commission


Thomas Hepford,
Member at Large


Dee Anne Everson,
Member at Large


Vacant, Budget Liaison
Representing Budget Committee


Dennis Slattery,
City Council Liaison/Member


Melissa Huhtala,
City Recorder/Ex-Officio Member

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

Tel: 541.488.5300
Fax: 541.552.2059
TTY: 800.735.2900



Government Finance Officers Association

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

Presented to

**City of Ashland
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Egan", is positioned above the title of the signatory.

Executive Director/CEO

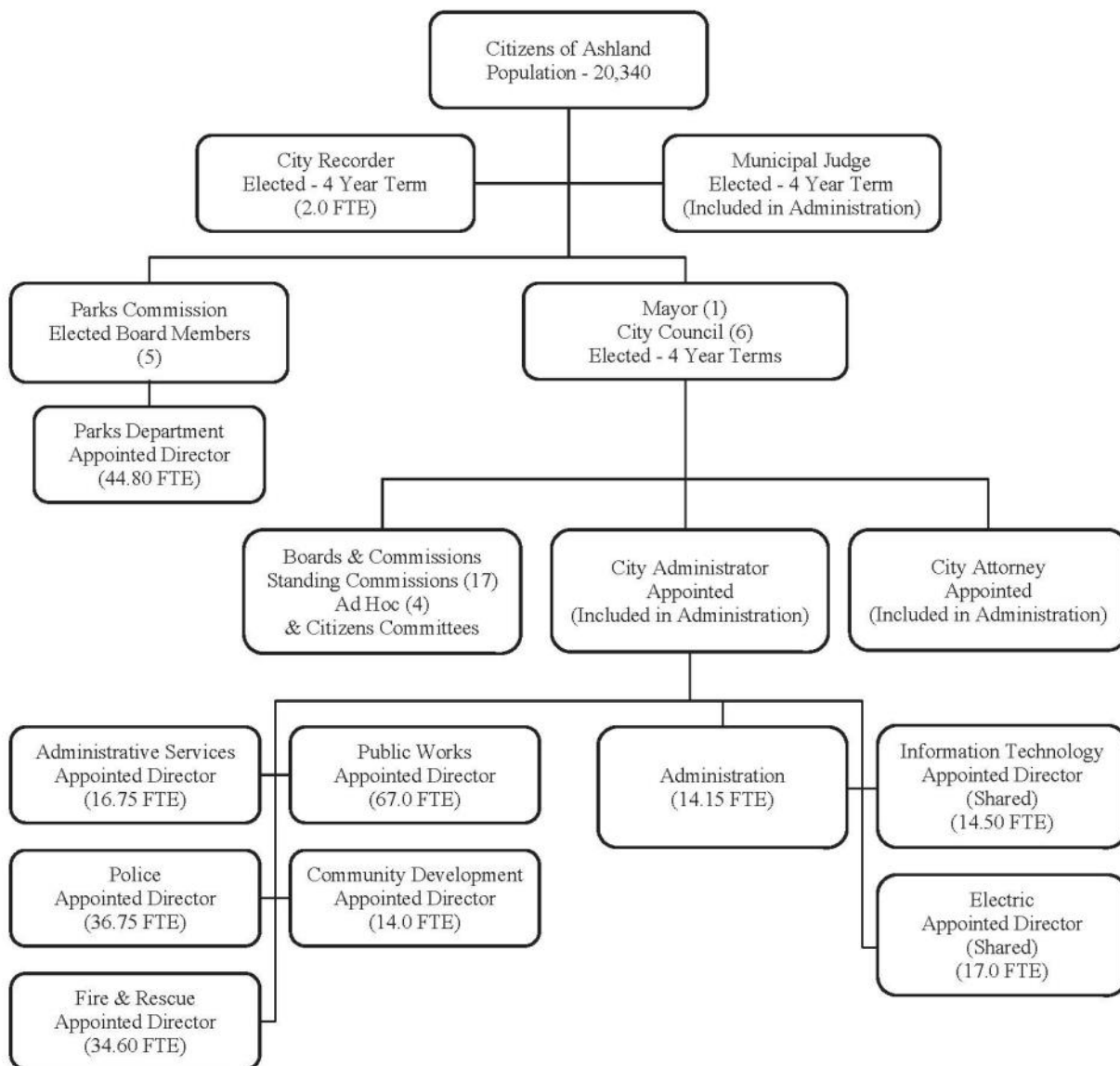
**CITY OF ASHLAND
ELECTED CITY OFFICIALS
as of June 30, 2017**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John Stromberg 252 Ridge Road Ashland OR 97520	Mayor	December 2020
Dennis Slattery 1405 Pinecrest Terrace Ashland OR 97520	Council Member	December 2020
Michael Morris 1300 Tolman Creek Road Ashland OR 97520	Council Member	December 2018
Greg Lemhouse 2850 Wedgewood Ashland OR 97520	Council Member	December 2020
Stefani Seffinger 488 Taylor Street Ashland OR 97520	Council Member	December 2018
Rich Rosenthal 1228 Rose Lane Ashland OR 97520	Council Member	December 2020
Traci Darrow 253 Cambridge St Ashland OR 97520	Council Member	December 2018
Melissa Huhtala 332 Meadow Drive Ashland OR 97520 (Appointed in 2017)	Recorder Treasurer	December 2018
Pamela B. Turner PO Box 1299 Ashland OR 97520	Municipal Judge	December 2020

**CITY OF ASHLAND
APPOINTED CITY OFFICIALS
as of June 30, 2017**

<u>Name</u>	<u>Position</u>
John Karns 440 Wiley Street Ashland, OR 97520	City Administrator, Interim
Adam Hanks 1305 Romeo Drive Ashland, OR 97520	Assistant to the City Administrator, Interim
Mark Welch 351 Wimer Street Ashland, OR 97520	Administrative Services/Finance Director
David H. Lohman 1327 Reddy Avenue Medford, OR 97504	City Attorney
Mike Faught 3685 Coleman Creek Road Medford, OR 97501	Public Works Director
Mark Holden PO Box 786 Ashland, OR 97520	Information Technology Director/Electric Director
William Molnar 155 Hillcrest Street Ashland, OR 97520	Community Development Director
Tighe O'Meara 1155 East Main Street Ashland, OR 97520	Police Chief
David Shepherd 115 Huntley Lane Phoenix, OR 97535	Fire Chief, Interim
Michael Black 711 NW Amelia Drive Grants Pass, OR 97526	Parks and Recreation Director

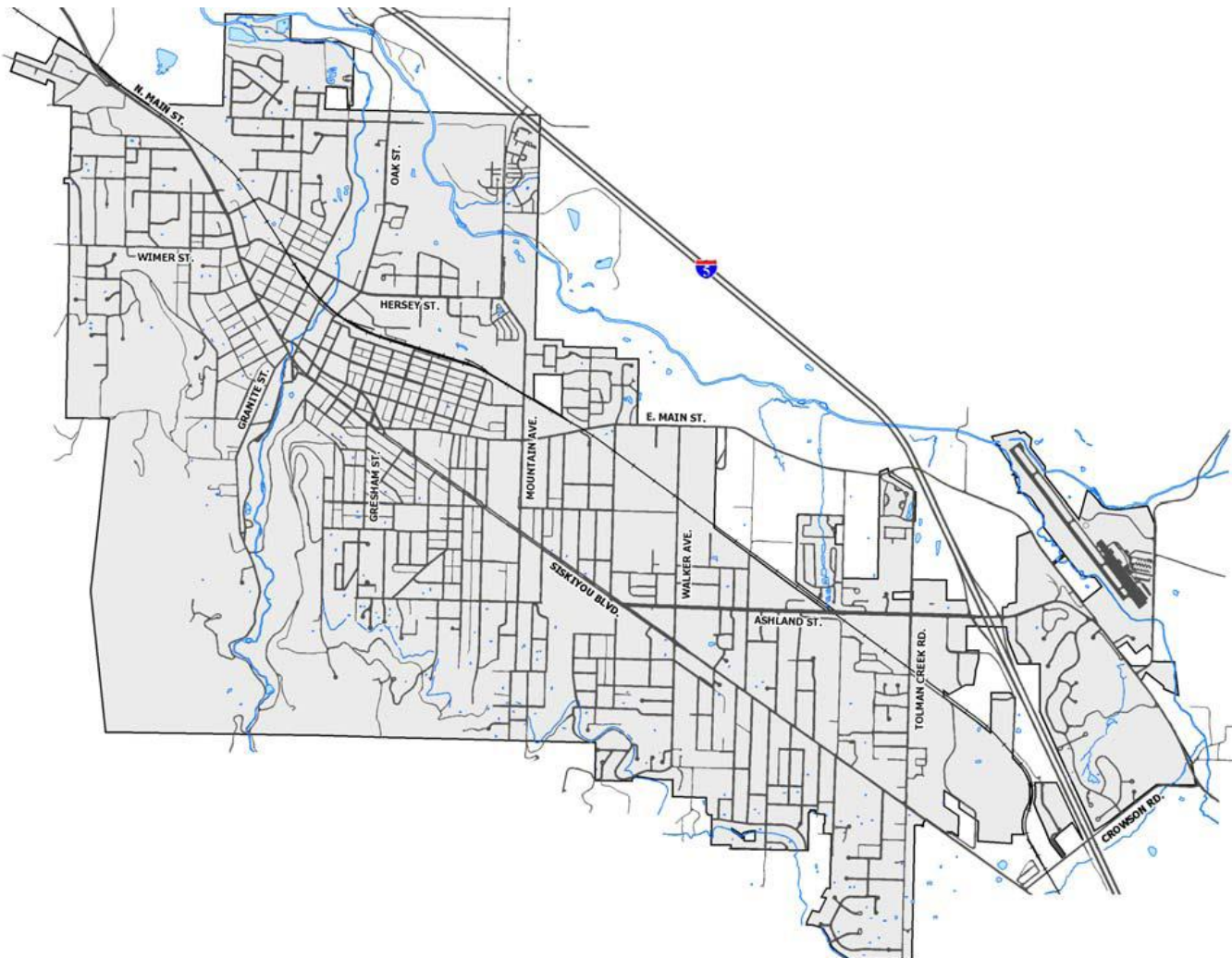
City of Ashland
261.55 FTE
Adopted
July 1, 2015
(shown as budget 2015-2017)



CITY OF ASHLAND



Vicinity Map 2017





FINANCIAL SECTION



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

November 6, 2017

To the Mayor and City Council
City of Ashland

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland, as of June 30, 2017, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

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

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

Other Information

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

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

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

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 6, 2017, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Ashland management offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017 for our citizens. Certain information has been provided for the Ashland Parks and Recreation Commission (APRC) which qualifies as a blended component unit of the City.

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

Overview of the Report

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

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

- Audit Comments and Disclosures Required by State Regulations. Supplemental communication on the City's compliance and internal controls as required by Oregon statutes and the Single Audit Act.

Financial Highlights

The City's annual financial report has remained fairly similar to the last annual financial report. This report does include the implementation of Governmental Accounting Standards Board (GASB) statement 73, which is the reporting for Pensions and related assets that are not within the scope of GASB Statement 68. There are noticeable changes on Statement of Net Position (34).

Net Position. The City's total net position is \$106,565,163 at June 30, 2017. Governmental activities' net position is slightly up \$0.478 million while the Business-type activities are up by \$2.4 million between fiscal years. The total of \$106.6 million is up 2.7% from the previous year.

Changes in Net Position. Overall the City's net position increased by 2.7%, mainly due to the deferred outflows exceeding deferred inflows.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2017-2016
Current Assets:							
Cash and cash equivalents	\$ 21,109	\$ 21,840	\$ 15,126	\$ 12,463	\$ 36,235	\$ 34,303	5.6%
Receivables, net	3,956	3,338	3,359	3,537	7,315	6,875	6.4%
Inventories - supplies and materials	60	65	1,242	1,116	1,302	1,181	10.2%
Deferred charges			69	179	69	179	-61.5%
Internal balances	(690)	(114)	690	114	-	-	n/a
Restricted assets:							
Cash and cash equivalents	954	943	-	-	954	943	1.2%
Total current assets:	25,389	26,072	20,486	17,409	45,875	43,481	5.5%
Non-current Assets:							
Capital assets	130,704	123,699	117,518	117,112	248,222	240,811	3.1%
Less accumulated depreciation	(69,117)	(65,662)	(56,088)	(53,728)	(125,205)	(119,390)	4.9%
Total non-current assets	61,587	58,037	61,430	63,384	123,017	121,421	1.3%
Total assets	86,976	84,109	81,916	80,793	168,892	164,902	2.4%
Deferred Outflows of Resources:							
Deferred outflows - pensions GASB 68	14,873	3,088	3,926	815	18,799	3,903	381.7%
Deferred outflows - pensions GASB 73	107	-	-	-	107	-	n/a
Current Liabilities:							
Accounts payable and accrued liabilities	3,532	7,042	2,035	3,022	5,567	10,064	-44.7%
Total current liabilities	3,532	7,042	2,035	3,022	5,567	10,064	-44.7%
Long-term liabilities:							
Proportional Share of Net Pensions Assets	27,571	11,796	7,278	3,114	34,849	14,910	133.7%
OPEB Net Pension Obligations	1,361	1,276	496	-	1,857	1,276	45.5%
Medical Stipend	3,935	-	-	-	3,935	-	n/a
Claims	17	17	-	-	17	17	0.0%
Long Term Debt	15,115	16,132	17,775	19,219	32,890	35,351	-7.0%
Total long-term liabilities	47,999	29,221	25,549	22,333	73,548	51,554	
Total liabilities	51,531	36,263	27,584	25,355	79,115	61,618	28.4%
Deferred Inflows of Resources:							
Deferred inflows - pensions GASB 68	1,380	2,741	365	723	1,745	3,464	-49.6%
Deferred inflows - pensions GASB 73	374	-	-	-	374	-	n/a
Net Position:							
Invested in capital assets	46,472	41,905	43,655	44,165	90,127	86,070	4.7%
Restricted	5,083	5,341	3,448	3,860	8,531	9,201	-7.3%
Unrestricted	(2,884)	947	10,790	7,505	7,906	8,452	-6.5%
Total net position	\$ 48,671	\$ 48,193	\$ 57,893	\$ 55,530	\$ 106,564	\$ 103,723	2.7%

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2017-2016
Program revenues:							
Charges for services	\$ 6,684	\$ 6,604	\$ 30,255	\$ 29,027	\$ 36,939	\$ 35,631	3.7%
Operating grants and contributions	712	600	126	410	838	1,010	-17.0%
General revenues:							
Property taxes	10,908	10,453	-	-	10,908	10,453	4.4%
Other taxes	8,574	8,108	2,006	2,260	10,580	10,368	2.0%
Interest	189	110	158	77	347	187	85.6%
Other	10,894	5,781	161	138	11,055	5,919	86.8%
Total revenues	37,961	31,656	32,706	31,912	70,667	63,568	11.2%
Program expenses:							
General government	5,497	6,915	-	-	5,497	6,915	-20.5%
Public safety	16,623	19,474	-	-	16,623	19,474	-14.6%
Highways and streets	5,784	5,491	-	-	5,784	5,491	5.3%
Parks and Recreation	6,957	8,802	-	-	6,957	8,802	-21.0%
Interest on long-term debt	263	294	-	-	263	294	-10.5%
Water	-	-	6,309	7,271	6,309	7,271	-13.2%
Wastewater	-	-	6,551	6,839	6,551	6,839	-4.2%
Electric	-	-	15,325	16,709	15,325	16,709	-8.3%
Telecommunications	-	-	2,158	2,557	2,158	2,557	-15.6%
Total expenses	35,124	40,976	30,343	33,376	65,467	74,352	-11.9%
Increase (decrease) in net position before transfers and disposals	2,837	(9,320)	2,363	(1,464)	5,200	(10,784)	-148.2%
Interfund transfer	-	350	-	-	-	350	N/A
Increase (decrease) in net positions	2,837	(8,970)	2,363	(1,464)	5,200	(10,434)	-149.8%
Net position - Beginning	45,834	57,163	55,530	56,994	101,364	114,157	-11.2%
Net position - Ending	\$ 48,671	\$ 48,193	\$ 57,893	\$ 55,530	\$ 106,564	\$ 103,723	2.7%

Financial Analysis.

Governmental Funds. As of the end of the current year the City's governmental funds reported a combined ending fund balance of \$16,912,127, an increase from the prior year of \$ 429,146, or 3%. The General Fund saw the largest increase due mainly to higher permit revenues, one of the largest was from Southern Oregon University for the new athletic center.

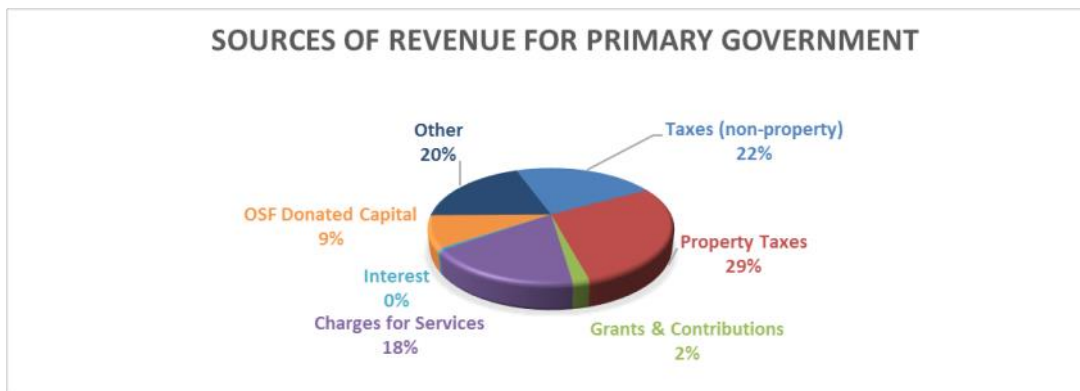
The General Fund (pg 88) ended the year with revenues higher than expenditures. Revenues at the end of the Biennium were higher than budget by 1% resulting in an additional \$566,000 in revenues. Departments in this fund used between 92% to 99% of - budgeted appropriations. Fire and Rescue department was under budget by \$1,206,305, this was due to unspent grants that will be funded in the next Biennium. Also note that on a GAAP Basis the Reserve Fund must roll into the General Fund at this point.

The Street Fund (pg 89) ended the year with - revenues higher than expenditures. This is mainly due the change in allocation of the Food and Beverage Tax revenue. The Street Fund will be working on repairing and replacing the aging infrastructure based on the City's pavement inventory system in the future years with this new additional revenue source. The fund balance also includes \$2.4 million restricted for System Development.

The Parks and Recreation Fund (pg 90) expenditures exceed revenues for the fiscal year. This fiscal year the parks reduced the excess deficiency from the previous fiscal year, due mainly to receiving more internal revenue. This will be a struggle in future years as expenses rise and there is competition from Parks and Recreation for revenues.

The Non-Major funds remain on target with the exception of the Parks and Recreation Capital Improvement fund. The fund balance which has decreased due to the nearly complete renovation of Garfield Park.

The Reserve Fund was established by Resolution #2010-18. This fund must be rolled into the General Fund on a GAAP basis until a stabilization policy is adopted by Council. This year's ending fund balance decreased due to two interfund loans; one to the Health Benefits Fund and the other to the Telecommunication Fund.



Business-type Funds. The City has four enterprise funds; Water Fund, Wastewater Fund, Electric Fund and Telecommunications Fund.

The Water Fund (pg 103) ended the year with approximately a \$1.7 million dollar excess of revenues over expenditures. This fund has started the water treatment plant project. The annual transfer of \$250,000 a year to the General Fund is for Forest Interface Division operations.

The Wastewater Fund (pg 105) ended the year with higher revenues than expenditures. This fund has been saving funds for future projects. It is also gearing up to complete a large capital project – the oxidation ditch.

Shown on page 103, the Electric Fund ended the year with an excess of just \$163,534. This fund will struggle to cover costs of purchased power and updating of aged infrastructure.

The Telecommunications Fund (pg 106) ended in the positive where revenues exceed expenditures. The current year interfund loan helped rebuild outdated infrastructure.

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

The Central Service Fund, in which - expenditures are kept to a minimum, ended the year with a negative net change of \$298,313 in fund balance. This decrease is mainly attributed to the purchase of the new financial software, this project should be completely implemented in fiscal year 2019.

2017 Financial Section

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

Health Benefits Fund continues to struggle to build up a reserve in this fund. Although it did see a positive in net change, this fund still has an interfund loan balance of \$525,000. Costs continue to rise for Medical expenses.

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

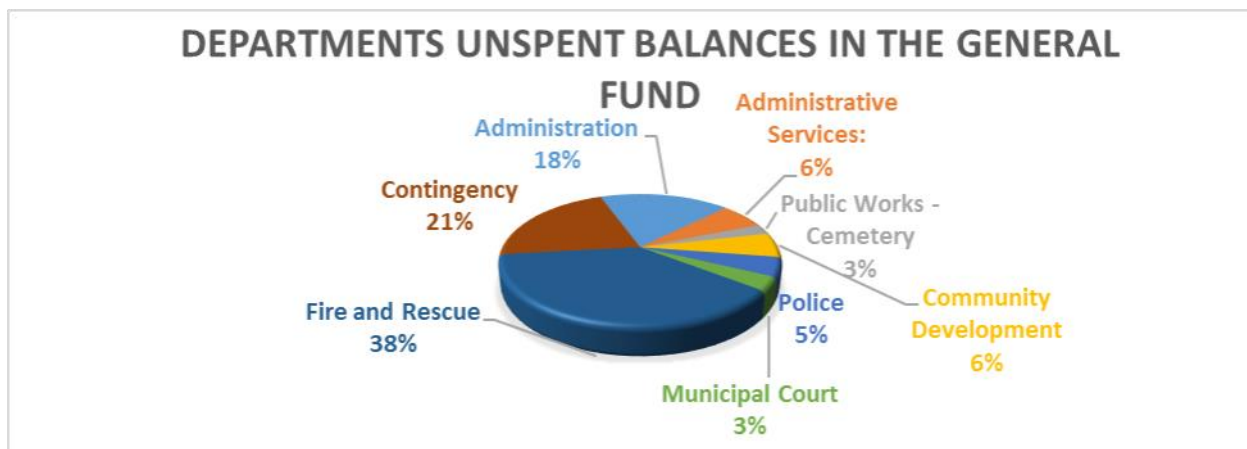
General Fund Budgetary Highlights. The City's final budget differs from the original budget in that it contains three supplemental appropriation approved during the first fiscal year of the biennium. In the second year of the Biennium, there were two supplemental increases to the appropriations level approved by resolution.

Below are authorized changes in the General Fund:

Fire Department: Recognized grant money for three grants in total of \$229,580 for Ashland Forest Resiliency Program, Firewise, and Title III Community Wildfire.

Fire Department: Recognized grant money for two grants for \$678,817 for home fire sprinklers and forest health restoration projects.

The general fund ended the Biennium budget with revenues exceeding expenditures by \$824,498, this was mainly due departments underspending their appropriation levels. The largest savings is mainly due to uncompleted budgeted projects for the Forest Division within the Fire and Rescue Department.



Capital Assets and Debt Administration

- o **Capital Assets.** As of June 30, 2017, the City had \$123 million in capital assets. In the Governmental Activities, the most notable increase is Construction in progress for the rehab of Garfield Park and the financial software upgrade. In the Business-type Activities, the largest increase to Infrastructure of \$5.8 million was the completion of TAP (Talent, Ashland & Phoenix pipeline) project.

Table C

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2017-2016
Land	\$ 12,827	\$ 12,466	\$ 1,907	\$ 1,907	\$ 14,734	\$ 14,373	2.5%
Buildings and improvements	39,840	35,976	22,100	22,089	61,940	58,065	6.7%
Equipment	18,902	18,111	1,373	1,290	20,275	19,401	4.5%
Infrastructure	56,009	55,746	90,215	84,406	146,224	140,152	4.3%
Construction in progress	3,126	1,930	1,923	7,420	5,049	9,350	-46.0%
Totals at historical cost	130,704	124,229	117,518	117,112	248,222	241,341	2.9%
Total accumulated depreciation	69,117	65,662	56,088	53,728	125,205	119,390	4.9%
Net capital assets	\$ 61,587	\$ 58,567	\$ 61,430	\$ 63,384	\$ 123,017	\$ 121,951	0.9%

- o **Debt Administration.** At end of year, the City has \$32.3 million in debt outstanding. The City did incur new debts of \$366,000. These three new debts are with the state of Oregon at 1% to 1.5% interest.

The Water Fund incurred \$347,617 for the Terrace street pump project and the new water treatment plant.

The Wastewater fund drew down \$17,942 for the membrane system upgrade, the project is still in process.

All other changes to debt were payments reducing the principal outstanding. For more specific data please refer to the notes sections of Capital Assets (section C, starting on page 58) and Long-Term Debt (section E, starting on page 60)

Table D

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2017-2016
Bonds payable	\$ 13,395	\$ 14,800	\$ 11,078	\$ 12,778	\$ 24,473	\$ 27,578	-11.26%
Notes payable	1,105	1,252	6,697	6,441	7,802	7,693	1.42%
Total bonds and notes	\$ 14,500	\$ 16,052	\$ 17,775	\$ 19,219	\$ 32,275	\$ 35,271	-8.49%

- o **Debt limitation.** Oregon Revised Statutes provide a limit on non-self-supporting general obligation debt of 3 percent of the real market value of all taxable property within the City's boundaries. Based on the City's FY 2015-16 real market value, this debt limitation is \$104,811,973. The amount of outstanding City debt subject to this limitation is \$16,131,707.

Economic Factors and Next Year's Budget and Rates

- o The City of Ashland has adopted its third Biennium for 2017-2019 budget of \$286,063,664 for total appropriations.

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

Financial Contact:

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





BASIC FINANCIAL STATEMENTS

2017 Basic Financial Statements

CITY OF ASHLAND, OREGON STATEMENT OF NET POSITION June 30, 2017

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets:			
Cash and cash equivalents	\$ 21,109,299	\$ 15,126,008	\$ 36,235,307
Receivables (net of allowance for uncollectible)	3,955,520	3,358,511	7,314,031
Inventories	60,258	1,241,858	1,302,116
Startup costs		68,734	68,734
Internal balances	(690,424)	690,424	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	954,262	-	954,262
Capital assets:			
Land	12,827,039	1,906,925	14,733,964
Buildings	39,839,969	22,099,664	61,939,633
Machinery and equipment	18,901,908	1,373,271	20,275,179
Infrastructure	56,008,878	90,214,986	146,223,864
Construction in progress	3,126,490	1,923,269	5,049,759
Accumulated depreciation	(69,116,513)	(56,088,179)	(125,204,692)
Total assets	86,976,686	81,915,471	168,892,157
Deferred Outflows of Resources:			
Deferred outflows - pensions GASB 68	14,873,379	3,926,306	18,799,685
Deferred outflows - pensions GASB 73	107,279	-	107,279
Liabilities:			
Accounts payable and other current liabilities	4,038,455	1,963,580	6,002,035
Accrued interest payable	109,425	70,754	180,179
Non-current liabilities:			
Proportional Share of net pension assets	27,571,024	7,278,257	34,849,281
OPEB Net Pension Obligations	1,361,013	496,470	1,857,483
Medical Stipend	3,934,756	-	3,934,756
Claims and judgment - Due within one year	17,247	-	17,247
Bonds - Due within one year	1,682,087	1,866,420	3,548,507
Bonds - Due in more than one year	12,817,735	15,908,200	28,725,935
Total liabilities	51,531,742	27,583,681	79,115,423
Deferred Inflows of Resources:			
Deferred inflows - pensions GASB 68	1,380,015	364,299	1,744,314
Deferred inflows - pensions GASB 73	374,221	-	374,221
Net Position:			
Net investment in capital assets	47,087,949	43,655,316	90,743,265
Restricted for:			
Asset forfeiture	32,313		32,313
Transient Occupancy Tax - tourism	338,658		338,658
Library levy	-		-
System development	2,746,404	3,447,969	6,194,373
The Community Development Block Grant restriction	33,801	-	33,801
Perpetual care: non-expendable	955,356	-	955,356
Debt service	976,090	-	976,090
Unrestricted	(3,499,205)	10,790,512	7,291,307
Total Net Position	\$ 48,671,366	\$ 57,893,797	\$ 106,565,163

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

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CITY OF ASHLAND, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 5,496,540	\$ 910,241	\$ 129,380	\$ -
Public safety	16,623,123	1,688,843	582,508	-
Highways and streets	5,783,911	2,944,784		-
Parks and recreation	6,957,300	1,139,709		-
Interest on long-term debt	262,979	-	-	-
Total governmental activities	35,123,853	6,683,577	711,888	-
Business-type Activities:				
Water	6,308,939	7,639,625		-
Wastewater	6,550,650	5,606,470		-
Electric	15,324,892	14,913,883	126,497	-
Telecommunications	2,158,040	2,094,810	-	-
Total business-type activities	30,342,521	30,254,788	126,497	-
Total primary government	\$ 65,466,374	\$ 36,938,365	\$ 838,385	\$ -

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

Net position - beginning, restated

Net position - ending

CITY OF ASHLAND, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017 (continued)

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (4,456,919)	\$ -	\$ (4,456,919)
(14,351,772)	-	(14,351,772)
(2,839,127)	-	(2,839,127)
(5,817,591)	-	(5,817,591)
(262,979)	-	(262,979)
(27,728,388)	-	(27,728,388)
-	1,330,686	1,330,686
-	(944,180)	(944,180)
-	(284,512)	(284,512)
-	(63,230)	(63,230)
-	38,764	38,764
\$ (27,728,388)	\$ 38,764	\$ (27,689,624)
10,907,541	-	10,907,541
4,871,486		4,871,486
3,702,721	2,005,556	5,708,277
188,869	157,991	346,860
7,454,484	161,109	7,615,593
3,440,453		3,440,453
30,565,554	2,324,656	32,890,210
2,837,166	2,363,420	5,200,586
45,834,200	55,530,377	101,364,577
\$ 48,671,366	\$ 57,893,797	\$ 106,565,163

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

2017 Basic Financial Statements

CITY OF ASHLAND, OREGON BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2017

	General	Street	Parks	Other Governmental Funds	Total Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ 4,349,651	\$ 5,546,136	\$ 508,810	\$ 4,455,048	\$ 14,859,645
Receivables (net of allowance for uncollectible)	2,727,472	553,890	26,434	175,224	3,483,020
Due from other funds	840,544	-	-	-	840,544
Cash - restricted	-	-	-	954,262	954,262
Total assets	7,917,667	6,100,026	535,244	5,584,534	20,137,471
LIABILITIES AND EQUITY					
Liabilities:					
Accounts payable	1,318,922	88,935	149,058	155,020	1,711,935
Unearned revenue	397,087	214,828	-	89,659	701,574
Due to other agencies	-	-	-	-	-
Interfund loans payable	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-
Total liabilities	1,716,009	303,763	149,058	244,679	2,413,509
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	645,271	-	-	33,737	679,008
Unavailable revenue - special assessments	-	132,827	-	-	132,827
Total Deferred Inflows of Resources	645,271	132,827	-	33,737	811,835
Fund Balances:					
Restricted for:					
Asset forfeiture	32,313	-	-	-	32,313
Transient Occupancy Tax - tourism	338,658	-	-	-	338,658
System development charges	-	2,431,470	-	314,934	2,746,404
Community Development Block Grant	-	-	-	33,801	33,801
Perpetual care	-	-	-	955,357	955,357
Debt commitment	-	-	-	976,090	976,090
Committed for:					
General fund	657,995	-	-	-	657,995
Special revenue funds	-	3,231,966	-	173,227	3,405,193
Parks activities	-	-	386,186	852,407	1,238,593
Capital projects funds	-	-	-	2,000,302	2,000,302
Unassigned	4,527,421	-	-	-	4,527,421
Total fund balances	5,556,387	5,663,436	386,186	5,306,118	16,912,127
Total liabilities and fund balances	\$ 7,917,667	\$ 6,100,026	\$ 535,244	\$ 5,584,534	\$ 20,137,471

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

CITY OF ASHLAND, OREGON
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2017

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

Fund Balances	\$ 16,912,127
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The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole.

Net capital assets	58,161,574
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Long-term liabilities	(14,499,821)
Accrued interest on liabilities	(109,425)

The net pension assets (Liability), and deferred inflows and outflows related to the Net Pension Asset is the difference between the total pension liability and the assets set aside to pay benefits earned to the past and current employees and beneficiaries.	(10,308,922)
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Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.

Other Post Employment Benefits implicit liability	(890,789)
Accrued vacation and sick leave	(956,447)

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

Deferred revenue	1,513,408
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Internal Service Funds are used by the City to account for the fleet operations, support services, and administrative and insurance services that are provided to the other departments and agencies on a cost reimbursement basis. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

Internal Service Fund net position	(1,150,339)
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Total net position	\$ 48,671,366
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The accompanying notes are an integral part of the basic financial statements.

2017 Basic Financial Statements

CITY OF ASHLAND, OREGON STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS For the year ended June 30, 2017

	General Fund	Street Fund	Parks Fund	Other Governmental Funds	Total Primary Government
Revenues:					
Taxes	\$ 19,972,025	\$ 313,928	\$ -	\$ 1,217,644	\$ 21,503,597
Fees, licenses and permits	1,306,346	-	-	-	1,306,346
Intergovernmental	1,135,131	1,228,888	-	129,380	2,493,399
Charges for services	1,684,783	2,217,776	6,019,709	3,108,725	13,030,993
System development charges		165,380	-	66,791	232,171
Assessments		101,006	-	-	101,006
Fines and forfeitures	365,365	-	-	-	365,365
Interest on investments	68,068	57,393	4,259	59,149	188,869
Miscellaneous	106,909	148,027	16,748	20,634	292,318
Total revenues	24,638,627	4,232,398	6,040,716	4,602,323	39,514,064
Expenditures:					
General government	8,496,686	-	-	2,264,048	10,760,734
Public safety	15,305,740	-	-	-	15,305,740
Highways and streets	-	3,338,576	-	-	3,338,576
Parks and Recreation	-	-	5,827,731	1,322,451	7,150,182
Debt service		-	-	1,907,003	1,907,003
Capital outlay		645,353	139,939	87,391	872,683
Total expenditures	23,802,426	3,983,929	5,967,670	5,580,893	39,334,918
Excess (Deficiency) of revenues over (under) expenditures	836,201	248,469	73,046	(978,570)	179,146
Other financing sources (uses)					
Transfer in	260,003	-	-	136,202	396,205
Transfers out	(500)	-	-	(145,705)	(146,205)
Total other financing sources (uses)	259,503	-	-	(9,503)	250,000
Net change in fund balance	1,095,704	248,469	73,046	(988,073)	429,146
Fund balance, July 1, 2016	4,460,683	5,414,967	313,140	6,294,191	16,482,981
Fund balance, June 30, 2017	\$ 5,556,387	\$ 5,663,436	\$ 386,186	\$ 5,306,118	\$ 16,912,127

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

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

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

Changes in net fund balance	\$	429,146
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures capitalized		5,822,754
Depreciation expense		(2,803,153)

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

(1,925,482)

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

Compensated absences		(30,856)
Other Post Employment Benefits implicit liability		(53,645)
Accrued interest		12,139
General obligation bonds and notes payable		1,631,885

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

Property taxes		10,363
Special assessments		(13,260)
Other		(123,860)

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

Internal Service Fund change in net position		(118,865)
Change in net position	\$	2,837,166

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

2017 Basic Financial Statements

STATEMENT OF NET POSITION PROPRIETARY FUNDS June 30, 2017

	Water Fund	Wastewater Fund	Electric Fund	Tele- communications Fund	Total	Governmental Activities Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 6,878,507	\$ 6,799,197	\$ 1,084,940	\$ 363,364	\$ 15,126,008	\$ 6,249,654
Interest and accounts receivable, net	823,981	1,127,143	1,041,879	259,323	3,252,326	129,666
Notes and contracts receivable			106,185	-	106,185	27,290
Interfund receivable	-			-	-	-
Inventories	368,795	8,520	862,043	2,500	1,241,858	60,258
Total current assets	8,071,283	7,934,860	3,095,047	625,187	19,726,377	6,466,868
Non Current Capital assets:	39,465,807	52,981,034	15,351,984	9,719,290	117,518,115	13,871,199
Accumulated depreciation	(18,218,364)	(20,147,325)	(8,627,075)	(9,095,415)	(56,088,179)	(10,445,003)
Capital assets, net	21,247,443	32,833,709	6,724,909	623,875	61,429,936	3,426,196
Non-current assets:						
Start up costs (net of amortization)	-	-	-	68,734	68,734	-
Total non-current assets	21,247,443	32,833,709	6,724,909	692,609	61,498,670	3,426,196
Total assets	29,318,726	40,768,569	9,819,956	1,317,796	81,225,047	9,893,064
Deferred Outflows of Resources:						
Deferred Outflows	1,301,374	761,600	1,438,167	425,165	3,926,306	4,089,041
LIABILITIES, DEFERRED INFLOWS AND NET POSITION						
Current liabilities:						
Accounts payable	229,216	62,304	642,765	12,091	946,376	380,459
Accrued salaries, vacation and payroll taxes	124,573	100,117	183,436	32,745	440,871	374,149
Accrued interest payable	20,704	49,995	55	-	70,754	-
Interfund payable	-	-	-	315,544	315,544	525,000
Other liabilities	-	-	260,788	-	260,788	632,709
Notes/bonds payable, current portion	464,165	1,380,541	21,714	-	1,866,420	-
Total current liabilities	838,658	1,592,957	1,108,758	360,380	3,900,753	1,912,317
Long-term liabilities:						
OPEB Liabilities	158,160	101,583	180,330	56,397	496,470	470,221
Proportionate Share of Net Pension Liability	2,412,379	1,411,790	2,665,953	788,135	7,278,257	7,381,057
Accrued claims						3,934,756
Revenue bonds payable, net	4,666,456	1,830,688	86,857	-	6,584,001	-
General obligation bonds payable, net	3,002,439	6,321,760	-		9,324,199	-
Total long-term liabilities	10,239,434	9,665,821	2,933,140	844,532	23,682,927	11,786,034
Total liabilities	11,078,092	11,258,778	4,041,898	1,204,912	27,583,680	13,698,351
Deferred Inflows of Resources:						
Deferred inflows - pensions	120,747	70,664	133,439	39,449	364,299	743,666
Net Position:						
Net Position (deficit):						
Net Investment in capital assets	13,114,383	23,300,720	6,616,338	623,875	43,655,316	3,426,196
Restricted for system development	1,829,144	1,618,825	-	-	3,447,969	-
Restricted for debt service				-	-	-
Unrestricted	4,477,734	5,281,182	466,448	(125,275)	10,100,089	(3,886,108)
Total Net Position	19,421,261	30,200,727	7,082,786	498,600	57,203,374	(459,912)
Total liabilities, Deferred Inflows and Net Position	\$ 30,620,100	\$ 41,530,169	\$ 11,258,123	\$ 1,742,961	\$ 85,151,353	\$ 13,982,105
Total Net Position					\$ 57,203,374	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					690,423	
Net Position of business-type activities					<u>\$ 57,893,797</u>	

CITY OF ASHLAND, OREGON
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended June 30, 2017

	Water Fund	Wastewater Fund	Electric Fund	Tele- communications Fund	Total	Governmental Activities Internal Service Funds
Operating revenues:						
Charges for services	\$ 7,639,625	\$ 5,606,470	\$ 14,913,883	\$ 2,094,810	\$ 30,254,788	\$ 15,064,564
Miscellaneous	47,197	-	113,912		161,109	355,134
Total operating revenues	7,686,822	5,606,470	15,027,795	2,094,810	30,415,897	15,419,698
Operating expenses:						
Cost of sales and services	4,440,919	4,613,043	13,695,934	2,135,587	24,885,483	14,542,869
Depreciation and amortization	780,307	1,244,905	279,022	56,185	2,360,419	749,120
Total operating expenses	5,221,226	5,857,948	13,974,956	2,191,772	27,245,902	15,291,989
Operating income (loss)	2,465,596	(251,478)	1,052,839	(96,962)	3,169,995	127,709
Non-operating income (expenses):						
Taxes	8	2,005,548	-	-	2,005,556	104,768
Intergovernmental	-	-	126,497	-	126,497	-
Interest income	69,182	72,654	13,189	2,966	157,991	60,020
Transfer Out	(250,000)	-	-	-	(250,000)	-
Tax equivalents	(446,737)	(445,885)	(1,495,310)	-	(2,387,932)	-
Interest expense	(505,745)	(362,821)	(1,482)	-	(870,048)	-
Total non-operating income (expenses)	(1,133,292)	1,269,496	(1,357,106)	2,966	(1,217,936)	164,788
Change in net position	1,332,304	1,018,018	(304,267)	(93,996)	1,952,059	292,497
Total Net Position - beginning	18,088,957	29,182,709	7,387,053	592,596	55,251,315	(752,409)
Total Net Position - ending	\$ 19,421,261	\$ 30,200,727	\$ 7,082,786	\$ 498,600	\$ 57,203,374	\$ (459,912)
Change in Net Position					\$ 1,952,059	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					411,361	
Change in Net Position of business-type activities - Statement of Activities					<u>\$ 2,363,420</u>	

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

2017 Basic Financial Statements

CITY OF ASHLAND, OREGON STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the year ended June 30, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Electric Fund	Tele- communications Fund	Total	
Cash flows from operating activities:						
Receipts from customers and users	\$ 8,047,192	\$ 5,530,710	\$ 14,990,679	\$ 2,026,247	\$ 30,594,828	\$ 15,338,964
Payments to suppliers	(2,604,548)	(3,305,173)	(11,558,838)	(1,341,705)	(18,810,264)	(8,278,323)
Payments to employees	(1,775,251)	(1,227,268)	(2,558,789)	(641,658)	(6,202,966)	(6,224,650)
Net cash from operating activities	3,667,393	998,269	873,052	42,884	5,581,598	835,991
Cash flows from noncapital financing activities:						
Taxes collected	8	2,005,548	-	-	2,005,556	104,768
Transfers Out	(250,000)					-
Interfund Loan	-	-	-	150,000	150,000	-
Intergovernmental	-		126,497			
Net cash from noncapital financing activities	(249,992)	2,005,548	126,497	150,000	2,155,556	104,768
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(520,893)	257,678	(85,406)	(57,119)	(405,740)	(1,192,164)
Proceeds from issuance of debt	347,617	17,942	-	-	365,559	-
Principal paid on bonds, contracts and notes	(453,835)	(1,334,561)	(21,715)	-	(1,810,111)	-
Interest paid on debt	(505,745)	(362,821)	(1,482)	-	(870,048)	-
Tax equivalents	(446,737)	(445,885)	(1,495,310)	-	(2,387,932)	-
Net cash from capital and related financing activities	(1,579,593)	(1,867,647)	(1,603,913)	(57,119)	(5,108,272)	(1,192,164)
Cash flows from investing activities:						
Interest from investments and other income	69,181	72,656	13,189	2,966	157,992	60,020
Net increase (decrease) in cash and investments	1,906,989	1,208,826	(591,175)	138,731	2,663,371	(191,385)
Cash and investments, beginning of year	4,971,518	5,590,371	1,676,115	224,633	12,462,637	6,441,039
Cash and investments, end of year	6,878,507	6,799,197	1,084,940	363,364	15,126,008	6,249,654
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	2,465,596	(251,478)	1,052,839	(96,962)	3,169,995	127,709
Depreciation and amortization	780,307	1,244,905	279,022	56,186	2,360,420	661,324
Change in assets and liabilities:						
(Increase) decrease in:						
Receivables	360,370	(75,759)	(37,115)	(68,563)	178,933	(80,734)
Net Pension Assets	230,064	134,639	254,247	75,163	694,113	563,214
Inventories	52,992	4,932	(181,168)	(2,500)	(125,744)	4,752
Start up costs	-	-	-	109,969	109,969	-
Increase (decrease) in:						
Accounts payable and accrued liabilities	(159,040)	(51,926)	(508,646)	(14,974)	(734,586)	(150,085)
Other liabilities	(62,896)	(7,044)	13,873	(15,435)	(71,502)	(290,189)
Net cash from operating activities	\$ 3,667,393	\$ 998,269	\$ 873,052	\$ 42,884	\$ 5,581,598	\$ 835,991

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





**NOTES TO BASIC
FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The budgetary basis of accounting is the same as Generally Accepted Accounting Principles (GAAP). Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the

period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

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

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

2017 Notes To Basic Financial Statements

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

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

D. Assets, Liabilities and Net Position or Equity

1. Cash and Investments

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

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

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

2. Restricted Cash Assets

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

	<u>General Government</u>
Restricted Cash:	
Debt service for GO Debt	\$ 954,262
	<u>\$ 954,262</u>

3. Receivables and Payables

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

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

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

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

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

4. Inventories and Prepaid Items

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

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

5. Restricted Assets

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

6. Capital Assets

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

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

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

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

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

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

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

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

7. Compensated Absences

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

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bonding premium or discount.

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

9. Reservations of Fund Equity

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

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

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

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

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

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

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

spending is: committed (if applicable), assigned (if applicable) and unassigned.

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

10. Deferred Outflows/Inflow of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fair Value Inputs and Methodologies and Hierarchy

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

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

Appropriations are at the department (organizational unit) level for funds with more than one department

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified only by the City Council through the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require approval by the City Council by adoption of a resolution. Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the City Council. Appropriations are limited to a biennium budget period of 2015-2017; therefore, all spending authority of the City lapses at the end of the biennial period. During 2015-2016 the City made one appropriation transfer, as well as three supplemental budget adjustments, all adopted by resolution. In Fiscal year 2016-2017, the City made two appropriations transfers and three supplemental budget adjustments. These five budget amendments were all adopted by resolution.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2017.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

	Total Primary Government
Petty cash	\$ 6,090
Deposits with financial institutions	2,710,716
Imprest Cash	368,000
Investments	34,104,763
	<u>\$ 37,189,569</u>
Governmental - unrestricted	\$ 36,235,307
Governmental - restricted:	
Debt service	954,262
	<u>\$ 37,189,569</u>

1. Deposits

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

2. Credit Risk Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2017, the bank balance of deposits was \$ 5,364,704. Of those deposits, \$550,080 was covered by federal depository insurance, and the remaining is collateralized by the Oregon Public Funds Collateralization Program.

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

3. Investments

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

Cash and Investment Note

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2016. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2017, the fair value of the position in the LGIP is 100.57% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

As of June 30, 2017, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
CD	1,000,000	1,000,000		
State Treasurer's investment pool	33,104,763	33,104,763	-	-
	\$ 33,104,763	\$ 33,104,763	\$ -	\$ -

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Interest Rate Risk

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

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

The City limits investment maturities as follows:

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

Credit Risk

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

Concentration of Credit Risk

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2016, the City was in compliance with all percentage restrictions.

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

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

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

B. Receivables

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

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

	Balance	Due within One Year	Long Term
<u>Governmental Activities:</u>			
Current:			
Property Tax	\$ 718,956	\$ 718,956	\$ -
Business Licenses	116,820	116,820	-
Ambulance billing	186,609	186,609	-
Utility Receivables	406,222	406,222	-
Misc. Receivables	1,261,163	1,008,930	252,233
Hotel/Motel Receivables	736,407	736,407	-
Total current	3,426,177	3,173,944	252,233
Long-Term:			
Rehabilitation loans	61,467		61,467
Special Assessments	132,827		132,827
Notes Receivable	245,379		245,379
SDC receivable	89,670		89,670
Total Long - Term	529,343	-	529,343
Total	\$ 3,955,520	\$ 3,173,944	\$ 781,576
<u>Business-type Activities:</u>			
Current:			
Utility Receivables	2,244,516	2,244,516	-
Food and Beverage Receivables	707,611	707,611	-
Misc. Receivables	300,199	300,199	-
Total current	3,252,326	3,252,326	-
Long-Term:			
Conservation loans	106,185		106,185
Total Long - Term	106,185	-	106,185
Total	\$ 3,358,511	\$ 3,252,326	\$ 106,185
Accounts, Net	\$ 7,314,031	\$ 6,426,270	\$ 887,761

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C. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2017
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 12,466,348	\$ 360,691	\$ -	\$ 12,827,039
Construction in progress	1,390,232	3,126,490	1,390,232	3,126,490
Total capital assets, not being depreciated	13,856,580	3,487,181	1,390,232	15,953,529
Buildings	35,982,031	3,857,938		39,839,969
Improvements other than buildings	55,745,616	263,262		56,008,878
Machinery and equipment	18,115,158	874,546	87,796	18,901,908
Total capital assets, being depreciated	109,842,805	4,995,746	87,796	114,750,755
Less accumulated depreciation for:				
Buildings	(14,969,060)	(1,035,146)	(186,330)	(15,817,876)
Improvements other than buildings	(33,643,187)	(1,674,554)		(35,317,741)
Machinery and equipment	(17,049,808)	(1,034,984)	(103,896)	(17,980,896)
Total accumulated depreciation	(65,662,055)	(3,744,684)	(290,226)	(69,116,513)
Total capital assets being depreciated, net	44,180,750	1,251,062	(202,430)	45,634,242
Governmental activities capital assets, net	\$ 58,037,330	\$ 4,738,243	\$ 1,187,802	\$ 61,587,771
	Balance June 30, 2016	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2017
Business-type activities:				
Capital assets, not being depreciated	-	-	-	-
Land	\$ 1,906,925		\$ -	\$ 1,906,925
Construction in progress	7,420,192	1,923,269	7,420,192	1,923,269
Total capital assets, not being depreciated	9,327,117	1,923,269	7,420,192	3,830,194
Buildings	22,089,254	10,410	-	22,099,664
Machinery and equipment	1,289,589	91,361	7,680	1,373,270
Improvements other than buildings	84,406,418	5,808,568		90,214,986
Total capital assets, being depreciated	107,785,261	5,910,339	7,680	113,687,920
Less accumulated depreciation:				
Buildings	(6,864,493)	(435,526)	-	(7,300,019)
Machinery and equipment	(972,580)	(89,335)	7,680	(1,054,235)
Improvements other than buildings	(45,890,687)	(1,843,238)		(47,733,925)
Total accumulated depreciation	(53,727,760)	(2,368,099)	7,680	(56,088,179)
Total capital assets being depreciated, net	54,057,501	3,542,240	-	57,599,741
Business-type activities capital assets, net	\$ 63,384,618	\$ 5,465,509	\$ 7,420,192	\$ 61,429,935

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

General government	\$	1,195,375
Public safety		228,467
Highways and streets		1,656,754
Parks and Rec		664,088
Total	\$	<u>3,744,684</u>

Construction Commitments

The government has active construction projects as of June 30, 2017. The projects include construction of various infrastructure improvements and additions to the transportation, storm water, water, wastewater and telecommunications systems. The City has remaining commitments under construction contracts of approximately \$1,173,678 at June 30, 2017.

D. Interfund Receivable, Payable and Transfers

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

The composition of interfund balances as of June 30, 2017, is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 260,003	\$ 500
Street fund	-	-
Parks fund		
Non-major governmental	136,202	145,705
Central Service		
Insurance Services		
Water Fund		250,000
Total	<u>\$ 396,205</u>	<u>\$ 396,205</u>

<u>Fund</u>	<u>Interfund Receivable and Payable In</u>	<u>Interfund Receivable and Payable Out</u>
General Fund	\$ 840,544	\$ -
Other Governmental Funds		-
Telecommunications Fund		315,544
Insurance Fund		-
Health Benefits Fund	-	525,000
Total	<u>\$ 840,544</u>	<u>\$ 840,544</u>

The interfund loan in the amount of \$525,000 is for the Health Benefits fund to help the shortage. This fund is still owes \$525,000 in debt. The second interfund loan is for \$315,544 to fund AFN capital projects. The AFN loan is forgivable in the next Biennium

2017 Notes To Basic Financial Statements

E. Long-term Debt

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

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

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

Promissory notes outstanding at year end are as follows;

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Government activities	2.12%	\$ 757,000
Government activities	3.77%	275,986
Government activities	5.75%	71,835
		<u>\$ 1,104,821</u>

<u>Year ending</u>	<u>Governmental Activities</u>	
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	152,087	29,655
2019	157,449	24,543
2020	123,890	19,775
2021	127,319	16,513
2022	130,801	13,154
2023-2027	413,275	59,563
2028-2032		
	<u>\$ 1,104,821</u>	<u>\$ 163,203</u>

Promissory note debt service requirement to maturity is as follows:

2. General Obligation Bonds

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

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

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds consist of a 30-year serial bond with equal amount of principal maturing each year, and four

2017 Notes To Basic Financial Statements

issues with varying principal payments due over 12 to 20 years. General obligation bonds currently outstanding are as follows.

Purpose	Interest Rates	Amount
Government activities	2.0-4.00%	\$ 2,210,000
Government activities	3.5-5.0%	750,000
Government activities	2-2.8%	9,160,000
Government activities	2-2.5%	1,275,000
Business-type activities	2 - 4%	7,090,000
Business-type activities	4.95%	557,670
Business-type activities	2.00%	1,070,000
Business-type activities	2-2.5%	2,360,000
		<u>\$ 24,472,670</u>

The above table includes \$14.3 million in full faith-and-credit. This is a refinancing of the Department of Environmental Quality loan that was used to help pay the costs of the wastewater treatment plant project. The original debt was under promissory notes. This refinancing generated approximately \$1.34 million in Net Present Value savings on the total debt. There are no new General Obligation Bond debt for fiscal year 2017.

Future maturities of bond principal and interest at June 30, 2017, are as follows:

Year Ending June 30,	2004 Full Faith and Credit		2005 GO Bonds		2009 GO Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018			240,000	37,500	68,469	26,768
2019			250,000	25,500	71,901	23,337
2020			260,000	13,000	75,504	19,733
2021					79,287	15,950
2022					83,261	11,976
2023-2027					179,248	11,227
2028-2032						
2033-2037						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,000</u>	<u>\$ 76,000</u>	<u>\$ 557,670</u>	<u>\$ 108,991</u>

Year Ending June 30,	2010 GO Bonds		2011 GO Bonds Fire Station #2		2013 AFN Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	1,325,000	283,600	125,000	74,638	1,060,000	198,910
2019	1,370,000	230,600	130,000	70,888	1,080,000	177,510
2020	1,415,000	175,800	135,000	66,988	1,100,000	155,710
2021	1,465,000	119,200	140,000	62,938	1,130,000	133,410
2022	1,515,000	60,600	145,000	58,738	1,155,000	109,116
2023-2027			780,000	225,275	3,635,000	149,544
2028-2032			755,000	77,175		
2033-2037						
	<u>\$ 7,090,000</u>	<u>\$ 869,800</u>	<u>\$ 2,210,000</u>	<u>\$ 636,639</u>	<u>\$ 9,160,000</u>	<u>\$ 924,200</u>

Year Ending June 30,	2013 Water Debt GO Bonds		2013 GO Bonds New Construction		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	170,000	19,700	295,000	74,275	3,283,469	715,391
2019	175,000	16,250	300,000	68,325	3,376,901	612,409
2020	180,000	12,700	310,000	62,225	3,475,504	506,156
2021	180,000	9,100	320,000	55,925	3,314,287	396,523
2022	180,000	5,500	325,000	49,475	3,403,261	295,405
2023-2027	185,000	1,850	1,710,000	144,175	6,489,248	532,071
2028-2032			375,000	4,688	1,130,000	81,863
2033-2037					-	-
	<u>\$ 1,070,000</u>	<u>\$ 65,100</u>	<u>\$ 3,635,000</u>	<u>\$ 459,088</u>	<u>\$ 24,472,670</u>	<u>\$ 3,139,817</u>

2017 Notes To Basic Financial Statements

3. Revenue Bonds

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

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

The City has obtained three loans from the State of Oregon – Department of Environmental Quality (DEQ). The first loan is for the wastewater treatment plant, the membrane system upgrade in the amount of \$4,549,691. This is a reimbursement loan and to date \$1,830,688 has been requested. The interest rate is 1%. The second DEQ loan is for water projects, such as the TAP project. The total is \$ 2,970,000 at 1% interest. The total of the drawdown at June 30, 2017 is \$2,382,408. The third loan is for \$14,811,865 for the new water treatment plant, the interest rate is 1.79%. The total drawdown for that project is \$232,210

Purpose	Interest Rates	Amount
Water & Wastewater	1.00%	\$ 4,445,306
Water	3.42%	2,143,075
Electric	3.8-6.01%	108,570
		<u>\$ 6,696,952</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2018	675,160	208,741
2019	446,097	165,323
2020	449,352	161,796
2021	452,720	158,157
2022	456,204	154,402
2023-2027	2,229,063	714,714
2028-2032	1,599,157	382,717
2033-2037	389,198	20,191
	<u>\$ 6,696,952</u>	<u>\$ 1,966,042</u>

4. Advance and Current Re-fundings

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

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

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

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

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

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

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

Moody's Investors Services assigned an "A1" rating to both the Tax-Exempt Bonds and the Taxable Bonds. The following table on page 61 shows the activities for both Governmental and Business type as they relate to long term liabilities.

2017 Notes To Basic Financial Statements

5. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions and Adjustments</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation	\$ 14,880,000	\$ -	\$ 1,485,000	\$ 13,395,000	\$ 1,530,000
Total bonds payable	14,880,000	-	1,485,000	13,395,000	1,530,000
Notes and contracts	1,251,706	-	146,885	1,104,820	152,087
Claims and judgements	17,247	-	-	17,247	17,247
Government Activities:					
Long-term liabilities	<u>\$ 16,148,953</u>	<u>\$ -</u>	<u>\$ 1,631,885</u>	<u>\$ 14,517,067</u>	<u>\$ 1,699,334</u>
Business-type Activities:					
Bonds Payable:					
General obligation	\$ 12,777,871	\$ -	\$ 1,700,202	\$ 11,077,669	\$ 1,753,470
Revenue	6,441,300	365,558	109,908	6,696,950	112,950
Total bonds payable	19,219,171	365,558	1,810,110	17,774,619	1,866,420
Business-type Activities:					
Long-term liabilities	<u>\$ 19,219,171</u>	<u>\$ 365,558</u>	<u>\$ 1,810,110</u>	<u>\$ 17,774,619</u>	<u>\$ 1,866,420</u>

G. F. Compensated Absences

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within a Year</u>
Governmental Activities:	\$ 925,591	\$ 956,447	\$ 925,591	\$ 956,447	\$ 239,112
Business-type Activities:	518,864	528,259	518,864	528,259	132,065
Total compensated absences payable	<u>\$ 1,444,455</u>	<u>\$ 1,484,706</u>	<u>\$ 1,444,455</u>	<u>\$ 1,484,706</u>	<u>\$ 371,177</u>

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$216,240 of the Internal Service Fund was compensated absences.

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

IV. OTHER INFORMATION

A. Risk Management

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

The government purchases re-insurance above defined loss levels in each program. Premiums are paid into the Insurance Services internal service fund by all other funds, component units, and potential component units, and are available to pay claims, claim reserves, and administrative costs of the programs. These interfund and agency premiums are used to offset the amount of claims expenditures reported. As of June 30, 2017, such premiums did not exceed paid claims and reserves.

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

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

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

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

	Year ended June 30, 2017	Year ended June 30, 2016
Unpaid claims, beginning of fiscal year	\$ 17,247	\$ 122,107
Incurred claims (including IBNRs)		(104,860)
Unpaid claims, end of fiscal year	<u>\$ 17,247</u>	<u>\$ 17,247</u>

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

B. Contingent Liabilities

	June 30, 2017
Accrued claim liability, July 1	\$ 481,677
Incurred claims	4,127,895
Claims payment	(3,655,279)
Accrued Claim liability, June 30	<u>\$ 472,616</u>

C. Other Post Employment Benefits

Post Employment Stipend

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

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

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

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

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

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

Economic Assumptions

Interest Discount	<p>The 3.61% discount rate assumption is the June 1, 2017 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This is the most recent rate published by Bond Buyer when the calculations were performed. This rate was increased from 3.5% in the 2015 valuation to reflect the requirements of GASB 73 and 75.</p> <p>A 3.5% discount rate assumption was used to calculate the liabilities shown in Appendix A under GASB 45. This discount rate represents the long-term investment yield on the City's assets.</p>
Inflation Rate	An assumed inflation rate of 2.5% is used for all future years.
Salary Scale	Annual salary increases for employees are assumed to be 3.5% in all future years.
Medical Premiums	The Medical contribution amount for the sole Parks and Recreation retiree (\$942) was provided by the City and will not increase in future years. The monthly Medical contribution for Electric employees through age 65 is \$60.20 and will not increase. Confidential and Management employees are covered under Blue Cross Preferred Choice Medicare Supplement Coverage Companion Plan C (or an equivalent plan selected by the city) until death.
Retirement Rates	Retirement rates for Confidential and Management employees are the same rates as the PERS retirement rates for active employees under age 60. After age 60 the PERS rates have been adjusted to account for the City's own experience.
Mortality	Active employee mortality for Police and Fire employees is assumed to be 75% of retiree mortality for males and 60% of retiree mortality for females. Active employee mortality for General Service employees is assumed to be 75% of retiree mortality for males and 60% of retiree mortality for females. Mortality rates for healthy retired males and females are shown below.

Changes in the Net Other Post-employment Benefit Liability

	Total OPEB Liability
Beginning of Year, 7/1/2016	\$ 4,165,944
Benefit Payments	\$ (82,016)
Service Cost	\$ 47,142
Interest on Total OPEB Liability	\$ 148,910
Change of Benefit Terms	\$ -
Change in Assumptions	\$ 138,740
Experience (Gain)/Loss	\$ (483,964)
End of Year, 6/30/2017	\$ 3,934,756

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

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

Discount Rate Sensitivity Analysis

	1% Decrease (2.61%)	Current Discount Rate (3.61%)	1% Increase (4.61%)
Total OPEB Liability on June 30, 2017	\$4,805,892	\$3,934,756	\$3,264,240

2017 Notes To Basic Financial Statements

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the trend rate of 6.0 percent, as well as what the District's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (5.0 percent) or 1- percentage-point higher (7.0 percent) than the current rate:

Healthcare Trend Sensitivity Analysis

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability on June 30, 2017	\$3,243,755	\$3,934,756	\$4,837,109

Other Post-employment benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-employment Benefits-

Deferred Inflows and Outflows as of June 30, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 374,221
Changes of assumptions or other inputs	\$ 107,279	\$ -
Total	\$ 107,279	\$ 374,221

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

Fiscal Year Ending	Deferred Outflow / (Inflow) Recognized in OPEB Expense
2017	\$ (78,282)
2018	\$ (78,282)
2019	\$ (78,282)
2020	\$ (78,282)
2021	\$ (32,096)
2022	\$ -
All Subsequent Years	\$ -

Post Employment Health Insurance Subsidy

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

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

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

2017 Notes To Basic Financial Statements

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

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

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

Actuarial Methods and Assumptions – The ARC for the current year was determined as part of the July 1, 2016, actuarial valuation, using the present value of projected benefits discounted at the valuation interest rate (4.50 percent). We have assumed medical and vision costs will increase 7.00% in the first year (July 1, 2017 premiums compared with July 1, 2016 premiums). In future years, the medical and vision cost trend varies between 7.50% and 5.00% due to the timing of the excise tax scheduled to affect health care benefits beginning in 2020. The trend then settles to an ultimate rate of 5.00%. We have also assumed dental costs will increase 4.50% in all future years. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates and withdrawal rates, are the same as those used by Oregon PERS for cities.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
08/01/2010	\$ -	\$ 2,802,196	\$ 2,802,196	0%	N/A	N/A
08/01/2012	\$ -	\$ 2,764,065	\$ 2,764,065	0%	N/A	N/A
08/01/2014	\$ -	\$ 2,044,116	\$ 2,044,116	0%	N/A	N/A
07/01/2016	\$ -	\$ 2,652,472	\$ 2,652,472	0%	N/A	N/A

	Year ended June 30, 2017	Year ended June 30, 2016
Annual required contribution (medical)	\$ 132,558	\$ 112,826
Amortization of UAAL	318,936	253,661
Annual required contribution	451,494	366,487
Interest on prior year	\$ 61,127	\$ 57,975
Adjustment to ARC	209,999	199,170
Implicit benefit payments	191,619	135,231
Increase (decrease) in net OPEB obligation	111,003	90,061
Net OPEB obligation - beginning of fiscal year	\$ 1,746,479	\$ 1,656,418
Net OPEB obligation - end of fiscal year	\$ 1,857,482	\$ 1,746,479

Fiscal Year Ending	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2016	\$ 336,247	22.80%	\$ 2,213,725
6/30/2015	336,220	20.55%	1,954,128
6/30/2014	371,007	18.22%	1,687,013

2017 Notes To Basic Financial Statements

D. Employee Retirement System and Pension Plan

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

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

1. **Pension Benefits**

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, and 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

2. **Death Benefits.**

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

- member was employed by PERS employer at the time of death,
- member died within 120 days after termination of PERS covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time of death.

3. **Disability Benefits.**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

4. **Benefit Changes After Retirement.**

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

- B. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003

1. **Pension Benefits.**

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: *Police and fire:* 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

2017 Notes To Basic Financial Statements

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

2. **Death Benefits.**

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member.

3. **Disability Benefits.**

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

4. **Benefit Changes After Retirement.**

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2017 were \$277,768, excluding amounts to fund employer specific liabilities. In addition approximately \$125,812 in employee contributions were paid or picked up by the City in fiscal 2017.

Pension Asset or Liability - At June 30, 2017, the City reported a net pension liability of \$34,849,281 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the City's proportion was .231%.

	Deferred Outflow of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ 1,152,966	\$ -
Changes in assumptions	7,432,514	-
Net difference between projected and actual earnings on pension plan investments	6,884,756	-
Net changes in proportionate share and Difference between the City contributions and proportionate share of contributions	227,037	1,483,453
	<u>328,144</u>	<u>260,861</u>
Subtotal - Amortized Deferrals (below)	16,025,417	1,744,314
City Contributions subsequent to measuring date	<u>2,774,267</u>	<u></u>
Net Deferred outflow (inflow) of resources	<u><u>\$ 18,799,685</u></u>	<u><u>\$ 1,744,314</u></u>

2017 Notes To Basic Financial Statements

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

Year ending June 30,	Amount
2018	\$ 2,504,672
2019	2,504,672
2020	5,044,464
2021	3,747,660
2022	479,635
Thereafter	
Total	<u>\$ 14,281,103</u>

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

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

Actuarial Methods and Assumptions-

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)
Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.

Assumed Asset Allocation-

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

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

2017 Notes To Basic Financial Statements

Long-Term Expected Rate of Return:

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

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

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate-

The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Decrease (6.5%)	Rate (7.5%)	Increase (8.5%)
City's proportionate share of the net pension liability	\$ 56,269,967	\$ 34,849,280	\$ 16,945,333

Changes Subsequent to the Measurement Date

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

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

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

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

2017 Notes To Basic Financial Statements

E. Deferred Charges

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

The balance at June 30, 2017, is as follows:

Startup costs	\$ 1,861,076
Less accumulated amortization	<u>1,792,342</u>
	<u>\$ 68,734</u>

F. Fund Balance Constraints

The specific purposes for each of the categories of the fund balance as of June 30, 2017, are as follows:

Fund Balances:	General Fund	Street Fund	Parks	Non Major Funds	Total
Restricted for:					
Asset forfeiture	32,313	-	-	-	32,313
TOT tourism	338,658	-	-	-	338,658
CDBG restriction	-	-	-	33,801	33,801
SDC - Transportation	-	2,431,470	-	-	2,431,470
SDC - Parks	-	-	-	314,934	314,934
Perpetual care	-	-	-	955,357	955,357
Debt commitment	-	-	-	976,090	976,090
Committed for:					
Parking surcharge	370,085	-	-	-	370,085
Public art	99,324	-	-	-	99,324
Affordable housing	166,351	-	-	-	166,351
Grubbs Case	22,235	-	-	-	22,235
Street activities	-	3,231,966	-	-	3,231,966
Parks activities	-	-	386,186	852,407	1,238,593
Airport activities	-	-	-	173,227	173,227
Food and beverage tax	-	-	-	-	-
CIP - Facilities	-	-	-	2,000,302	2,000,302
Assigned for:					
N/A					
Unassigned:	4,527,421	-	-	-	4,527,421
Total fund balances:	<u>\$ 5,556,387</u>	<u>\$ 5,663,436</u>	<u>\$ 386,186</u>	<u>\$ 5,306,118</u>	<u>\$ 16,912,127</u>

Concession Agreement

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

H. Tax Abatements

As of June 30, 2017, City of Ashland provides tax abatements through one significant program: Enterprise Zone.

Enterprise Zone (ORS 285C.175):

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

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

For the fiscal year ended June 30, 2017, City of Ashland abated property taxes under this program in FY 16/17 for \$159,785.

I. Restatement of prior year net position

Due to the implementation of GASB 73 a restatement of the prior year net position was required, The restatement is as follows;

	Governmental
Net Position Beginning as previously reported	\$ 48,194,066
GASB 73	(2,359,866)
Net Position - Beginning as restated	<u>\$ 45,834,200</u>

J. Contingency

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



REQUIRED SUPPLEMENTARY INFORMATION



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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



2017 Required Supplementary Information

CITY OF ASHLAND, OREGON
Required Supplemental Information
SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB)
LIABILITY AND RELATED RATIOS STIPEND BENEFIT
For the year ended June 30, 2017

Total Pension Liability at June 30, 2016	\$ 4,165,944
<u>Changes for the year:</u>	
Service Cost	47,142
Interest	148,910
Changes of Benefit Terms	-
Differences between expected and actual experience	(483,964)
Changes of assumptions or other input	138,740
Benefit Payments	(82,016)
Net change for the year	(231,188)
Total Pension Liability at June 30, 2017	\$ 3,934,756
Fiduciary Net Position - Beginning	\$ -
Contributions - Employer	-
Contributions - Employee	82,016
Net Investment Income	-
Benefit Payments	-
Administrative Expense	(82,016)
Net change in Fiduciary Net Position	-
Fiduciary Net Position - End of Year	-
Net OPEB Liability at End of Year	\$ 3,934,756
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%
Covered Payroll	\$ 2,547,221.00
Net Single Employer Pension Plan as a Percentage of Covered Payroll	154.5%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been complied, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 73/75 in the fiscal year ending June 30, 2017

CITY OF ASHLAND, OREGON
SCHEDULE OF FUNDING PROGRESS
For the year ended June 30, 2017

Post Employment Benefits

OPEB						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
08/01/2008	\$ -	\$ 2,923,625	\$ 2,923,625	0%	\$ 12,757,206	23%
08/01/2010	\$ -	\$ 2,802,196	\$ 2,802,196	0%	\$ 12,889,661	22%
08/01/2012	\$ -	\$ 2,764,065	\$ 2,764,065	0%	\$ 13,988,043	20%
08/01/2014	\$ -	\$ 2,044,116	\$ 2,044,116	0%	\$ 14,005,178	15%
08/01/2016	\$ -	\$ 2,652,472	\$ 2,652,472	0%	\$ 14,549,252	18%
Actuarial Valuation Date	Annual OPEB Costs	Funded Ratio	Net OPEB Obligation			
6/30/2013	\$ 363,984	48%	\$ 1,274,279			
6/30/2014	\$ 382,000	52%	\$ 1,457,755			
6/30/2015	\$ 380,883	48%	\$ 1,656,418			
6/30/2016	\$ 225,292	60%	\$ 1,746,479			
6/30/2017	\$ 302,622	63%	\$ 1,857,482			

REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2017

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.04%	\$ (34,849,280)	\$ 15,571,834	(223.8) %	80.5 %
2016	0.04%	14,910,215	14,948,474	99.7 %	91.9 %
2015	0.04%	5,498,618	17,016,281	32.3	103.6
2014	0.04%	(12,379,260)	16,753,124	(73.9)	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

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

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

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

2017 Required Supplementary Information

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

For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
Revenues:	Original	Final				
Taxes	\$ 38,746,990	\$ 38,746,990	\$ 19,343,205	\$ 19,972,025	\$ 39,315,230	\$ 568,240
Fees, licenses and permits	1,910,425	1,910,425	835,278	1,306,346	2,141,624	231,199
Intergovernmental	1,379,795	2,592,770	921,946	1,135,131	2,057,077	(535,693)
Charges for services	3,331,350	3,331,350	1,645,847	1,684,783	3,330,630	(720)
Fines and forfeitures	410,000	410,000	180,638	365,365	546,003	136,003
Interest on investments	60,000	60,000	29,834	56,365	86,199	26,199
Miscellaneous	73,000	79,600	113,065	106,909	219,974	140,374
Total revenues	45,911,560	47,131,135	23,069,813	24,626,924	47,696,737	565,602
Expenditures:						
General Government:						
Administration	1,009,197	1,018,127	345,676	255,777	601,453	416,674
Administrative Services:						
Band	130,550	130,550	65,186	62,000	127,186	3,364
Social services	267,933	267,933	131,113	134,141	265,254	2,679
Economic development	1,695,033	1,695,033	741,608	755,819	1,497,427	197,606
Parks Services	9,560,000	9,560,000	4,680,000	4,880,000	9,560,000	-
Public Works:						
Cemetery	755,365	755,365	335,763	339,689	675,452	79,913
Community Development:						
Planning	2,886,423	2,886,423	1,309,888	1,395,625	2,705,513	180,910
Building	1,459,230	1,459,230	724,797	629,080	1,353,877	105,353
Miscellaneous	269,000	269,000	64,905	44,555	109,460	159,540
Total general government	18,032,731	18,041,661	8,398,936	8,496,686	16,895,622	1,146,039
Public Safety:						
Police	13,544,844	13,637,535	6,690,677	6,796,543	13,487,220	150,315
Municipal court	1,056,830	1,056,830	489,250	462,581	951,831	104,999
Fire and rescue	15,780,502	16,919,886	7,666,965	8,046,616	15,713,581	1,206,305
Total public safety	30,382,176	31,614,251	14,846,892	15,305,740	30,152,632	1,461,619
Contingency	697,000	675,570				675,570
Total expenditures	49,111,907	50,331,482	23,245,828	23,802,426	47,048,254	3,283,228
Excess (deficiency) of revenues over (under) expenditures	(3,200,347)	(3,200,347)	(176,015)	824,498	648,483	3,848,830
Other financing sources (uses):						
Transfers in	510,800	510,800	255,935	260,003	515,938	5,138
Transfers out	(518,570)	(518,570)	(96,510)	(500)	(97,010)	421,560
Interfund loan	126,200	126,200	-	-	-	(126,200)
Interfund loan	(66,000)	(66,000)	-	-	-	66,000
Total other financing sources (uses)	52,430	52,430	159,425	259,503	418,928	366,498
Net change in fund balance	(3,147,917)	(3,147,917)	(16,590)	1,084,001	1,067,411	4,215,328
Fund balance, July 1, 2016	3,400,277	3,400,277	3,620,264	3,603,674	3,620,264	219,987
Fund balance, June 30, 2017	\$ 252,360	\$ 252,360	\$ 3,603,674	\$ 4,687,675	\$ 4,687,675	\$ 4,435,315

Reconciliation to GAAP fund balance :

Interfund loan

Reserve fund balance:

840,544
28,168
\$ 5,556,387

2017 Required Supplementary Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET FUND
For the year ended June 30, 2017**

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes	\$ 96,700	\$ 96,700	\$ 58,782	\$ 313,928	\$ 372,710	\$ 276,010
Intergovernmental	7,422,136	7,422,136	1,307,744	1,228,888	2,536,632	(4,885,504)
Charges for services	4,219,700	4,219,700	2,156,082	2,217,776	4,373,858	154,158
System development charges (SDC)	133,000	133,000	183,380	165,380	348,760	215,760
Assessments	120,000	120,000	32,831	101,006	133,837	13,837
Interest on investments	48,000	48,000	33,135	57,393	90,528	42,528
Miscellaneous	100,000	100,000	77,727	148,027	225,754	125,754
Total revenues	12,139,536	12,139,536	3,849,681	4,232,398	8,082,079	(4,057,457)
Expenditures:						
Highways and streets:						
Operations and maintenance	13,486,170	13,486,170	2,981,650	2,921,315	5,902,965	7,583,205
Storm water	1,312,700	1,312,700	593,152	573,671	1,166,823	145,877
Transportation SDCs	2,674,754	2,674,754	1,438	353,640	355,078	2,319,676
Storm water SDCs	282,100	282,100	-	-	-	282,100
Local improvement districts	-	-	-	-	-	-
Total highways and streets	17,755,724	17,755,724	3,576,240	3,848,626	7,424,866	10,330,858
Debt Service:	-	-	-	-	-	-
Operations and maintenance Debt	246,710	246,710	123,954	122,753	246,707	3
Storm water Debt	25,300	25,300	12,750	12,550	25,300	-
Total Debt	272,010	272,010	136,704	135,303	272,007	3
Contingency	99,000	99,000	-	-	-	99,000
Total expenditures	18,126,734	18,126,734	3,712,944	3,983,929	7,696,873	10,429,861
Excess (deficiency) of revenues over (under) expenditures	(5,987,198)	(5,987,198)	136,737	248,469	385,206	6,372,404
Other financing sources (uses):						
Bond proceeds	3,306,854	3,306,854	-	-	-	(3,306,854)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	3,306,854	3,306,854	-	-	-	(3,306,854)
 Net change in fund balance	 (2,680,344)	 (2,680,344)	 136,737	 248,469	 385,206	 3,065,550
Fund balance, July 1, 2016	4,702,624	4,702,624	5,278,230	5,414,967	5,278,230	575,606
Fund balance, June 30, 2017	\$ 2,022,280	\$ 2,022,280	\$ 5,414,967	\$ 5,663,436	\$ 5,663,436	\$ 3,641,156

2017 Required Supplementary Information

CITY OF ASHLAND, OREGON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL PARKS AND RECREATION FUND For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 92	\$ -	\$ 92	\$ 92
Charges for services - External	1,805,000	1,805,000	931,776	893,251	1,825,027	20,027
Charges for services - Internal	9,560,000	9,560,000	4,732,500	4,880,000	9,612,500	52,500
Interest on investments	14,000	14,000	3,522	2,445	5,967	(8,033)
Miscellaneous	100,000	100,000	17,204	16,748	33,952	(66,048)
Total revenues	11,479,000	11,479,000	5,685,094	5,792,444	11,477,538	(1,462)
Expenditures:						
Parks and Recreation:						
Operations and maintenance	8,127,847	8,127,847	3,897,926	3,915,268	7,813,194	314,653
Recreation	2,828,630	2,902,630	1,409,208	1,412,516	2,821,724	80,906
Golf Course	1,104,650	1,104,650	547,280	509,634	1,056,914	47,736
Total Parks and Recreation	12,061,127	12,135,127	5,854,414 (1)	5,837,418 (1)	11,691,832 (1)	443,295
Contingency	100,000	26,000				26,000
Total expenditures	12,161,127	12,161,127	5,854,414	5,837,418	11,691,832	469,295
Excess (deficiency) of revenues over (under) expenditures	(682,127)	(682,127)	(169,320)	(44,974)	(214,294)	467,833
Other financing sources (uses):						
Transfer in	373,500	373,500			-	(373,500)
Transfers out	(80,000)	(80,000)	(80,000)		(80,000)	-
Total other financing sources (uses)	293,500	293,500	(80,000)	-	(80,000)	(373,500)
Net change in fund balance	(388,627)	(388,627)	(249,320)	(44,974)	(294,294)	94,333
Fund balance, July 1, 2016	392,641	392,641	503,626	254,306	503,626	110,985
Fund balance, June 30, 2017	\$ 4,014	\$ 4,014	\$ 254,306	\$ 209,332	\$ 209,332	\$ 205,318
(1) Appropriation level						
Reconciliation to GAAP fund balance :						
Equipment fund balance:				176,854		
Total GAAP fund balance				<u>\$ 386,186</u>		





SUPPLEMENTARY INFORMATION

Combining Individual Fund Statements
and Other Financial Schedules

2017 Supplementary Information

CITY OF ASHLAND, OREGON COMBINING BALANCE SHEET ALL NON-MAJOR FUNDS For the year ended June 30, 2017

	Governmental Fund Types					Permanent Fund Type Cemetery Trust Fund	Total Other Governmental (Compilation Only)
	CDBG Fund	Airport Fund	Capital Improvements Fund	Parks Capital Improvements Fund	Debt Service Fund		
ASSETS							
Cash and cash equivalents	\$ 31,300	\$ 174,097	\$ 2,342,218	\$ 933,555	\$ 973,878	\$ -	\$ 4,455,048
Receivables (net of allowance for uncollectible)	13,737	10,669	113,775	-	35,948	1,095	175,224
Cash - restricted	-	-	-	-	-	954,262	954,262
Total assets	45,037	184,766	2,455,993	933,555	1,009,826	955,357	5,584,534
LIABILITIES AND FUND BALANCES							
Accounts payable	11,236	11,539	51,097	81,148	-	-	155,020
Interfund loan payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-	-	-
Total liabilities	11,236	11,539	51,097	81,148	-	-	155,020
Deferred Outflows of Resources:							
Deferred Outflows			89,660		33,736	-	123,396
Fund Balances:							
Restricted for:							
CDBG restriction	33,801	-	-	-	-	-	33,801
Systems development charges	-	-	314,934	-	-	-	314,934
Debt service	-	-	-	-	976,090	-	976,090
Perpeture care	-	-	-	-	-	955,357	955,357
Committed for:							
Special revenue funds	-	173,227	-	-	-	-	173,227
Open Space (Food & Bev)	-	-	-	852,407	-	-	852,407
Parks Improvements	-	-	-	-	-	-	-
Capital projects funds	-	-	2,000,302	-	-	-	2,000,302
Total fund balances	33,801	173,227	2,315,236	852,407	976,090	955,357	5,306,118
Total liabilities, deferred outflows and fund balances	\$ 45,037	\$ 184,766	\$ 2,455,993	\$ 933,555	\$ 1,009,826	\$ 955,357	\$ 5,584,534

CITY OF ASHLAND, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the year ended June 30, 2017

	Governmental Fund Types					Permanent Fund Type Cemetery Nonexpendable Trust Fund	Total Other Governmental (Compilation Only)
	CDBG Fund	Airport Fund	Capital Improvements Fund	Parks Capital Improvements Fund	Debt Service Fund		
Revenues:							
Taxes	\$ -	\$ -	\$ 708,590	\$ -	\$ 509,054	\$ -	\$ 1,217,644
Intergovernmental	129,380	-	-	-	-	-	129,380
Charges for services	-	146,123	987,904	801,770	1,162,624	10,304	3,108,725
System development charges	-	-	66,791	-	-	-	66,791
Interest on investments	-	1,597	28,752	10,532	8,265	10,003	59,149
Miscellaneous	-	-	4,079	16,555	-	-	20,634
Total revenues	129,380	147,720	1,796,116	828,857	1,679,943	20,307	4,602,323
Expenditures:							
General government	129,383	74,862	2,147,194	1,322,451	-	-	3,673,890
Debt service	-	38,536	-	-	1,868,467	-	1,907,003
Total expenditures	129,383	113,398	2,147,194	1,322,451	1,868,467	-	5,580,893
Excess (deficiency) of revenues over (under) expenditures	(3)	34,322	(351,078)	(493,594)	(188,524)	20,307	(978,570)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	135,702	500	136,202
Transfers out	-	-	(135,702)	-	-	(10,003)	(145,705)
Interfund loan	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(135,702)	-	135,702	(9,503)	(9,503)
Net change in fund balance	(3)	34,322	(486,780)	(493,594)	(52,822)	10,804	(988,073)
Fund balance, July 1, 2016	33,804	138,905	2,802,016	1,346,001	1,028,912	944,553	6,294,191
Fund balance, June 30, 2017	\$ 33,801	\$ 173,227	\$ 2,315,236	\$ 852,407	\$ 976,090	\$ 955,357	\$ 5,306,118

2017 Supplementary Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
For the year ended June 30, 2017**

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Intergovernmental	\$ 439,798	\$ 439,798	\$ 162,143	\$ 129,380	\$ 291,523	\$ (148,275)
Total revenues	<u>439,798</u>	<u>439,798</u>	<u>162,143</u>	<u>129,380</u>	<u>291,523</u>	<u>(148,275)</u>
Expenditures:						
General government:						
Personal services	65,420	65,420	32,510	31,745	64,255	1,165
Material and services	374,378	374,378	129,630	97,638	227,268	147,110
Total general government	<u>439,798</u>	<u>439,798</u>	<u>162,140</u>	<u>129,383</u>	<u>291,523</u>	<u>148,275</u>
Total expenditures	<u>439,798</u>	<u>439,798</u>	<u>162,140</u>	<u>129,383</u>	<u>291,523</u>	<u>148,275</u>
Net change in fund balance	-	-	3	(3)	-	-
Fund balance, July 1, 2016	<u>1</u>	<u>1</u>	<u>33,801</u>	<u>33,804</u>	<u>33,801</u>	<u>33,800</u>
Fund balance, June 30, 2017	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 33,804</u>	<u>\$ 33,801</u>	<u>\$ 33,801</u>	<u>\$ 33,800</u>

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

For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Charges for services	\$ 276,000	\$ 276,000	\$ 125,406	\$ 146,123	\$ 271,529	\$ (4,471)
Interest on investments	500	500	790	1,597	2,387	1,887
Total revenues	<u>276,500</u>	<u>276,500</u>	<u>126,196</u>	<u>147,720</u>	<u>273,916</u>	<u>(2,584)</u>
Expenditures:						
General government:						
Materials and services	460,943	425,943	39,314	47,706	87,020	338,923
Capital outlay	40,000	88,000	26,957	27,156	54,113	33,887
Total general government	500,943	513,943	66,271	74,862	141,133	372,810
Debt service	77,072	77,072	38,536	38,536	77,072	-
Contingency	13,000	-	-	-	-	-
Total expenditures	<u>591,015</u>	<u>591,015</u>	<u>104,807</u>	<u>113,398</u>	<u>218,205</u>	<u>372,810</u>
Other financing sources (uses):						
Loan proceeds	270,000	270,000				270,000
Interfund loan	-	-				-
Total other financing sources (uses)	<u>270,000</u>	<u>270,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,000</u>
Net change in fund balance	(44,515)	(44,515)	21,389	34,322	55,711	100,226
Fund balance, July 1, 2016	<u>114,751</u>	<u>114,751</u>	<u>117,516</u>	<u>138,905</u>	<u>117,516</u>	<u>2,765</u>
Fund balance, June 30, 2017	<u>\$ 70,236</u>	<u>\$ 70,236</u>	<u>\$ 138,905</u>	<u>\$ 173,227</u>	<u>\$ 173,227</u>	<u>\$ 102,991</u>

2017 Supplementary Information

CITY OF ASHLAND, OREGON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL CAPITAL IMPROVEMENTS FUND For the year ended June 30, 2017

	BN 2015-2017		First Year	Second Year	Total Actual	Variance with
	Biennium Budget Amounts		Actual	Actual	for budget	Final Budget
	Original	Final	FY 2015-16	FY 2016-17	period	Positive (Negative)
Revenues:						
Taxes	\$ 1,093,400	\$ 1,093,400	\$ 564,947	\$ 708,590	\$ 1,273,537	\$ 180,137
Intergovernmental	-	-	2,732	-	2,732	2,732
Charges for services	2,205,600	2,205,600	950,170	987,904	1,938,074	(267,526)
System development charges	129,416	129,416	49,372	66,791	116,163	(13,253)
Interest on investments	22,600	22,600	15,712	28,752	44,464	21,864
Miscellaneous	22,100	22,100	359	4,079	4,438	(17,662)
Total revenues	3,473,116	3,473,116	1,583,292	1,796,116	3,379,408	(93,708)
Expenditures:						
General government:						
Public works - facilities	1,710,650	1,710,650	867,196	894,504	1,761,700	(51,050)
Admin services - parks SDC	607,340	607,340	-	358,529	358,529	248,811
Admin services - parks open space	3,099,842	3,099,842	1,481,271	806,770	2,288,041	811,801
Capital outlay	1,110,000	1,110,000	72,580	87,391	159,971	950,029
Total cost of service	6,527,832	6,527,832 (1)	2,421,047	2,147,194 (1)	4,568,241	1,959,591
Contingency	200,000	200,000	-	-	-	200,000
Total expenditures	6,727,832	6,727,832	2,421,047	2,147,194	4,568,241	2,159,591
Excess (Deficiency) of revenues over (under) expenditures	(3,254,716)	(3,254,716)	(837,755)	(351,078)	(1,188,833)	2,065,883
Other financing sources (uses):						
Bond proceeds	3,050,045	3,050,045	870,000	-	870,000	2,180,045
Transfers in	100,000	100,000	100,000	-	100,000	-
Transfers out	(277,370)	(277,370)	(79,717)	(135,702)	(215,419)	(61,951)
Interfund loan	-	-	-	-	-	-
Total other financing sources (uses):	2,872,675	2,872,675	890,283	(135,702)	754,581	2,118,094
Net change in fund balance	(382,041)	(382,041)	52,528	(486,780)	(434,252)	(52,211)
Fund balance, July 1, 2016	1,918,994	1,918,994	2,749,488	2,802,016	2,749,488	830,494
Fund balance, June 30, 2017	\$ 1,536,953	\$ 1,536,953	\$ 2,802,016	\$ 2,315,236	\$ 2,315,236	\$ 778,283

(1) Appropriation level

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS CAPITAL IMPROVEMENTS FUND
for the year ended June 30, 2017

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

2017 Supplementary Information

CITY OF ASHLAND, OREGON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL DEBT SERVICE FUND For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes	\$ 955,426	\$ 955,426	\$ 506,865	\$ 509,054	\$ 1,015,919	\$ 60,493
Charges for services	2,457,636	2,457,636	1,286,341	1,162,624	2,448,965	(8,671)
Assessments	400,000	400,000	-	-	-	(400,000)
Interest on investments	20,000	20,000	4,527	8,265	12,792	(7,208)
Miscellaneous	58,604	58,604	-	-	-	(58,604)
Total revenues	3,891,666	3,891,666	1,797,733	1,679,943	3,477,676	(413,990)
Expenditures:						
Materials and services	-	-	-	-	-	-
Debt service:						
Bancroft	400,000	400,000	-	-	-	400,000
General obligation	3,457,596	3,457,596	1,764,573	1,868,467	3,633,040	(175,444)
Notes and contracts	412,604	412,604	41,536	-	41,536	371,068
Total expenditures	4,270,200	4,270,200	1,806,109 (1)	1,868,467 (1)	3,674,576 (1)	595,624
Excess (deficiency) of revenues over (under) expenditures	(378,534)	(378,534)	(8,376)	(188,524)	(196,900)	181,634
Other financing sources (uses):						
Transfers in	473,940	473,940	175,727	135,702	311,429	162,511
Interfund Loan	-	-	-	-	-	-
Total other financing sources (uses):	473,940	473,940	175,727	135,702	311,429	162,511
Net change in fund balance	95,406	95,406	167,351	(52,822)	114,529	19,123
Fund balance, July 1, 2016	753,948	753,948	861,561	1,028,912	861,561	107,613
Fund balance, June 30, 2017	\$ 849,354	\$ 849,354	\$ 1,028,912	\$ 976,090	\$ 976,090	\$ 126,736

(1) Appropriation level

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CEMETERY TRUST FUND
For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Charges for services	\$ 50,000	\$ 50,000	\$ 21,386	\$ 10,304	\$ 31,690	\$ (18,310)
Interest on investments	10,800	20,800	5,935	10,003	15,938	(4,862)
Miscellaneous					-	-
Total revenues	60,800	70,800	27,321	20,307	47,628	(23,172)
Other financing sources (uses):						
Transfers in	1,000	1,000	500	500	1,000	-
Transfers out	(10,800)	(20,800)	(5,935)	(10,003)	(15,938)	4,862
Total other financing sources (uses):	(9,800)	(19,800)	(5,435)	(9,503)	(14,938)	4,862
Net change in fund balance	51,000	51,000	21,886	10,804	32,690	(18,310)
Fund balance, July 1, 2016	923,046	923,046	922,667	944,553	922,666	(380)
Fund balance, June 30, 2017	\$ 974,046	\$ 974,046	\$ 944,553	\$ 955,357	\$ 955,356	\$ (18,690)

2017 Supplementary Information

CITY OF ASHLAND, OREGON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL RESERVE FUND For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Interest on investments	34,000	34,000	10,730	11,703	22,433	(11,567)
Total revenues	<u>34,000</u>	<u>34,000</u>	<u>10,730</u>	<u>11,703</u>	<u>22,433</u>	<u>(11,567)</u>
Excess (deficiency) of revenues over (under) expenditures	34,000	34,000	10,730	11,703	22,433	(11,567)
Other financing sources (uses):						
Transfer in	-	-	-	-	-	-
Interfund loan	650,000	650,000	325,000	-	325,000	(325,000)
Transfer out	-	-	-	-	-	-
Interfund loan	(850,000)	(850,000)	(365,544)	(150,000)	(515,544)	(334,456)
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(40,544)</u>	<u>(150,000)</u>	<u>(190,544)</u>	<u>(659,456)</u>
Net change in fund balance	(166,000)	(166,000)	(29,814)	(138,297)	(168,111)	(2,111)
Fund balance, July 1, 2016	<u>204,580</u>	<u>204,580</u>	<u>196,279</u>	<u>166,465</u>	<u>196,279</u>	<u>(8,301)</u>
Fund balance, June 30, 2017	<u>\$ 38,580</u>	<u>\$ 38,580</u>	<u>\$ 166,465</u>	<u>\$ 28,168</u>	<u>\$ 28,168</u>	<u>\$ (10,412)</u>
Reconciliation to GAAP fund balance						
Reserve fund to the General Fund				\$ (28,168)		
				<u>\$ -</u>		

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

For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes	\$ -	\$ -	\$ 2	\$ 8	\$ 10	\$ 10
Intergovernmental	14,000	14,000	14,897	-	14,897	897
Charges for services	13,954,600	13,954,600	6,937,651	7,329,235	14,266,886	312,286
System developments charges	200,000	200,000	277,247	310,390	587,637	387,637
Interest on investments	40,800	40,800	32,632	69,182	101,814	61,014
Miscellaneous	24,000	24,000	27,286	47,197	74,483	50,483
Total revenues	14,233,400	14,233,400	7,289,715	7,756,012	15,045,727	812,327
Expenditures:						
Cost of services:						
Administration: Water conservation	696,025	696,025	249,276	285,512	534,788	161,237
Public works water supply	2,557,935	2,557,935	1,821,173	541,807	2,362,980	194,955
Public works water treatment	13,941,884	13,941,884	1,121,878	1,545,927	2,667,805	11,274,079
Public works water distribution	9,595,707	9,595,707	2,879,829	2,898,468	5,778,297	3,817,410
Public works reimbursement SDCs	-	-	-	-	-	-
Public works improvements SDCs	3,170,335	3,170,335	20,021	252,199	272,220	2,898,115
Total Cost of Service	29,961,886	29,961,886	6,092,177	5,523,913	11,616,090	18,345,796
Debt service	2,581,317	2,581,317	617,047	615,691	1,232,738	1,348,579
Contingency	170,000	170,000	-	-	-	170,000
Total expenditures	32,713,203	32,713,203	6,709,224	6,139,604	12,848,828	19,864,375
Excess (Deficiency) of revenues over (under) expenditures	(18,479,803)	(18,479,803)	580,491	1,616,408	2,196,899	(19,052,048)
Other financing sources (uses):						
Loan proceeds	14,990,125	14,990,125	542,455	347,617	890,072	(14,100,053)
Transfer Out	(500,000)	(500,000)	(250,000)	(250,000)	(500,000)	(250,000)
Total other financing sources (uses)	14,490,125	14,490,125	292,455	97,617	390,072	(14,350,053)
Net change in fund balance	(3,989,678)	(3,989,678)	872,946	1,714,025	2,586,971	6,576,649
Fund balance, July 1, 2016	6,061,702	6,061,702	5,208,591	6,081,537	5,208,591	(853,111)
Fund balance, June 30, 2017	\$ 2,072,024	\$ 2,072,024	\$ 6,081,537	\$ 7,795,562	\$ 7,795,562	\$ 5,723,538
Reconciliation to Net Position:						
Deferred Outflow				\$ 1,301,374		
Capital assets, net				21,247,444		
Compensated absences				(78,071)		
OPEB implicit rate liability				(158,160)		
Net Pension liability				(2,412,379)		
Deferred Inflow				(120,747)		
Accrued interest				(20,704)		
GO bonds payable				(3,375,368)		
Revenue bonds payable				(4,757,692)		
				2		
				<u>\$ 19,421,261</u>		

2017 Supplementary Information

CITY OF ASHLAND, OREGON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL WASTEWATER FUND For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes	\$ 4,264,260	\$ 4,264,260	\$ 2,259,785	\$ 2,005,548	\$ 4,265,333	\$ 1,073
Charges for services	10,787,000	10,787,000	5,093,609	5,500,912	10,594,521	(192,479)
System developments charges	130,000	130,000	107,655	105,558	213,213	83,213
Interest on investments	30,000	30,000	34,765	72,654	107,419	77,419
Miscellaneous	-	-	1,619	-	1,619	1,619
Total revenues	15,211,260	15,211,260	7,497,433	7,684,672	15,182,105	(29,155)
Expenditures:						
Cost of services:						
Public works wastewater collection	5,349,514	5,349,514	1,936,069	2,143,895	4,079,964	1,269,550
Public works wastewater treatment	10,183,710	10,183,710	2,501,279	2,527,413	5,028,692	5,155,018
Public works reimbursement SDC's	3,691,644	15,000	13,039	377	13,416	1,584
Public works improvements SDC's	-	3,676,644	-	-	-	3,676,644
Total cost of service	19,224,868	19,224,868	4,450,387	4,671,685	9,122,072	10,102,796
Debt service	3,384,757	3,384,757	1,696,374	1,688,152	3,384,526	231
Contingency	192,000	192,000	-	-	-	192,000
Total expenditures	22,801,625	22,801,625	6,146,761	6,359,837	12,506,598	10,295,027
Excess (deficiency) of revenues over (under) expenditures	(7,590,365)	(7,590,365)	1,350,672	1,324,835	2,675,507	10,265,872
Other financing sources (uses):						
Loan proceeds	5,318,700	5,318,700	53,424	17,942	71,366	(5,247,334)
Total other financing sources (uses)	5,318,700	5,318,700	53,424	17,942	71,366	(5,247,334)
Net change in fund balance	(2,271,665)	(2,271,665)	1,404,096	1,342,777	2,746,873	5,018,538
Fund balance, July 1, 2016	4,464,697	4,464,697	5,095,342	6,499,438	5,095,342	630,645
Fund balance, June 30, 2017	\$ 2,193,032	\$ 2,193,032	\$ 6,499,438	\$ 7,842,215	\$ 7,842,215	\$ 5,649,183
Reconciliation to Net Position:						
Deferred Outflow				\$ 761,600		
Capital assets, net				32,833,709		
Compensated absences				(69,780)		
OPEB implicit rate liability				(101,583)		
Net Pension liability				(1,411,790)		
Deferred Inflow				(70,664)		
Accrued interest				(49,995)		
GO bonds payable				(7,702,301)		
Revenue bonds payable				(1,830,688)		
Rounding				4		
				\$ 30,200,727		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
ELECTRIC FUND
For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget - Positive (Negative)
	Original	Final				
Revenues:						
Intergovernmental	\$ 323,000	\$ 323,000	\$ 395,149	\$ 126,497	\$ 521,646	\$ 198,646
Charges for services	29,993,044	29,993,044	14,600,751	14,913,883	29,514,634	(478,410)
Interest on investments	14,715	14,715	8,338	13,189	21,527	6,812
Miscellaneous	322,974	322,974	99,394	131,503	230,897	(92,077)
Total revenues	30,653,733	30,653,733	15,103,632	15,185,072	30,288,704	(365,029)
Expenditures:						
Cost of Services:						
Administration - Conservation	1,420,030	1,420,030	747,689	649,864	747,689	672,341
Electric - supply	13,751,887	14,051,887	6,847,528	7,021,535	13,869,063	182,824
Electric distribution	14,041,211	14,041,211	6,467,679	6,494,034	12,961,713	1,079,498
Electric transmission	2,225,945	1,925,945	909,289	832,898	1,742,187	183,758
Total cost of service	31,439,073	31,439,073	14,972,185	14,998,331	29,320,652	2,118,421
Debt service	46,688	46,688	23,478	23,207	46,685	3
Contingency	279,000	279,000	-	-	-	279,000
Total expenditures	31,764,761	31,764,761	14,995,663	15,021,538	29,367,337	2,397,424
Net change in fund balance	(1,111,028)	(1,111,028)	107,969	163,534	921,367	2,032,395
Fund balance, July 1, 2016	1,479,265	1,479,265	1,755,162	1,863,131	1,755,162	275,897
Fund balance, June 30, 2017	\$ 368,237	\$ 368,237	\$ 1,863,131	\$ 2,026,665	\$ 2,676,529	\$ 2,308,292
Reconciliation to Net Position:						
Deferred Outflow				\$ 1,438,167		
Capital assets, net				6,724,909		
Compensated absences				(124,789)		
OPEB implicit rate liability				(180,329)		
Net Pension liability				(2,665,953)		
Deferred Inflow				(133,439)		
Accrued interest				(56)		
Revenue bonds payable				(108,571)		
Deferred revenue				106,185		
Rounding				(3)		
				<u>\$ 7,082,786</u>		

2017 Supplementary Information

CITY OF ASHLAND, OREGON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL TELECOMMUNICATIONS FUND For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Charges for services	\$ 4,363,565	\$ 4,363,565	\$ 2,010,444	\$ 2,094,810	\$ 4,105,254	\$ (258,311)
Interest on investments	1,943	1,943	1,344	2,966	4,310	2,367
Miscellaneous	-	-	696		696	696
Total revenues	<u>4,365,508</u>	<u>4,365,508</u>	<u>2,012,484</u>	<u>2,097,776</u>	<u>4,110,260</u>	<u>(255,248)</u>
Expenditures:						
Cost of services:						
Personal services	1,343,230	1,343,230	643,746	626,223	1,269,969	73,261
Materials and services	2,846,504	2,761,504	1,283,499	1,329,786	2,613,285	148,219
Capital outlay	250,000	335,000	190,204	57,984	248,188	86,812
Total cost of service	4,439,734	4,439,734	2,117,449	2,013,993	4,131,442	308,292
Contingency	250,000	250,000				250,000
Total expenditures	<u>4,689,734</u>	<u>4,689,734</u>	<u>2,117,449</u>	<u>2,013,993</u>	<u>4,131,442</u>	<u>558,292</u>
Excess (deficiency) of revenues over (under) expenditures	(324,226)	(324,226)	(104,965)	83,783	(21,182)	303,044
Other financing sources (uses):						
Interfund Loan	400,000	400,000	165,544	150,000	315,544	(84,456)
Total other financing sources (uses)	<u>400,000</u>	<u>400,000</u>	<u>165,544</u>	<u>150,000</u>	<u>315,544</u>	<u>(84,456)</u>
Net change in fund balance	75,774	75,774	60,579	233,783	294,362	218,588
Fund balance, July 1, 2016	<u>251,528</u>	<u>251,528</u>	<u>305,058</u>	<u>365,637</u>	<u>305,058</u>	<u>53,530</u>
Fund balance, June 30, 2017	<u>\$ 327,302</u>	<u>\$ 327,302</u>	<u>\$ 365,637</u>	<u>\$ 599,420</u>	<u>\$ 599,420</u>	<u>\$ 272,118</u>
Reconciliation to net position:						
Deferred Outflow				\$ 425,165		
Capital assets, net				623,875		
Amortized start up costs				68,734		
Compensated absences				(19,065)		
OPEB implicit rate liability				(56,397)		
Net pension liability				(788,135)		
Deferred Inflow				(39,449)		
Interfund loan				(315,544)		
Rounding				(4)		
				<u>\$ 498,600</u>		

CITY OF ASHLAND, OREGON
CONSOLIDATING BALANCE SHEET
INTERNAL SERVICE FUNDS
For the year ended June 30, 2017

	Central Services Fund	Insurance Services Fund	Health Benefits Fund	Equipment Fund	Totals
ASSETS					
Current assets:					
Cash and investments	\$ 454,231	\$ 1,377,482	\$ 952,894	\$ 3,465,047	\$ 6,249,654
Interest and accounts receivable, net	(1,360)	23,978	102,679	4,369	129,666
Notes receivable		27,290			27,290
Interfund loan				-	-
Inventories	45,699	-	-	14,559	60,258
Total current assets	498,570	1,428,750	1,055,573	3,483,975	6,466,868
Non-Current assets:					
Non-Current capital assets	1,350,107	-	-	12,521,092	13,871,199
Accumulated depreciation	(592,087)	-	-	(9,852,916)	(10,445,003)
Capital assets, net	758,020	-	-	2,668,176	3,426,196
Total Assets	1,256,590	1,428,750	1,055,573	6,152,151	9,893,064
Deferred Outflows of Resources:					
Deferred Outflows	3,612,053	107,279		369,709	4,089,041
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
Current liabilities:					
Accounts payable	94,057	32,617	186,539	67,246	380,459
Accrued salaries, vacation and payroll taxes	339,177	2,896		32,076	374,149
Interfund Loans			525,000	-	525,000
Accrued claims and adjustments	-	160,093	472,616	-	632,709
Total current liabilities	433,234	195,606	1,184,155	99,322	1,912,317
Long-term liabilities:					
OPEB Liabilities	431,418			38,803	470,221
Proportionate Share of Net Pension Liability	6,695,722	-	-	685,335	7,381,057
Accrued claims		3,934,756		-	3,934,756
Total long-term liabilities	7,127,140	3,934,756	-	724,138	11,786,034
Total liabilities	7,560,374	4,130,362	1,184,155	823,460	13,698,351
Deferred Inflows of Resources:					
Deferred inflows - pensions	335,142	374,221		34,303	743,666
Net Position:					
Net Investment in Capital Assets	758,020	-	-	2,668,176	3,426,196
Unreserved	(3,784,893)	(2,968,554)	(128,582)	2,995,921	(3,886,108)
Total net position:	(3,026,873)	(2,968,554)	(128,582)	5,664,097	(459,912)
Total liabilities, deferred inflows and net position	\$ 4,868,643	\$ 1,536,029	\$ 1,055,573	\$ 6,521,860	\$ 13,982,105

CITY OF ASHLAND, OREGON
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the year ended June 30, 2017

	Central Service Fund	Insurance Service Fund	Health Benefits Fund	Equipment Fund	Totals
Operating revenues:					
Service charges and fees	\$ 7,053,710	\$ 750,422	\$ 5,122,432	\$ 2,138,000	\$ 15,064,564
Miscellaneous	210,718	4,027	75,852	64,537	355,134
Total revenues	7,264,428	754,449	5,198,284	2,202,537	15,419,698
Operating expenses:					
Cost of service	7,775,977	494,027	4,948,127	1,324,738	14,542,869
Depreciation	52,142	-	-	696,978	749,120
Total operating expenses	7,828,119	494,027	4,948,127	2,021,716	15,291,989
Operating income (loss)	(563,691)	260,422	250,157	180,821	127,709
Nonoperating income (expense):					
Taxes	104,768	-	-	-	104,768
Interest income	8,456	11,492	5,497	34,575	60,020
Transfers In	-	-	-	-	-
Total nonoperating income (expense)	113,224	11,492	5,497	34,575	164,788
Change in Net Position	(450,467)	271,914	255,654	215,396	292,497
Total Net Position - beginning, Restated	(2,576,406)	(3,240,468)	(384,236)	5,448,701	(752,409)
Total Net Position - ending	\$ (3,026,873)	\$ (2,968,554)	\$ (128,582)	\$ 5,664,097	\$ (459,912)

CITY OF ASHLAND, OREGON
COMBINING INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
for the year ended June 30, 2017

	Central Service Fund	Insurance Service Fund	Health Benefits Fund	Equipment Fund	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,278,221	\$ 735,118	\$ 5,123,011	\$ 2,202,614	\$ 15,338,964
Payments to suppliers	(1,750,124)	(751,959)	(4,947,283)	(828,957)	(8,278,323)
Payments to employees	(5,558,426)	(104,572)	-	(561,652)	(6,224,650)
Net cash from operating activities	(30,329)	(121,413)	175,728	812,005	835,991
Cash flows from noncapital financing activities:					
Transfer Out	-	-	-	-	-
Transfers in	-	-	-	-	-
Taxes collected	104,768	-	-	-	104,768
Net cash from noncapital financing activities	104,768	-	-	-	104,768
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(569,667)	-	-	(622,497)	(1,192,164)
Net cash from capital and related financing activities	(569,667)	-	-	(622,497)	(1,192,164)
Cash flows from investing activities:					
Interest from investments and other income	8,456	11,492	5,497	34,575	60,020
Net increase (decrease) in cash and investments	(486,772)	(109,921)	181,225	224,083	(191,385)
Cash and investments, beginning of year	941,003	1,487,403	771,669	3,240,964	6,441,039
Cash and investments, end of year	454,231	1,377,482	952,894	3,465,047	6,249,654
Reconciliation of operating income to net cash provided					
by operating activities:					
Operating income (loss)	(563,691)	260,422	250,157	180,821	127,709
Depreciation and amortization	52,142	-	-	609,182	661,324
Change in assets and liabilities:					
(Increase) decrease in:					
Receivables	13,793	(19,331)	(75,273)	77	(80,734)
Net Pension Assets, Outflows/Inflows	638,560	(140,705)	-	65,359	563,214
Inventories	(799)	2,623	-	2,928	4,752
Deferred charges					
Increase (decrease) in:					
Accounts payable and accrued liabilities	(129,204)	11,024	9,905	(41,810)	(150,085)
Other liabilities	(41,130)	(235,446)	(9,061)	(4,552)	(290,189)
Net cash from operating activities	\$ (30,329)	\$ (121,413)	\$ 175,728	\$ 812,005	\$ 835,991

2017 Supplementary Information

CITY OF ASHLAND, OREGON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL CENTRAL SERVICES FUND For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes	\$ 148,800	\$ 148,800	\$ 85,523	\$ 104,768	\$ 190,291	\$ 41,491
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	13,640,765	13,640,765	6,567,583	7,053,710	13,621,293	(19,472)
Interest on investments	10,000	10,000	8,483	8,456	16,939	6,939
Miscellaneous	250,000	250,000	127,957	210,718	338,675	88,675
Total revenues	14,049,565	14,049,565	6,789,546	7,377,652	14,167,198	117,633
Expenditures:						
Cost of services:						
Administration department	3,314,520	3,484,820	1,652,395	1,790,858	3,443,253	41,567
IT - Information Services	2,907,638	2,907,638	1,372,561	1,370,890	2,743,451	164,187
Administrative Services department	4,292,097	4,867,097	2,405,788	2,284,431	4,690,219	176,878
City Recorder department	912,590	992,590	498,254	486,272	984,526	8,064
Public Works department	3,621,822	3,496,522	1,598,269	1,743,514	3,341,783	154,739
Contingency	125,000	-	-	-	-	-
Total expenditures	15,173,667	15,748,667	7,527,267	7,675,965	15,203,232	545,435
Other financing sources (uses):						
Transfer In	417,000	417,000	417,000	-	417,000	-
Interfund loan	-	400,000	-	-	-	(400,000)
Total other financing sources (uses)	417,000	817,000	417,000	-	417,000	(400,000)
Net change in fund balance	(707,102)	(882,102)	(320,721)	(298,313)	(619,034)	263,068
Fund Balance, July 1, 2016	723,651	898,651	900,609	579,888	900,609	1,958
Fund Balance, June 30, 2017	\$ 16,549	\$ 16,549	\$ 579,888	\$ 281,575	\$ 281,575	\$ 265,026
Reconciliation to Net Position:						
Deferred Outflow				\$ 3,612,053		
Capital assets, net				758,020		
Accrued compensated absences				(216,240)		
OPEB implicit rate liability				(431,418)		
Net Pension liability				(6,695,722)		
Deferred Inflow				(335,142)		
Rounding				1		
				<u>\$ (3,026,873)</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
INSURANCE SERVICES FUND
For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Charges for services	\$ 1,560,000	\$ 1,560,000	\$ 735,580	\$ 750,422	\$ 1,486,002	\$ (73,998)
Interest on investments	13,000	13,000	7,884	11,492	19,376	6,376
Miscellaneous	80,000	80,000	37,961	4,027	41,988	(38,012)
Total revenues	1,653,000	1,653,000	781,425	765,941	1,547,366	(105,634)
Expenditures:						
Cost of services:						
Personal services	204,960	204,960	98,329	104,571	202,900	2,060
Materials and services	1,814,790	1,814,790	771,422	804,748	1,576,170	238,620
Total cost of services	2,019,750	2,019,750	869,751	909,319	1,779,070	240,680
Contingency	390,000	390,000	-	-	-	390,000
Total expenditures	2,409,750	2,409,750	869,751	909,319	1,779,070	630,680
Other financing sources (uses):						
Transfer In	-	-			-	-
Transfer out	1,069,500	1,069,500	(517,000)		(517,000)	552,500
Total other financing sources (uses)	1,069,500	1,069,500	(517,000)	-	(517,000)	552,500
Net change in fund balance	(1,826,250)	(1,826,250)	(605,326)	(143,378)	(748,704)	1,077,546
Fund balance, July 1, 2016	1,962,888	1,962,888	1,766,283	1,160,957	1,766,283	(196,605)
Fund balance, June 30, 2017	\$ 136,638	\$ 136,638	\$ 1,160,957	\$ 1,017,579	\$ 1,017,579	\$ 880,941
Reconciliation to net position:						
Deferred Outflow				\$ 107,279		
Accrued claims and judgments				(3,774,663)		
Deferred Inflow				(374,221)		
Deferred Revenues				55,472		
				<u>\$ (2,968,554)</u>		

2017 Supplementary Information

CITY OF ASHLAND, OREGON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL HEALTH BENEFITS FUND For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Charges for services	\$ 9,730,000	\$ 9,730,000	\$ 4,848,409	\$ 5,122,432	\$ 9,970,841	\$ 240,841
Interest on investments	10,000	10,000	3,877	5,497	9,374	(626)
Miscellaneous		-	12,886	75,852	88,738	88,738
Total revenues	<u>9,740,000</u>	<u>9,740,000</u>	<u>4,865,172</u>	<u>5,203,781</u>	<u>10,068,953</u>	<u>328,953</u>
Expenditures:						
Cost of services:						
Materials and services	9,580,000	10,330,000	5,073,134	4,948,127	10,021,261	308,739
Total cost of services	9,580,000	10,330,000	5,073,134	4,948,127	10,021,261	308,739
Contingency	500,000	-				-
Total expenditures	<u>10,080,000</u>	<u>10,330,000</u>	<u>5,073,134</u>	<u>4,948,127</u>	<u>10,021,261</u>	<u>308,739</u>
Other financing sources (uses):						
Interfund loan	450,000	450,000	200,000		200,000	250,000
Transfer In	500,000	500,000	-		-	500,000
Interfund loan	(650,000)	(400,000)	(325,000)		(325,000)	75,000
Total other financing sources (uses)	<u>300,000</u>	<u>550,000</u>	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>	<u>825,000</u>
Net change in fund balance	(40,000)	(40,000)	(332,962)	255,654	(77,308)	1,462,692
Fund balance, July 1, 2016	<u>73,370</u>	<u>73,370</u>	<u>473,726</u>	<u>140,764</u>	<u>473,726</u>	<u>400,356</u>
Fund balance, June 30, 2017	<u>\$ 33,370</u>	<u>\$ 33,370</u>	<u>\$ 140,764</u>	<u>\$ 396,418</u>	<u>\$ 396,418</u>	<u>\$ 1,863,048</u>
Reconciliation to GAAP:						
Interfund Loan				(525,000)		
Accrued claims and judgments						
				<u>\$ (128,582)</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
EQUIPMENT FUND
For the year ended June 30, 2017

	BN 2015-2017 Biennium Budget Amounts		First Year Actual FY 2015-16	Second Year Actual FY 2016-17	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Charges for services	\$ 4,098,460.00	\$ 4,538,460	\$ 2,116,517	\$ 2,138,000	\$ 4,254,517	\$ (283,943)
Interest on investments	35,000	35,000	19,477	34,575	54,052	19,052
Miscellaneous	170,000	170,000	11,337	64,537	75,874	(94,126)
Total revenues	4,303,460	4,743,460	2,147,331	2,237,112	4,384,443	(359,017)
Expenditures:						
Cost of services:						
Public works maintenance	2,521,860	2,961,860	1,305,026	1,457,772	2,762,798	199,062
Total cost of service	2,521,860	2,961,860	1,305,026	1,457,772	2,762,798	199,062
Capital outlay	1,330,500	1,330,500	644,818	508,967	1,153,785	176,715
Contingency	70,000	70,000				70,000
Total expenditures	3,922,360	4,362,360	1,949,844	1,966,739	3,916,583	445,777
Excess (deficiency) of revenues over (under) expenditures	381,100	381,100	197,487	270,373	467,860	(86,760)
Other financing sources (uses):						
Interfund loan	106,000	106,000				(106,000)
Interfund loan	(565,200)	(965,200)				(965,200)
Total other financing sources (uses)	(459,200)	(859,200)	-	-	-	(1,071,200)
Net change in fund balance	(78,100)	(478,100)	197,487	270,373	467,860	(984,440)
Fund balance, July 1, 2016	2,046,794	2,446,794	2,937,106	3,134,593	2,937,106	490,312
Fund balance, June 30, 2017	\$ 1,968,694	\$ 1,968,694	\$ 3,134,593	\$ 3,404,966	\$ 3,404,966	\$ (494,128)
Reconciliation to Net Position:						
Deferred Outflow				\$ 369,709		
Capital assets, net				2,668,176		
Accrued compensated absences				(20,313)		
OPEB implicit rate liability				(38,803)		
Net Pension liability				(685,335)		
Deferred Inflow				(34,303)		
Rounding						
				<u>\$ 5,664,097</u>		



OTHER INFORMATION

CITY OF ASHLAND, OREGON
CAPITAL ASSETS USED
IN THE OPERATION OF GOVERNMENTAL FUNDS
BY SOURCE
For the year ended June 30, 2017

Governmental funds capital assets:

Land	\$ 12,728,268
Buildings and improvements	39,521,459
Improvements other than buildings	55,564,471
Machinery and equipment	6,624,799
Construction in progress	2,394,086

Total capital assets	116,833,084
-----------------------------	--------------------

Investments in governmental funds capital assets by source:

General and capital projects funds	53,552,312.46
Special revenue funds	48,716,024
Leased to other agencies	14,564,747

Total investments in governmental funds capital assets	\$ 116,833,084
---	-----------------------

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

**CITY OF ASHLAND, OREGON
SCHEDULE OF ASSETS USED
IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY
For the year ended June 30, 2017**

Function and Activity	Land	Buildings	Machinery and Equipment	Improvements other than Buildings	Construction in Progress	Total
General government:						
Community development	\$ 985,235	\$ 1,120,947	\$ 378,138	\$ -	\$ -	\$ 2,484,320
Public buildings	460,200	1,062,574	145,916	485,307	20,000	2,173,997
Leased to other agencies	253,000	8,744,018	1,609,780	3,957,949	-	14,564,747
Other - unclassified	2,660,200	2,809,244	553,922	1,317,784		7,341,150
Total general government	4,358,635	13,736,783	2,687,756	5,761,040	20,000	26,564,214
Public safety:						
Police	80,000	614,700	550,429	1,515,652	-	2,760,781
Fire	998,400	6,094,861	369,125	300,000		7,762,386
Total public safety	1,078,400	6,709,561	919,554	1,815,652	-	10,523,167
Highway and streets:						
Public thoroughfares	589,276	647,984	628,530	40,703,601	767,044	43,336,435
Total highways and streets	589,276	647,984	628,530	40,703,601	767,044	43,336,435
Airports	176,566	1,029,780	-	4,173,243		5,379,589
Culture and recreation	6,525,391	17,397,351	2,388,959	3,110,935	1,607,042	31,029,678
Total governmental funds capital assets	\$ 12,728,268	\$ 39,521,459	\$ 6,624,799	\$ 55,564,471	\$ 2,394,086	\$ 116,833,084

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

2017 Other Information

**CITY OF ASHLAND, OREGON
SCHEDULE OF BOND PRINCIPAL
AND BOND INTEREST TRANSACTIONS
For the year ended June 30, 2017**

		Bond Principal Transactions	
	Original Issue	Outstanding June 30, 2016	Issued
<u>General Obligation Bonds</u>			
**Re-funding Bonds, issued December 1, 2005 - Fire Station #1 interest variable	2,560,000	975,000	-
Water and Wastewater, Series 2009, issued May 15, 2009 interest at 4.95%	1,000,000	622,872	-
Wastewater, issued October 13, 2010 interest at 2.00% to 4.00%	15,440,000	8,370,000	-
**Fire Station #2, issued November 1, 2011 interest at 2.00% to 4.00%	2,960,000	2,335,000	-
**Ashland Fiber Network Bonds, (Refinanced 2004) issued March 7, 2013 interest at 2.00% to 2.80%	11,675,000	10,195,000	-
Water debt (Refinanced 2003), issued March 7, 2013 interest at 2.00%	1,580,000	1,235,000	-
New Construction for Street, CIP, Water and Wastewater, issued March 7, 2013 interest at 2.00% to 2.50%	4,765,000	3,925,000	-
<u>Revenue Bonds</u>			
Electric, Series 2008, issued June 20, 2008 interest at 3.8% to 6.01%	304,000	130,286	-
Water, DEQ loan interest at 1.00%	979,630	2,267,001	115,407
Wastewater, DEQ Loan interest at 1.00%	1,645,280	1,812,747	17,941
Medford Water Commission - Duff Treatment Plant - Issued 3/26/2014 interest at 3.42%	-	2,231,268	-
Water, DEQ loan interest at 1.00%			232,210
	<u>\$ 42,908,910</u>	<u>\$ 34,099,174</u>	<u>\$ 365,558</u>

** Paid by Property Taxes

CITY OF ASHLAND, OREGON
SCHEDULE OF BOND PRINCIPAL
AND BOND INTEREST TRANSACTIONS
For the year ended June 30, 2017 (continued)

Bond Principal Transactions			Interest Transactions			
Matured	Paid	Outstanding June 30, 2017	Outstanding June 30, 2016	Matured	Paid	Outstanding June 30, 2017
\$ 225,000	\$ 225,000	\$ 750,000	\$ -	\$ 48,750	\$ 48,750	\$ -
65,202	65,202	557,670	-	30,035	30,035	-
1,280,000	1,280,000	7,090,000	-	334,800	334,800	-
125,000	125,000	2,210,000	-	78,388	78,388	-
1,035,000	1,035,000	9,160,000	-	219,860	219,860	-
165,000	165,000	1,070,000	-	23,050	23,050	-
290,000	290,000	3,635,000	-	80,125	80,125	-
21,714	21,714	108,571	-	1,493	1,493	-
-	-	2,382,408	-	-	-	-
-	-	1,830,688	-	-	-	-
88,194	88,194	2,143,074	-	75,562	75,562	-
-	-	232,210	-	-	-	-
<u>\$ 3,295,110</u>	<u>\$ 3,295,110</u>	<u>\$ 31,169,622</u>	<u>\$ -</u>	<u>\$ 892,063</u>	<u>\$ 892,063</u>	<u>\$ -</u>

CITY OF ASHLAND, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
COLLECTED AND UNCOLLECTED
FOR THE CITY
For the year ended June 30, 2017

	Taxes Uncollected July 1, 2016	Add Levy Extended by Assessor	Add (Deduct) Discounts Interest Cancellations Adjustments	Deduct Interest and Tax Collections	Taxes Uncollected June 30, 2017
2016-17	\$ -	\$ 11,165,588	\$ (298,722)	\$ 10,584,077	\$ 282,789
2015-16	286,168		9,507	133,393	162,282
2014-15	166,234	-	7,054	66,372	106,916
2013-14	112,523	-	8,953	56,066	65,410
2012-13	58,941	-	5,634	24,950	39,625
Prior years	74,172	-	(313)	11,925	61,934
	<u>\$ 698,038</u>	<u>\$ 11,165,588</u>	<u>\$ (267,887)</u>	<u>\$ 10,876,783</u>	<u>\$ 718,956</u>

	Collections to June 30, 2017	Taxes Uncollected June 30, 2017
Taxes receivable and tax collections classified by fund:		
Primary government:		
General Fund	\$ 10,368,061	\$ 683,009
Debt Service Fund	508,714	35,947
Enterprise Funds:		
Water Fund	8	
	<u>\$ 10,876,783</u>	<u>\$ 718,956</u>

CITY OF ASHLAND, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
AND BALANCES OF TAXES UNCOLLECTED
FOR THE CITY
For the year ended June 30, 2017

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

	Collections	Other Taxes	Tax Revenues GAAP Basis
Primary government:			
General Fund	\$ 10,368,061	\$ 9,603,964	\$ 19,972,025
Special Revenue Funds:			
Street Fund	-	313,928	313,928
Debt Service Funds:			
Debt Service Fund	509,054	-	509,054
Capital Projects Fund:			
Capital Improvement Fund	-	708,590	708,590
Parks Capital Improvement Fund	-		-
Enterprise Funds:			
Water Fund	8	-	8
Wastewater Fund	-	2,005,549	2,005,549
	<u>\$ 10,877,123</u>	<u>\$ 12,632,031</u>	<u>\$ 23,509,154</u>

CITY OF ASHLAND, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS
For the year ended June 30, 2017

	Cash Balance July 1, 2016	Receipts	Turnovers to			Cash Balance June 30, 2017
			Treasurer	State	Other	
City Recorder/Treasurer	\$ 35,245,874	\$ 170,765,880	\$ -	\$ -	\$ 168,822,185	\$ 37,189,569
Judge	-	435,057	365,710	69,347	-	-
	<u>\$ 35,245,874</u>	<u>\$ 171,200,937</u>	<u>\$ 365,710</u>	<u>\$ 69,347</u>	<u>\$ 168,822,185</u>	<u>\$ 37,189,569</u>





STATISTICAL SECTION



CITY OF ASHLAND, OREGON
STATISTICAL SECTION
Unaudited

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

Financial Trends	Page
These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	128-145
Revenue Capacity	
These tables contain information that may assist the reader in assessing the viability of the City's revenue sources.	146-155
Debt Capacity	
These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	156-165
Economic and Demographic Information	
These tables offer economic and demographic indicators that are commonly used for financial analysis that can help the reader understand the City's present and ongoing financial status.	166-167
Operating Information	
These tables contain service and infrastructure indicators that can help the reader understand how the information in the City's financial statements relate to the services the City provides and the activities it performs.	168-175

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

ASSETS	2017	2016	2015	2014
Assets:				
Cash and cash equivalents	\$ 36,235,307	\$ 34,302,519	\$ 30,706,665	\$ 30,294,891
Receivables (net of allowance for uncollectibles)	7,314,031	6,875,708	6,952,616	6,965,083
Inventories	1,302,116	1,181,124	1,241,570	1,097,205
Deferred charges	68,734	178,703	288,672	488,135
Internal balances				
Restricted assets:	-	-		
Cash and cash equivalents	954,262	943,355	855,545	1,149,616
Proportional Share of Net Pension Assets	-	-	5,498,618	-
Capital assets:				
Land	14,733,964	14,373,273	14,373,273	14,346,985
Buildings and improvements	61,939,633	58,071,284	57,939,461	57,828,552
Machinery and equipment	20,275,179	19,404,748	18,388,604	17,823,317
Infrastructure	146,223,864	140,152,030	139,206,796	137,340,186
Construction in progress	5,049,759	8,810,424	7,403,156	4,689,277
Accumulated depreciation	(125,204,692)	(119,389,812)	(113,263,213)	(106,839,820)
Total assets	\$ 168,892,157	\$ 164,903,356	\$ 169,591,763	\$ 165,183,427
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	18,799,685	3,903,782		
Deferred outflows - pensions GASB 73	107,279			
Liabilities:				
Accounts payable and other current liabilities	\$ 6,002,035	\$ 9,384,143	\$ 9,674,563	\$ 9,981,681
Accrued interest payable	180,176	204,769	222,149	253,863
Noncurrent liabilities:				
Proportional Share of net pension assets	34,849,281	14,910,215		
OPEB Net Pension Obligations	1,857,483	1,751,480		
Medical Stipend	3,934,756			
Claims	172,471	17,247	122,107	
Bonds: Due within one year	3,548,507	3,706,477	2,562,893	3,441,773
Bonds: Due in more than one year	28,725,935	31,644,402	34,633,001	34,142,648
Total liabilities	79,115,420	61,618,733	47,214,713	47,819,965
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	1,744,314	3,463,962	8,220,518	
Deferred inflows - pensions GASB 73	374,221			
Net position:				
Invested in capital assets, net of related debt	90,743,265	86,071,068	86,852,183	87,604,076
Restricted for:				
Asset forfeiture	32,313	25,784	29,678	28,897
TOT tourism	338,658	129,763	99,108	116,131
Library Levy	-	-	56,587	142,497
System development	6,194,373	7,086,198	6,760,284	6,710,884
Debt service	976,090	1,028,912	1,737,051	1,670,185
CDBG restriction	33,801	33,804	33,797	33,801
Perpetual care: nonexpendable	955,356	895,931	922,667	896,572
Unrestricted	7,291,307	8,452,983	17,665,177	20,160,419
Total net position	\$ 106,565,163	\$ 103,724,443	\$ 114,156,532	\$ 117,363,462

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

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

2013	2012	2011	2010	2009	2008
\$ 27,318,469	\$ 24,217,823	\$ 19,512,941	\$ 18,791,296	\$ 16,446,381	\$ 16,283,240
8,944,226	6,007,813	6,493,381	4,955,608	4,896,407	4,634,293
955,594	960,976	795,017	765,146	846,266	941,514
607,054	725,973	844,892	966,228	1,098,448	1,215,668
					-
1,140,881	976,265	802,870	755,885	1,066,850	1,240,543
-	-	-	-	-	-
14,346,985	14,142,444	14,281,247	14,281,247	14,281,247	11,709,998
44,478,937	41,652,492	41,652,492	41,652,492	41,652,492	41,345,425
14,229,072	13,784,934	14,559,643	14,154,358	13,954,085	15,203,959
139,493,296	137,079,527	132,399,171	132,109,061	128,215,974	126,885,943
7,574,458	6,145,626	6,846,006	3,022,766	4,961,001	4,655,367
(102,158,683)	(95,803,201)	(90,617,885)	(84,508,309)	(78,313,110)	(73,672,496)
<u>\$ 156,930,289</u>	<u>\$ 149,890,672</u>	<u>\$ 147,569,775</u>	<u>\$ 146,945,778</u>	<u>\$ 149,106,041</u>	<u>\$ 150,443,454</u>
\$ 7,948,346	\$ 6,218,719	\$ 7,307,355	\$ 4,960,298	\$ 4,621,141	\$ 4,244,179
238,254	488,516	506,888	538,253	560,209	593,165
	-	-	-	-	-
3,296,002	2,737,562	2,825,112	3,011,903	2,852,814	2,922,441
34,937,044	32,990,512	32,602,528	36,984,843	39,706,273	41,319,615
<u>46,419,646</u>	<u>42,435,309</u>	<u>43,241,883</u>	<u>45,495,297</u>	<u>47,740,437</u>	<u>49,079,400</u>
79,731,019	81,273,748	83,693,034	80,714,869	82,192,602	81,886,140
14,579	224,361	187,864	129,510	140,974	236,514
	102,786	105,063	-	-	-
6,441,906	6,385,161	5,741,175	6,116,616	6,164,265	5,985,476
1,661,313	1,858,140	875,490	1,637,689	1,948,275	2,997,878
33,801	33,798	34,424	-	-	-
874,045	861,244	831,603	807,797	788,753	771,948
21,753,980	16,716,125	12,859,239	12,044,000	10,130,735	9,486,098
<u>\$ 110,510,643</u>	<u>\$ 107,455,363</u>	<u>\$ 104,327,892</u>	<u>\$ 101,450,481</u>	<u>\$ 101,365,604</u>	<u>\$ 101,364,054</u>

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

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

ASSETS	2017	2016	2015	2014
Assets:				
Cash and cash equivalents	\$ 21,109,299	\$ 21,839,880	\$ 20,251,175	\$ 19,534,572
Receivables (net of allowance for uncollectibles)	3,955,520	3,338,266	4,167,775	3,471,767
Inventories	60,258	65,010	187,511	73,094
Internal balances	(690,424)	(113,519)	(1,945,133)	(1,392,782)
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	954,262	943,355	855,545	1,149,616
Proportional Share of Net Pension Assets	-	-	4,350,234	-
Capital assets:				
Land	12,827,039	12,466,348	12,466,348	12,466,348
Buildings and improvements	39,839,969	35,982,031	35,850,207	35,739,298
Machinery and equipment	18,901,908	18,115,158	17,116,629	16,653,654
Infrastructure	56,008,878	55,745,615	54,917,223	53,668,418
Construction in progress	3,126,490	1,390,232	1,614,351	1,620,133
Accumulated depreciation	(69,116,513)	(65,662,055)	(61,946,174)	(58,028,592)
Total assets	\$ 86,976,686	\$ 84,110,321	\$ 87,885,691	\$ 84,955,526
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	14,873,379	3,088,480		
Deferred outflows - pensions GASB 73	107,279			
Liabilities:				
Accounts payable and other current liabilities	\$ 3,422,993	\$ 6,921,351	\$ 7,163,036	\$ 7,116,594
Accrued interest payable	109,425	121,564	130,429	155,091
Noncurrent liabilities:	-			
Proportional share of net pension assets	27,571,024	11,796,223		
OPEB Net Pension Obligations	1,361,013	1,276,128		
Medical Stipend	3,934,756			
Claims and judgment - Due within one year	17,247	17,247	122,107	
Bonds: Due within one year	1,682,087	730,000	793,836	1,555,932
Bonds: Due in more than one year	13,433,197	15,401,707	16,009,707	16,925,776
Total liabilities	51,531,742	36,264,220	24,219,115	25,753,393
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	138,015	2,740,515		
Deferred inflows - pensions GASB 73	374,221			
Net position:				
Invested in capital assets, net of related debt	46,472,487	41,905,622	43,215,041	43,637,551
Restricted for:				
Asset forfeiture	32,313	25,784	29,678	28,897
TOT tourism	338,658	129,763	99,108	116,131
Library Levy	-	-	56,587	142,497
System development	2,746,404	3,226,398	3,036,906	2,924,188
Debt service	976,090	1,028,912	861,561	794,695
CDBG restriction	33,801	33,804	33,797	33,801
Perpetual care: nonexpendable	955,356	895,931	922,667	896,572
Unrestricted	(2,883,743)	947,852	8,907,564	10,627,801
Total net position	\$ 48,671,366	\$ 48,194,066	\$ 57,162,909	\$ 59,202,133

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

Last ten years

For the year ended June 30 (continued)

2013	2012	2011	2010	2009	2008
\$ 17,585,953	\$ 18,062,202	\$ 12,769,637	\$ 11,832,259	\$ 9,453,086	\$ 9,845,351
3,688,713	3,462,383	4,085,185	2,647,744	2,668,694	2,444,054
74,943	61,605	54,579	32,325	36,193	59,984
(1,122,695)	(690,129)	(354,295)	(534,894)	(640,731)	(1,304,641)
1,140,881	976,265	802,870	755,885	1,066,850	1,240,543
-	-	-	-	-	-
12,466,348	12,261,807	12,400,610	12,400,610	12,400,610	9,829,360
22,389,683	19,563,238	19,563,238	19,563,238	19,563,238	19,563,238
13,169,274	12,890,582	13,487,439	13,278,430	13,130,505	14,380,378
49,724,924	48,193,897	44,589,519	44,299,409	43,579,697	42,249,665
3,541,161	2,692,359	3,510,539	484,590	340,422	673,643
(48,437,198)	(46,093,174)	(44,589,333)	(42,260,637)	(39,728,339)	(38,631,224)
<u>\$ 74,221,987</u>	<u>\$ 71,381,035</u>	<u>\$ 66,319,988</u>	<u>\$ 62,498,959</u>	<u>\$ 61,870,225</u>	<u>\$ 60,350,351</u>

\$ 5,271,651	\$ 4,811,345	\$ 5,715,843	\$ 3,190,369	\$ 3,153,914	\$ 2,672,369
130,897	382,895	393,592	417,042	430,105	449,038
1,452,982	1,127,229	1,067,338	1,276,871	1,183,044	1,327,360
18,337,270	17,779,689	15,781,372	17,330,191	18,316,590	19,263,447
<u>25,192,800</u>	<u>24,101,158</u>	<u>22,958,145</u>	<u>22,214,473</u>	<u>23,083,653</u>	<u>23,712,214</u>

33,063,940	30,601,791	32,113,302	29,449,210	29,786,499	27,577,843
14,579	224,361	187,864	129,510	140,974	236,514
	102,786	105,063	-	-	-
2,835,567	2,763,714	2,345,201	2,469,667	2,363,441	2,146,609
785,823	982,650		762,199	1,072,785	1,246,509
33,801	33,798	34,424	-	-	-
874,045	861,244	831,603	807,797	788,753	771,948
11,421,432	11,709,533	7,744,386	6,666,013	4,634,120	4,658,714
<u>\$ 49,029,187</u>	<u>\$ 47,279,877</u>	<u>\$ 43,361,843</u>	<u>\$ 40,284,396</u>	<u>\$ 38,786,572</u>	<u>\$ 36,638,137</u>

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

ASSETS	2017	2016	2015	2014
Assets:				
Cash and cash equivalents	\$ 15,126,008	\$ 12,462,639	\$ 10,455,490	\$ 10,760,319
Receivables (net of allowance for uncollectibles)	3,358,511	3,537,442	2,780,841	3,493,316
Inventories	1,241,858	1,116,114	1,054,059	1,024,111
Deferred charges	68,734	178,703	288,672	488,135
Internal balances	690,424	113,519	1,949,133	1,392,782
Restricted assets:	-	-		
Proportional Share of Net Pension Assets	-	-	1,148,384	-
Capital assets:				
Land	1,906,925	1,906,925	1,906,925	1,880,637
Buildings and improvements	22,099,664	22,089,253	22,089,254	22,089,254
Machinery and equipment	1,373,271	1,289,590	1,271,975	1,169,663
Infrastructure	90,214,986	84,406,415	84,289,573	83,671,768
Construction in progress	1,923,269	7,420,192	5,788,805	3,069,144
Accumulated depreciation	(56,088,179)	(53,727,757)	(51,317,039)	(48,811,228)
Total assets	\$ 81,915,471	\$ 80,793,035	\$ 81,706,072	\$ 80,227,901
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	3,926,306	815,302		
Deferred outflows - pensions GASB 73	-			
Liabilities:				
Accounts payable and other current liabilities	\$ 1,963,580	\$ 2,938,144	\$ 2,511,527	\$ 2,865,087
Accrued interest payable	70,754	83,205	91,720	98,772
Noncurrent liabilities:				
Proportional Share of net pension assets	7,278,257	3,113,992		
OPEB Net Pension Obligations	496,470	-		
Bonds: Due within one year	1,866,420	2,976,477	1,769,057	1,885,841
Bonds: Due in more than one year	15,908,200	16,242,695	18,623,294	17,216,872
Total liabilities	27,583,681	25,354,513	22,995,598	22,066,572
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	364,299	723,447		
Deferred inflows - pensions GASB 73	-			
Net position:				
Invested in capital assets, net of related debt	43,655,316	44,165,446	43,637,142	43,966,525
Restricted for:				
System development	3,447,969	3,859,800	3,723,378	3,786,696
Debt service		-	875,490	875,490
Unrestricted	10,790,512	7,505,131	8,757,613	9,532,618
Total net position	\$ 57,893,797	\$ 55,530,377	\$ 56,993,623	\$ 58,161,329

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

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

2013	2012	2011	2010	2009	2008
\$ 9,732,516	\$ 6,155,621	\$ 6,743,304	\$ 6,959,037	\$ 6,993,295	\$ 6,437,889
5,255,513	2,545,430	2,408,196	2,307,864	2,227,713	2,190,239
880,651	899,374	740,438	732,821	810,073	881,530
607,054	725,973	844,892	966,228	1,098,448	1,215,668
1,122,695	690,129	354,295	534,984	640,731	1,304,641
-	-	-	-	-	-
1,880,637	1,880,637	1,880,637	1,880,637	1,880,637	1,880,638
22,089,254	22,089,254	22,089,254	22,089,254	22,089,254	21,782,187
1,059,798	894,352	1,072,204	875,928	823,580	823,581
89,768,372	88,885,630	87,809,652	87,809,652	84,636,277	84,636,278
4,033,297	3,453,267	3,335,467	2,538,176	4,620,579	3,981,724
(53,721,485)	(49,710,027)	(46,028,522)	(42,247,672)	(38,584,771)	(35,041,272)
<u>\$ 82,708,302</u>	<u>\$ 78,509,640</u>	<u>\$ 81,249,817</u>	<u>\$ 84,446,909</u>	<u>\$ 87,235,816</u>	<u>\$ 90,093,103</u>
\$ 2,798,666	\$ 1,407,377	\$ 1,591,542	\$ 1,769,929	\$ 1,467,227	\$ 1,571,810
107,357	105,621	113,296	121,211	130,104	144,127
-	-	-	-	-	-
1,843,020	1,610,333	1,757,774	1,735,032	1,669,770	1,595,081
16,477,803	15,210,823	16,821,156	19,654,652	21,389,683	22,056,168
<u>21,226,846</u>	<u>18,334,154</u>	<u>20,283,768</u>	<u>23,280,824</u>	<u>24,656,784</u>	<u>25,367,186</u>
46,789,050	50,671,957	51,579,762	51,556,291	52,406,103	54,411,887
3,606,339	3,621,447	3,395,974	3,646,949	3,800,824	3,838,867
875,490	875,490	875,490	875,490	875,490	1,751,369
10,210,577	5,006,592	5,114,823	5,087,355	5,496,615	4,723,794
<u>\$ 61,481,456</u>	<u>\$ 60,175,486</u>	<u>\$ 60,966,049</u>	<u>\$ 61,166,085</u>	<u>\$ 62,579,032</u>	<u>\$ 64,725,917</u>

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

	2017	2016	2015	2014
Program Revenues:				
Governmental Activities				
General government:				
Charges for services	\$ 910,241	\$ 1,041,323	\$ 1,777,397	\$ 2,022,814
Operating grants and contributions	129,380	162,143	611,864	252,742
Capital grants and contributions	-	-	-	-
Public safety:				
Charges for services	1,688,843	1,563,986	1,805,092	1,412,785
Operating grants and contributions	582,508	438,074	132,061	180,422
Capital grants and contributions	-	-	-	-
Highways and streets:				
Charges for services	2,944,784	2,845,870	2,248,027	2,093,705
Operating grants and contributions	-	-	25,712	-
Capital grants and contributions	-	-	-	-
Parks and Recreation :				
Charges for Services	1,139,709	1,153,455	1,149,154	1,578,123
Operating Grants and Contributions	-	92	320,539	-
Total Governmental Activities Program Expenses	7,395,465	7,204,943	8,069,846	7,540,591
Business-Type Activities				
Water:				
Charges for services	\$ 7,639,625	\$ 6,937,651	\$ 6,163,924	\$ 5,913,633
Capital grants and contributions	-	14,898	70,473	89,747
Capital system development charges	-	277,247	328,414	269,029
Wastewater:				
Charges for services	5,606,470	5,093,609	4,651,836	4,171,230
Capital system development charges	-	107,655	112,989	80,570
Electric:				
Charges for services	14,913,883	14,600,751	13,817,822	13,671,443
Operating grants and contributions	126,497	395,149	157,698	178,002
Telecommunications:				
Charges for services	2,094,810	2,010,444	1,960,462	1,929,101
Total Business-Type Program Revenues	30,381,285	29,437,404	27,263,618	26,302,755
Total Program Revenues	37,776,750	36,642,347	35,333,464	33,843,346
Program Expenses:				
Governmental Activities				
General government	5,496,540	6,914,541	4,010,499	4,921,674
Public safety	16,623,123	19,474,413	11,271,574	14,677,285
Highways and streets	5,783,911	5,490,894	4,536,755	5,420,004
Parks and Recreation	6,957,300	8,802,091	5,452,550	5,881,480
Interest on long-term debt	262,979	293,944	322,330	435,790
Total Governmental Activities Program Expenses	35,123,853	40,975,883	25,593,708	31,336,233
Business-Type Activities				
Water	6,308,939	7,271,424	7,832,250	6,852,085
Wastewater	6,550,650	6,838,563	5,359,115	7,475,207
Electric	15,324,892	16,708,504	13,521,819	15,825,968
Telecommunications	2,158,040	2,557,101	1,945,375	2,240,951
Total Business-Type Program Expenses	30,342,521	33,375,592	28,658,559	32,394,211
Total Program Expenses	65,466,374	74,351,475	54,252,267	63,730,444
Net (Expense) Revenue:				
Governmental Activities	(27,728,388)	(33,770,940)	(17,523,862)	(23,795,642)
Business-Type Activities	38,764	(3,938,188)	(1,394,941)	(6,091,456)
	(27,689,624)	(37,709,128)	(18,918,803)	(29,887,098)
General Revenues:				
Property taxes	10,907,541	10,452,785	10,203,218	10,216,080
Utility users tax	4,871,486	4,763,832	4,607,586	4,572,352
Users taxes	5,708,277	5,603,646	4,628,130	4,676,572
Unrestricted interest earnings	346,860	187,447	192,577	342,638
Miscellaneous	7,615,593	5,919,329	5,854,694	5,600,322
OSF Donated Capital	3,440,453	-	-	-
Transfers:		350,000	-	(90,000)
Total general revenues and transfers	32,890,210	27,277,039	25,486,205	25,317,964
Change in net position	5,200,586	(10,432,089)	6,567,402	(4,569,134)
Net position - beginning, restated	101,364,577	114,156,532	107,589,130	121,932,596
Recognition of prior infrastructure	-	-	-	-
Net position - ending	\$ 106,565,163	\$ 103,724,443	\$ 114,156,532	\$ 117,363,462

**CITY OF ASHLAND, OREGON
CHANGES IN NET POSITION
TOTAL PRIMARY GOVERNMENT**

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

2013	2012	2011	2010	2009	2008
\$ 6,054,232	\$ 6,915,050	\$ 6,969,111	\$ 6,320,493	\$ 5,102,533	\$ 5,834,339
199,701	290,097	19,793	18,890	3,641	2,122
-	99,591	1,428,253	196,058	3,991	178,186
1,722,410	1,525,061	1,551,370	1,551,370	1,487,673	1,524,229
77,257	37,537	189,248	95,570	114,188	98,302
-	3,060,434	-	-	-	-
2,090,907	3,024,262	2,006,385	1,951,015	1,914,830	1,975,425
620,913	-	-	-	-	-
-	868,543	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,765,420	15,820,575	12,164,160	10,133,396	8,626,856	9,612,603
\$ 5,547,560	\$ 4,891,233	\$ 4,250,255	\$ 4,146,730	\$ 4,067,377	\$ 3,780,193
1,969,979	461,964	344,396	99,928	55,628	48,096
266,196	491,612	180,604	151,864	125,389	340,835
3,928,342	3,601,900	3,385,748	3,148,850	2,734,001	2,607,275
95,132	81,998	68,956	55,945	75,843	127,224
12,938,039	12,402,857	12,238,716	12,144,279	11,688,967	12,260,230
148,642	125,123	187,436	267,850	47,121	67,620
1,896,106	1,931,126	1,944,758	1,818,789	1,805,746	1,709,706
26,789,996	23,987,813	22,600,869	21,834,235	20,600,072	20,941,179
37,555,416	39,808,388	34,765,029	31,967,631	29,226,928	30,553,782
7,269,820	6,086,034	5,963,977	4,813,802	3,856,719	4,876,071
10,352,003	13,893,641	10,457,134	11,410,483	10,312,721	11,555,693
3,080,513	3,923,526	3,650,817	2,893,462	2,505,897	4,000,048
-	-	-	-	-	-
1,618,065	966,063	976,011	1,033,451	442,168	1,178,388
22,320,401	24,869,264	21,047,939	20,151,198	17,117,505	21,610,200
7,581,708	5,256,110	5,260,907	4,599,205	4,969,862	4,959,525
3,846,640	5,035,171	4,300,986	5,223,619	4,675,433	5,261,713
13,613,715	13,673,739	12,516,992	12,585,218	12,823,006	13,876,456
3,233,961	3,308,448	3,535,592	2,931,512	2,845,198	2,756,528
28,276,024	27,273,468	25,614,477	25,339,554	25,313,499	26,854,222
50,596,425	52,142,732	46,662,416	45,490,752	42,431,004	48,464,422
(11,554,981)	(9,048,689)	(8,883,779)	(10,017,802)	(8,490,649)	(11,997,597)
(1,486,028)	(3,285,655)	(3,013,608)	(3,505,319)	(4,713,427)	(5,913,043)
(13,041,009)	(12,334,344)	(11,897,387)	(13,523,121)	(13,204,076)	(17,910,640)
5,783,168	5,416,909	5,093,848	4,821,809	4,391,088	4,170,062
4,306,761	4,209,696	4,170,896	3,989,351	3,888,747	3,945,382
4,528,236	4,254,933	3,908,851	3,860,261	3,508,514	3,467,705
346,084	329,126	224,016	248,408	235,290	903,630
1,132,040	1,251,151	1,377,187	688,169	1,181,987	1,415,191
16,096,289	15,461,815	14,774,798	13,607,998	13,205,626	13,901,970
3,055,280	3,127,471	2,877,411	84,877	1,550	(4,008,670)
107,455,363	104,327,892	101,450,481	101,365,604	101,364,054	105,372,725
-	-	-	-	-	-
\$ 110,510,643	\$ 107,455,363	\$ 104,327,892	\$ 101,450,481	\$ 101,365,604	\$ 101,364,054

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

Last ten years

For the year ended June 30

	2017	2016	2015	2014
Program Revenues:				
General government:				
Charges for services	\$ 910,241	\$ 1,041,323	\$ 1,777,397	\$ 2,022,814
Operating grants and contributions	129,380	162,143	611,864	252,742
Capital grants and contributions			-	-
Capital system development charges			-	-
Public safety:				
Charges for services	1,688,843	1,563,986	1,805,092	1,412,785
Operating grants and contributions	58,208	438,074	132,061	180,422
Capital grants and contributions			-	-
Highways and streets:				
Charges for services	2,944,784	2,845,870	2,248,027	2,093,705
Operating grants and contributions		-	25,712	-
Capital grants and contributions		-	-	-
Capital system development charges		-	-	-
Parks and Recreation :				
Charges for Services	1,139,709	1,153,455	1,149,154	1,578,123
Operating Grants and Contributions		92	320,539	-
Capital Grants and Contributions		-	-	-
Capital System Development Charges		-	-	-
	<u>6,871,165</u>	<u>7,204,943</u>	<u>8,069,846</u>	<u>7,540,591</u>
Program Expenses:				
General government	5,496,540	6,914,541	4,010,499	4,921,674
Public safety	16,623,123	19,474,413	11,271,574	14,677,285
Highways and streets	5,873,911	5,490,894	4,536,755	5,420,004
Parks and Recreation	6,957,300	8,802,091	5,452,550	5,881,480
Interest on long-term debt	262,979	293,944	322,330	435,790
	<u>35,213,853</u>	<u>40,975,883</u>	<u>25,593,708</u>	<u>31,336,233</u>
Net (Expense) Revenue:				
General government	(4,456,919)	(5,711,075)	(1,621,238)	(2,646,118)
Public safety	(14,351,772)	(17,472,353)	(9,334,421)	(13,084,078)
Highways and streets	(2,839,127)	(2,645,024)	(2,263,016)	(3,326,299)
Parks and Recreation	(5,817,591)	(7,648,544)	(3,982,857)	(4,303,357)
Interest on long-term debt	(262,979)	(293,944)	(322,330)	(435,790)
	<u>(27,728,388)</u>	<u>(33,770,940)</u>	<u>(17,523,862)</u>	<u>(23,795,642)</u>
General Revenues:				
Property taxes	10,907,541	10,452,785	10,203,218	10,216,080
Utility users tax	4,871,486	4,763,832	4,607,586	4,572,352
Users taxes	3,702,721	3,343,859	2,547,514	2,784,842
State subventions - unrestricted		-	-	-
Unrestricted interest earnings	188,869	110,363	137,558	186,146
Capital assets transfers		-	-	-
Miscellaneous	7,454,484	5,781,258	5,721,728	4,877,216
Gain (loss) on disposal of assets		-	-	-
OSF Donated Capital	3,440,453			
Transfers:		350,000	-	(90,000)
Total general revenues and transfers	<u>30,565,554</u>	<u>24,802,097</u>	<u>23,217,604</u>	<u>22,546,636</u>
Change in net position	2,837,166	(8,968,843)	5,693,742	(1,249,006)
Net position - beginning, restated	45,834,200	57,162,909	59,292,133	60,451,139
Recognition of prior infrastructure	-	-	-	-
Net position - ending	<u>\$ 48,671,366</u>	<u>\$ 48,194,066</u>	<u>\$ 64,985,875</u>	<u>\$ 59,202,133</u>

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

Last ten years

For the year ended June 30 (continued)

2013	2012	2011	2010	2009	2008
\$ 6,054,232	\$ 6,915,050	\$ 6,946,410	\$ 6,336,870	\$ 5,084,158	\$ 5,786,031
199,701	290,097	19,793	18,890	3,641	2,122
-	99,591	1,428,253	196,058	3,991	178,186
-	-	22,701	16,377	18,375	48,308
1,722,410	1,525,601	1,551,370	1,551,370	1,487,673	1,524,229
77,257	37,537	189,248	95,570	114,188	98,302
-	3,060,434	-	-	-	-
2,090,907	3,024,262	2,006,385	2,027,116	1,842,187	1,807,939
620,913	-	-	-	-	-
-	868,543	-	-	-	-
-	-	-	76,101	72,643	167,486
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,765,420	15,821,115	12,164,160	10,318,352	8,626,856	9,612,603
7,269,820	6,086,034	5,963,977	4,813,802	3,856,719	4,876,071
10,352,003	13,893,641	10,457,134	11,410,483	10,312,721	11,555,693
3,080,513	3,923,526	3,650,817	2,893,462	2,505,897	4,000,048
-	-	-	-	-	-
1,618,065	966,063	976,011	1,033,451	442,168	1,178,388
22,320,401	24,869,264	21,047,939	20,151,198	17,117,505	21,610,200
(1,015,887)	1,218,704	2,453,180	1,721,639	1,253,446	1,138,576
(8,552,336)	(9,270,609)	(8,716,516)	(9,763,543)	(8,710,860)	(9,933,162)
(368,693)	(30,721)	(1,644,432)	(942,447)	(591,067)	(2,024,623)
-	-	-	-	-	-
(1,618,065)	(966,063)	(976,011)	(1,033,451)	(442,168)	(1,178,388)
(11,554,981)	(9,048,689)	(8,883,779)	(10,017,802)	(8,490,649)	(11,997,597)
5,783,168	5,416,909	5,093,848	4,821,809	4,391,088	4,170,062
4,306,761	4,209,696	4,170,896	3,989,351	3,888,747	3,945,382
2,688,525	2,547,854	2,315,909	2,276,353	2,013,026	1,899,320
-	-	-	-	-	247,357
179,794	173,648	117,112	134,142	127,224	444,557
-	-	-	-	-	-
346,043	618,616	263,461	293,971	218,999	779,133
-	-	-	-	-	-
13,304,291	12,966,723	11,961,226	11,515,626	10,639,084	11,485,811
1,749,310	3,918,034	3,077,447	1,497,824	2,148,435	(511,786)
47,279,877	43,361,843	40,284,396	38,786,572	36,638,137	37,149,923
-	-	-	-	-	-
\$ 49,029,187	\$ 47,279,877	\$ 43,361,843	\$ 40,284,396	\$ 38,786,572	\$ 36,638,137

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

Last ten years
For the year ended June 30

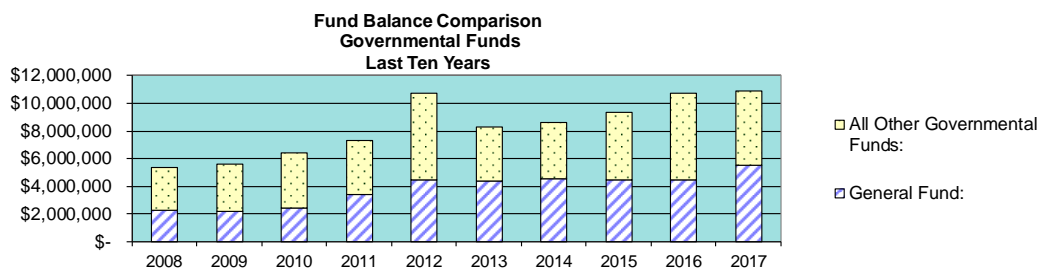
Program Revenues:	2017	2016	2015	2014
Water:				
Charges for services	\$ 7,639,625	\$ 7,214,898	\$ 6,163,924	\$ 5,913,633
Capital grants and contributions	-	14,898	70,473	89,747
Capital system development charges	-	277,247	328,414	269,029
Wastewater:				
Charges for services	5,606,470	5,201,264	4,651,836	4,171,230
Capital system development charges	-	107,655	112,989	80,570
Electric:				
Charges for services	14,913,883	14,600,751	13,817,822	13,671,443
Operating grants and contributions	126,497	395,149	157,698	178,002
Telecommunications:				
Charges for services	2,094,810	2,010,444	1,960,462	1,929,101
	<u>30,381,285</u>	<u>29,822,306</u>	<u>27,263,618</u>	<u>26,302,755</u>
Program Expenses:				
Water	6,308,939	7,271,424	7,832,250	6,852,085
Wastewater	6,550,650	6,838,563	5,359,115	7,475,207
Electric	15,324,892	16,708,504	13,521,819	15,825,968
Telecommunications	2,158,040	2,557,101	1,945,375	2,240,951
	<u>30,342,521</u>	<u>33,375,592</u>	<u>28,658,559</u>	<u>32,394,211</u>
Net (Expense) Revenue:				
Water	1,330,686	235,619	(1,269,439)	(579,676)
Wastewater	(944,180)	(1,529,644)	(594,290)	(3,223,407)
Electric	(284,512)	(1,712,604)	453,701	(1,976,523)
Telecommunications	(63,230)	(546,657)	15,087	(311,850)
	<u>38,764</u>	<u>(3,553,286)</u>	<u>(1,394,941)</u>	<u>(6,091,456)</u>
General Revenues:				
Property taxes	-	-	-	-
Users taxes	2,005,556	2,259,787	2,080,616	1,891,730
Unrestricted interest earnings	157,991	77,084	55,019	156,492
Capital assets transfers	-	-	-	-
Miscellaneous	161,109	138,071	132,966	723,106
Gain (loss) on disposal of assets	-	-	-	-
Transfers:	-	-	-	-
Total general revenues and transfers	<u>2,324,656</u>	<u>2,474,942</u>	<u>2,268,601</u>	<u>2,771,328</u>
Change in net position	2,363,420	(1,463,246)	873,660	(3,320,128)
Net position - beginning, Restated	<u>55,530,377</u>	<u>56,993,623</u>	<u>56,119,963</u>	<u>61,481,457</u>
Net position - ending	<u>\$ 57,893,797</u>	<u>\$ 55,530,377</u>	<u>\$ 56,993,623</u>	<u>\$ 58,161,329</u>

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

2013	2012	2011	2010	2009	2008
\$ 5,547,560	\$ 4,891,233	\$ 4,250,255	\$ 4,146,730	\$ 4,067,377	\$ 3,780,193
1,969,979	461,964	344,396	99,928	55,628	48,096
266,196	491,612	180,604	151,864	125,389	340,835
3,928,342	3,601,900	3,385,748	3,148,850	2,734,001	2,607,275
95,132	81,998	68,956	55,945	75,843	127,224
12,938,039	12,402,857	12,238,716	12,144,279	11,688,967	12,260,230
148,642	125,123	187,436	267,850	47,121	67,620
1,896,106	1,931,126	1,944,758	1,818,789	1,805,746	1,709,706
26,789,996	23,987,813	22,600,869	21,834,235	20,600,072	20,941,179
7,581,708	5,256,110	5,260,907	4,599,205	4,969,862	4,959,525
3,846,640	5,035,171	4,300,986	5,223,619	4,675,433	5,261,713
13,613,715	13,673,739	12,516,992	12,585,218	12,823,006	13,876,456
3,233,961	3,308,448	3,535,592	2,931,512	2,845,198	2,756,528
28,276,024	27,273,468	25,614,477	25,339,554	25,313,499	26,854,222
202,027	588,699	(485,652)	(200,683)	(721,468)	(790,401)
176,834	(1,351,273)	(846,282)	(2,018,824)	(1,865,589)	(2,527,214)
(527,034)	(1,145,759)	(90,840)	(173,089)	(1,086,918)	(1,548,606)
(1,337,855)	(1,377,322)	(1,590,834)	(1,112,723)	(1,039,452)	(1,046,823)
(1,486,028)	(3,285,655)	(3,013,608)	(3,505,319)	(4,713,427)	(5,913,044)
-	-	-	-	-	-
1,839,711	1,707,079	1,592,942	1,583,908	1,495,488	1,568,385
166,290	155,478	106,904	114,266	108,066	459,073
-	-	-	-	-	-
785,997	632,532	1,113,726	394,199	962,989	388,701
-	-	-	-	-	-
-	-	-	-	-	-
2,791,998	2,495,089	2,813,572	2,092,373	2,566,543	2,416,159
1,305,970	(790,566)	(200,036)	(1,412,946)	(2,146,884)	(3,496,885)
60,175,486	60,966,052	61,166,088	62,579,034	64,725,918	68,222,803
\$ 61,481,457	\$ 60,175,486	\$ 60,966,052	\$ 61,166,088	\$ 62,579,034	\$ 64,725,918

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

General Fund:	2017	2016	2015	2014
Restricted for:				
Asset forfeiture	\$ 32,313	\$ 25,784	\$ 29,678	\$ 28,897
Transient Occupancy Tax - tourism	338,658	129,763	99,108	116,131
Library services	-	-	56,587	142,497
Committed for:				
Parking surcharge	370,085	370,085	334,949	287,725
Public art	99,324	109,938	85,667	78,154
Affordable housing	166,351	166,351	166,351	148,426
Grubbs case	22,235	22,235	22,235	22,230
Unassigned, reported in:				
General fund	4,527,421	3,636,527	3,671,969	3,731,916
Total general fund	5,556,387	4,460,683	4,466,544	4,555,976
Street Fund:				
Restricted for:				
System development charges	2,431,470	2,619,729	2,479,609	2,415,789
Committed reported in:				
Special revenue funds	3,231,966	2,795,238	2,798,621	2,321,834
Total street fund	5,663,436	5,414,967	5,278,230	4,737,623
Parks Fund:				
Committed reported in:				
Parks Activities	386,186	313,140	503,626	583,394
Total parks fund	386,186	313,140	503,626	583,394
All Other Governmental Funds:				
Restricted for:				
System development charges	314,934	606,669	557,297	508,399
Community Development Grant Block funding	33,801	33,804	33,797	33,801
Restricted for debt service	976,090	1,028,912	861,560	794,695
Cemetery perpetual care	955,357	944,552	922,667	896,572
Committed for:				
Committed for parks activities	852,407	1,536,623	209,302	332,482
Committed for airport activities	-	138,905	117,516	80,488
Committed for food and beverage	-	-	524,663	470,422
Committed for facilities	2,000,302	2,004,725	1,667,528	944,553
Special revenue funds	173,227	-	-	-
Total all other governmental funds	5,306,118	6,294,190	4,894,330	4,061,412
Total governmental funds	\$ 16,912,127	\$ 16,482,980	\$ 15,142,730	\$ 13,938,405



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

2013	2012	2011	2010	2009	2008
\$ 14,579	\$ 224,361	\$ 187,864	\$ 129,510	\$ 140,974	\$ 236,514
-	102,786	100,563	-	-	-
273,965	247,725	232,497	-	-	-
82,849	73,011	28,113	-	-	-
148,426	148,426	23,367	-	-	-
22,230	21,230				
3,863,212	3,692,190	2,875,653	2,345,060	2,044,482	2,060,152
4,405,261	4,509,729	3,448,057	2,474,570	2,185,456	2,296,666
2,376,109	2,352,315	1,980,292	2,115,971	2,085,259	2,049,977
2,041,013	690,977	256,008	704,546	316,999	120,493
4,417,122	3,043,292	2,236,300	2,820,517	2,402,258	2,170,470
-	-	-	-	-	-
-	-	-	-	-	-
459,458	411,399	364,909	353,696	348,746	96,632
33,801	33,798	34,424	-	-	-
874,045	861,244	831,603	807,796	788,752	771,948
97,697	83,711	60,083	-	-	-
365,466	365,466	526,148	-	-	-
1,268,783	3,463,420	1,241,604	-	-	-
785,823	982,650	809,249	762,199	1,072,785	1,246,509
-	-	-	32,160	19,979	6,891
-	-	-	1,969,977	1,154,776	951,989
3,885,073	6,201,688	3,868,020	3,925,828	3,385,038	3,073,969
\$ 8,290,334	\$ 10,711,417	\$ 7,316,077	\$ 6,400,398	\$ 5,570,494	\$ 5,370,635

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last ten years
For the year ended June 30

Revenues:	2017	2016	2015	2014
Taxes	\$ 21,503,597	\$ 20,473,799	\$ 19,210,392	\$ 18,850,869
Fees, licenses and permits	1,306,346	835,278	1,205,381	667,416
Intergovernmental	2,493,399	2,394,661	2,774,500	2,847,336
Special assessments	101,006	32,831	67,508	59,483
Charges for services	13,030,993	13,548,958	12,358,624	10,835,737
System development charges	232,171	232,752		
Fines and forfeitures	365,365	180,638	178,455	183,732
Interest on investments	188,869	110,363	79,835	86,025
Miscellaneous	292,318	208,355	221,293	410,589
Total revenues	39,514,064	38,017,635	36,095,988	33,941,187
Expenditures:				
General government	10,760,734	10,488,718	9,346,850	9,381,555
Public safety	15,305,740	14,846,892	13,328,400	13,102,433
Highways and streets	3,338,576	3,067,591	2,762,562	1,974,219
Parks and recreation	7,150,182	6,214,551	6,591,385	6,854,314
Capital outlay	872,683	1,434,986	959,542	1,636,407
Debt service	1,907,003	1,844,645	1,902,924	1,842,374
Principal	1,631,885	1,541,836	1,454,442	1,320,000
Interest	275,118	302,016	447,689	522,374
Total expenditures	39,334,918	37,897,383	34,891,663	34,791,302
Excess (deficiency) of revenues over expenditures	179,146	120,252	1,204,325	(850,115)
Other financing sources (uses):				
Proceeds from debt issuance	-	870,000	-	-
Interfund loans	-	-	-	-
Transfers in	396,205	612,162	556,515	750,927
Transfers out	(146,205)	(262,162)	(556,515)	(840,927)
Total other financing sources (uses)	250,000	1,220,000	-	(90,000)
Net change in fund balance	\$ 429,146	\$ 1,340,252	\$ 1,204,325	\$ (940,115)
Non-capital expenditures:				
Total expenditures (Debt excluded)	\$ 37,427,915	\$ 36,052,738	\$ 32,988,739	\$ 32,948,928
Less: capital assets expenditures	(5,822,754)	(1,139,673)	(959,542)	(1,636,407)
Non-capital expenditures:	\$ 31,605,161	\$ 34,913,065	\$ 32,029,197	\$ 31,312,521
Ratio of debt service to noncapital expenditures	6.03%	5.28%	5.94%	5.88%

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last ten years
For the year ended June 30 (continued)

2013	2012	2011	2010	2009	2008
\$ 13,661,986	\$ 13,270,221	\$ 12,978,142	\$ 12,636,896	\$ 11,790,772	\$ 11,204,876
583,679	1,340,102	482,275	474,379	768,451	886,644
2,500,297	2,878,726	3,642,108	2,103,165	1,630,055	1,848,914
41,048	43,542	17,867	3,292	25,587	67,195
6,319,508	6,520,263	6,315,976	5,799,929	5,732,687	5,594,106
196,535	168,305	183,239	183,266	156,092	150,346
72,312	87,553	62,062	102,302	97,379	330,413
559,195	262,858	272,814	190,732	164,995	787,159
23,934,560	24,571,570	23,954,483	21,493,961	20,366,018	20,869,653
4,820,740	4,631,724	4,300,262	4,278,859	3,982,889	4,114,305
11,868,980	11,411,045	10,914,166	10,896,098	10,701,354	10,578,525
2,529,333	2,422,483	3,778,610	2,361,523	2,298,680	2,341,178
4,984,031	2,374,574	1,859,097	479,600	1,502,763	1,355,293
2,754,188	2,172,846	2,562,886	2,229,718	2,363,685	1,852,049
1,732,744	1,196,086	1,563,425	1,183,203	1,277,584	725,753
1,021,444	976,760	999,461	1,046,515	1,086,101	1,126,296
26,957,272	23,012,672	23,415,021	20,245,798	20,849,371	20,241,350
(3,022,712)	1,558,898	539,462	1,248,163	(483,353)	628,303
1,767,459	-	-	-	915,000	-
208,000	-	(208,000)	-	-	-
41,461	203,105	997,349	469,360	328,173	336,253
(41,461)	(203,105)	(997,349)	(469,360)	(328,173)	(336,253)
1,975,459	-	(208,000)	-	915,000	-
\$ (1,047,253)	\$ 1,558,898	\$ 331,462	\$ 1,248,163	\$ 431,647	\$ 628,303
\$ 24,203,084	\$ 20,839,826	\$ 20,852,135	\$ 18,016,080	\$ 18,485,686	\$ 18,389,301
(4,984,031)	(2,374,574)	(1,859,097)	(479,600)	(1,502,763)	(1,355,293)
\$ 19,219,053	\$ 18,465,252	\$ 18,993,038	\$ 17,536,480	\$ 16,982,923	\$ 17,034,008
14.33%	11.77%	13.49%	12.71%	13.92%	10.87%

2017 Statistical Section

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

Fund Balances	2017 Adopted	2016 Adopted	2015 Adopted	2014 Adopted
City Component				
General Fund	\$ 252,360	\$ 1,646,957	\$ 777,434	\$ 2,594,256
Community Development Block Grant Fund	1	1	-	-
Reserve Fund	38,580	221,580	454,910	336,910
Street Fund	2,022,280	3,694,376	1,059,860	1,403,337
Airport Fund	70,236	71,735	64,468	34,564
Capital Improvements Fund	1,536,953	1,363,411	1,890,308	1,858,486
Debt Service Fund	849,354	803,151	606,593	637,043
Water Fund	2,072,024	4,711,984	3,559,316	3,575,115
Wastewater Fund	2,193,032	2,803,471	2,305,611	2,415,670
Electric Fund	368,237	537,900	590,117	1,012,411
Telecommunications Fund	327,302	172,269	30,968	210,594
Central Services Fund	16,549	232,353	392,031	754,268
Insurance Services Fund	136,638	318,938	429,287	622,602
Health Benefits Fund	33,370	(291,630)	86,718	348,359
Equipment Fund	1,968,694	1,657,459	1,280,781	1,233,835
Cemetery Trust Fund	974,046	948,546	937,744	912,244
Total city component	12,859,656	18,892,501	14,466,146	17,949,694
Parks Component				
Parks and Recreation Fund	4,014	184,915	666,289	583,396
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	308,617	(674,924)	302,132	270,032
Parks Equipment Fund	40,000	192,000		
Total parks component	352,631	(298,009)	968,421	853,428
Total budget	\$ 13,212,287	\$ 18,594,492	\$ 15,434,567	\$ 18,803,122
Fund Balances	2017 Actual	2016 Actual	2015 Actual	2014 Actual
City Component				
General Fund	\$ 4,687,675	\$ 3,603,674	\$ 3,620,264	\$ 3,719,809
Community Development Block Grant Fund	33,801	33,804	33,797	33,801
Reserve Fund	28,168	166,465	196,279	336,167
Street Fund	5,663,436	5,414,967	5,278,231	4,737,624
Airport Fund	173,227	138,905	117,516	80,488
Capital Improvements Fund	2,315,236	2,802,016	2,749,488	1,923,374
Debt Service Fund	976,090	1,028,912	861,560	1,159,490
Water Fund	7,795,562	6,081,537	5,208,592	6,273,413
Wastewater Fund	7,842,215	6,499,438	5,095,342	4,271,386
Electric Fund	2,026,665	1,863,131	900,609	1,899,104
Telecommunications Fund	599,420	365,637	305,058	479,997
Central Services Fund	281,575	579,888	870,190	870,190
Insurance Services Fund	1,017,579	1,160,957	1,766,284	1,584,721
Health Benefits Fund	396,418	140,764	473,726	169,366
Equipment Fund	3,404,966	3,134,593	2,937,105	2,540,413
Cemetery Trust Fund	955,357	944,553	922,667	896,572
Total city component	38,197,390	33,959,241	31,336,708	30,975,915
Parks Component				
Parks and Recreation Fund	209,332	254,306	503,628	583,396
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	852,407	1,346,001	209,302	332,482
Parks Equipment Fund	176,854	58,834		
Total parks component	1,238,593	1,659,141	712,930	915,878
Total actual	\$ 39,435,983	\$ 35,618,382	\$ 32,049,638	\$ 31,891,793

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

Last ten years

For the year ended June 30 (continued)

2013	2012	2011	2010	2009	2008
Adopted	Adopted	Adopted	Adopted	Adopted	Adopted
\$ 1,563,870	\$ 1,729,188	\$ 1,484,490	\$ 1,332,508	\$ 1,190,469	\$ 1,127,520
(34,424)	-	-	-	11,799	-
1,018,502	869,172	151,500	215,000	-	-
1,669,993	2,205,420	2,199,998	1,447,363	3,634,173	1,223,241
99,276	44,387	10,804	9,024	31,727	2,942
545,638	1,828,450	1,493,676	2,137,061	1,753,706	807,222
949,626	1,020,546	790,646	1,149,113	1,166,758	601,085
2,383,044	1,121,531	4,302,000	836,814	3,041,343	2,804,328
2,235,859	233,204	2,328,958	3,020,769	4,069,588	5,539,312
1,077,114	1,091,591	1,387,036	649,494	2,067,545	1,677,245
153,998	339,464	281,732	325,135	396,498	362,716
32,508	10,026	70,593	12,531	106,614	82,987
477,568	646,302	394,466	543,266	977,803	908,275
2,553,013	1,124,500	88,202	1,322,161	1,252,898	508,357
892,603	852,797	826,753	812,948	790,918	774,453
15,618,188	13,116,578	15,810,854	13,813,187	20,491,839	16,419,683
1,290,439	1,703,840	1,409,225	1,450,910	1,190,614	877,245
-	-	-	10,591	-	216,893
242,067	193,504	195,991	287,239	107,590	26,926
1,532,506	1,897,344	1,605,216	1,748,740	1,298,204	1,121,064
\$ 17,150,694	\$ 15,013,922	\$ 17,416,070	\$ 15,561,927	\$ 21,790,043	\$ 17,540,747
2013	2012	2011	2010	2009	2008
Actual	Actual	Actual	Actual	Actual	Actual
\$ 3,385,681	\$ 3,495,819	\$ 2,938,556	\$ 2,474,570	\$ 2,185,456	\$ 2,296,666
33,801	33,798	34,424	37,424	69,618	44,705
1,019,580	1,013,910	509,502	148,072	-	-
4,417,121	3,043,292	2,236,300	2,820,517	2,402,258	2,170,470
116,697	83,710	60,083	32,160	99,978	86,891
2,094,707	4,449,285	2,132,661	2,138,176	1,433,904	1,003,916
1,150,618	982,649	809,248	762,199	1,072,785	1,246,509
6,437,576	2,708,910	2,212,401	1,851,885	2,323,768	1,865,418
4,290,774	2,794,806	3,250,111	3,496,009	3,710,771	3,764,972
2,327,540	2,418,099	2,476,294	2,054,733	1,642,543	1,469,744
587,624	586,943	517,916	953,315	929,945	869,719
853,280	o	491,546	266,820	161,163	368,086
848,857	761,552	605,943	640,110	696,071	1,138,699
3,357,663	2,479,905	1,858,969	1,760,305	844,150	1,329,672
874,045	861,243	831,602	870,797	788,753	771,948
31,795,564	25,713,921	20,965,556	20,307,092	18,361,163	18,427,415
1,783,433	2,242,227	2,214,031	1,787,781	1,379,752	1,201,443
-	20,326	9,899	22,534	27,356	160,591
387,632	449,131	432,866	252,864	166,991	263,343
2,171,065	2,711,684	2,656,796	2,063,179	1,574,099	1,625,377
\$ 33,966,629	\$ 28,425,605	\$ 23,622,352	\$ 22,370,271	\$ 19,935,262	\$ 20,052,792

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

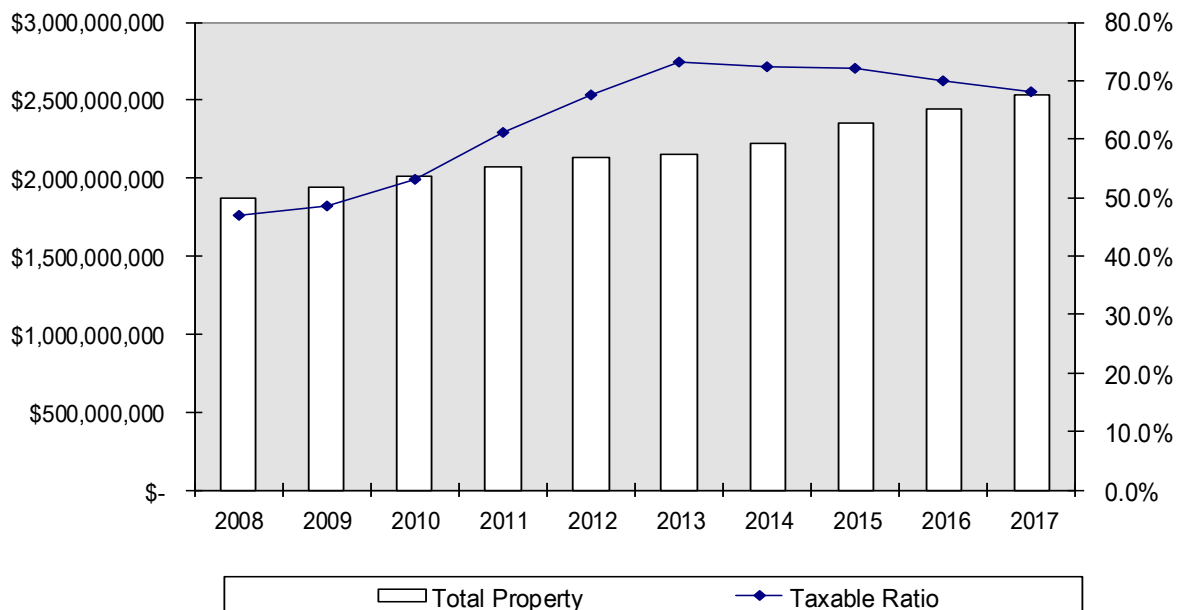
Fiscal Year Ended June 30,	Real Property	Mobile Home	Personal (1)	Utilities	Total	Property Tax Rate	Taxable ratio (True Cash Value to Assessed)
2017	\$ 2,458,564,994	\$ 6,700,924	\$ 37,949,290	\$ 34,169,600	\$ 2,537,384,808	\$ 4.40	68.2%
2016	2,367,355,356	6,526,881	40,417,280	31,573,600	2,445,873,117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

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

(1) Includes non-profit housing

Source: Jackson County Assessor tax roll property values

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



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

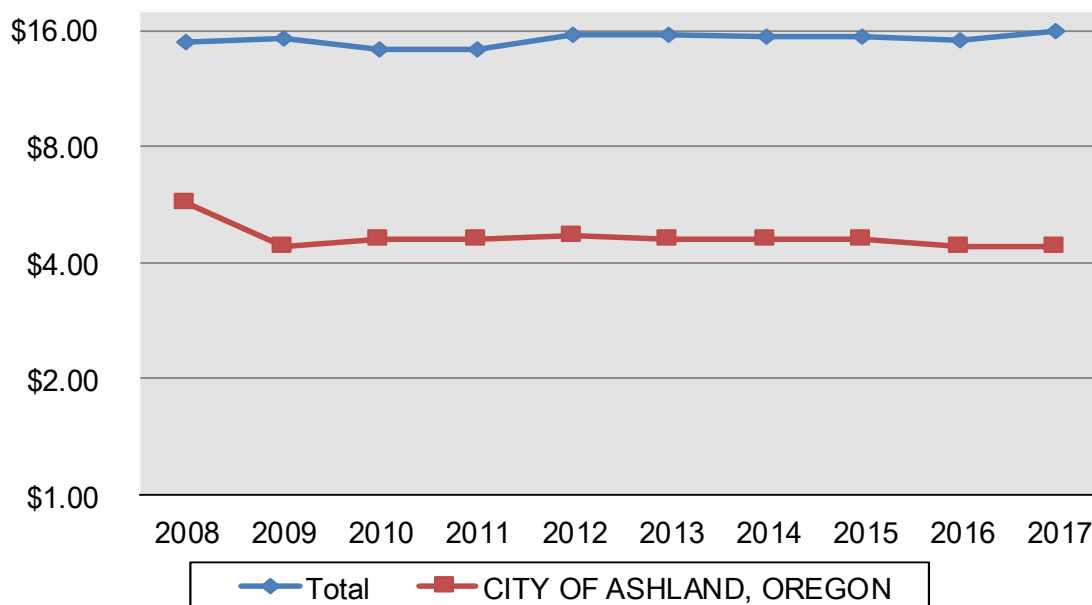
Fiscal Year Ended June 30,	City of Ashland Permanent rate	City of Ashland Local Option Levies	City of Ashland Bonded Debt	City of Ashland Component Unit	City of Ashland Total Tax Rate	Net Jackson Co Tax Rate	Net General Government Tax Rate	Net School Support Tax Rate	Total
2017	\$ 4.20		\$ 0.20		\$ 4.40	\$ 3.14	\$ 7.54	\$ 8.45	\$ 15.98
2016	4.20		0.21		4.41	2.28	6.69	8.41	15.10
2015	4.20	\$ 0.19	0.22		4.61	2.47	7.08	8.33	15.41
2014	4.20	0.19	0.22		4.61	2.47	7.08	8.34	15.41
2013	2.10	0.19	0.24	2.09	4.62	2.55	7.17	8.38	15.55
2012	2.10	0.19	0.32	2.09	4.71	2.55	7.26	8.38	15.64
2011	2.12	0.19	0.20	2.09	4.60	2.55	7.15	7.14	14.29
2010	2.10	0.19	0.20	2.09	4.59	2.58	7.17	7.14	14.31
2009	1.99	0.13	0.21	2.09	4.42	2.48	6.90	8.42	15.31
2008	1.85	0.20	0.20	3.47	5.72	2.39	8.12	6.90	15.01

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

(2) Rogue Community College

Source: Jackson County Assessor and Tax Collector

**City of Ashland Property Tax Rate
Compared to Total Rate per Thousand**

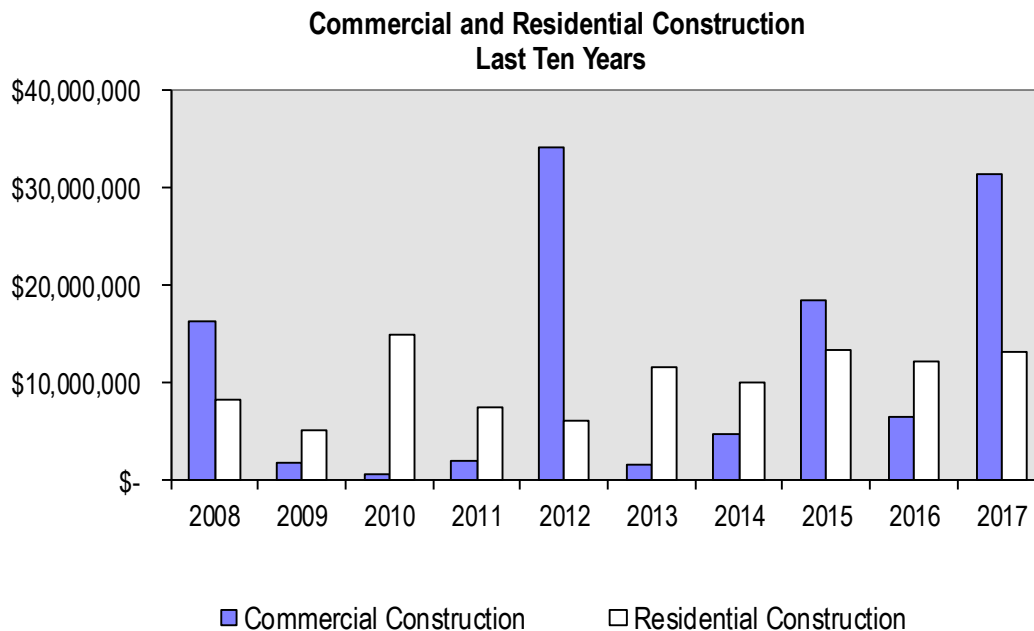


CITY OF ASHLAND, OREGON
PROPERTY VALUE AND NEW CONSTRUCTION HISTORY
Last ten years - Unaudited

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

(1) Property value is assessed valuation

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



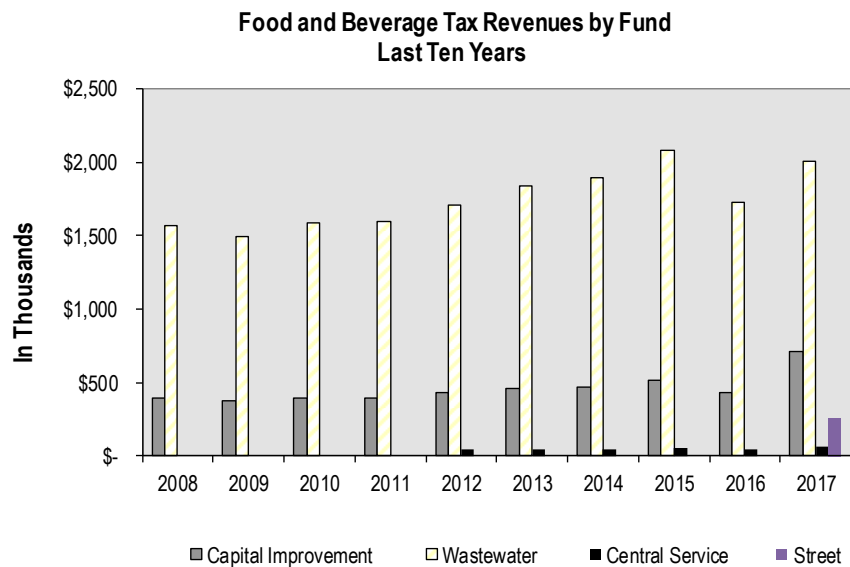
CITY OF ASHLAND, OREGON
FOOD AND BEVERAGE TAX REVENUES BY FUND
(amounts expressed in thousands)
Last ten years - Unaudited

Fiscal Year Ended June 30,	Street Fund	Capital Improvement	Wastewater	Central Service	Total	Cumulative
2017	\$ 255	\$ 709	\$ 2,005	\$ 61	\$ 3,030	43,419
2016		432	1,726	44	2,202	40,389
2015		520	2,080	53	\$ 2,653	38,187
2014		473	1,892	48	2,413	35,534
2013		460	1,840	47	2,347	33,121
2012		427	1,707	47	2,181	30,774
2011		398	1,593	31	2,022	28,593
2010		396	1,584	-	1,980	26,571
2009		374	1,495	-	1,869	24,591
2008		392	1,567	-	1,959	22,722

(1) Dedicated to acquisition of open space parkland

(2) Derived from wastewater enterprise operations

(3) Tax enacted July 1, 1993



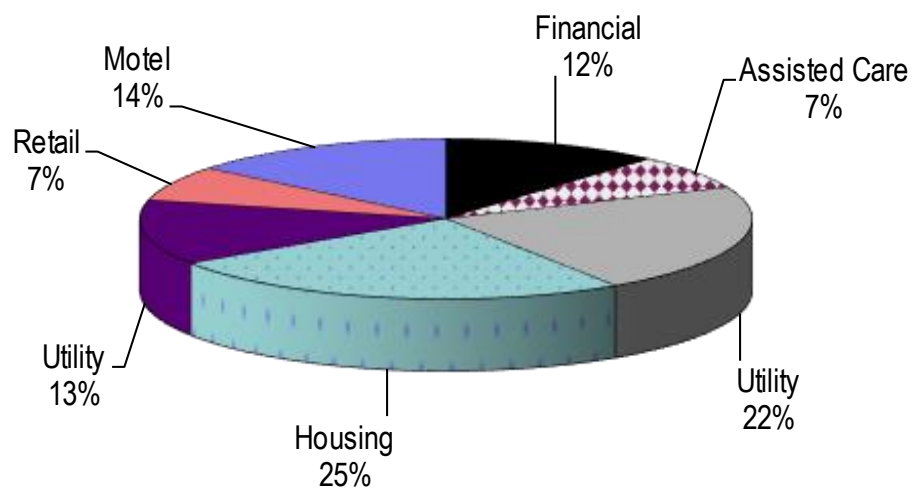
CITY OF ASHLAND, OREGON
PRINCIPAL PROPERTY TAXPAYERS
Current and ten years ago

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

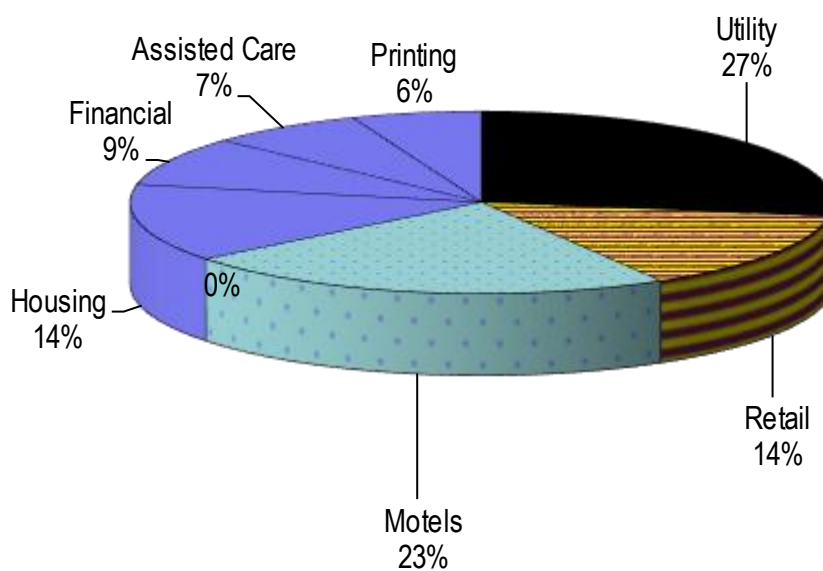
Taxpayers	Type of Business	Percentage	
		2008 Assessed Valuation	of Total Assessed Valuation
Qwest Corporation	Utility	\$ 10,510,100	0.56%
Windmill Inns of America, Inc	Motels	10,375,160	0.55%
Ronald L. Deluca	Housing	8,983,710	0.48%
Avista Corp.	Utility	7,342,900	0.39%
North Mountan Land Company	Housing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

Source: Jackson County Assessor

2017 Principal Property Tax Payers



2008 Principal Property Tax Payers



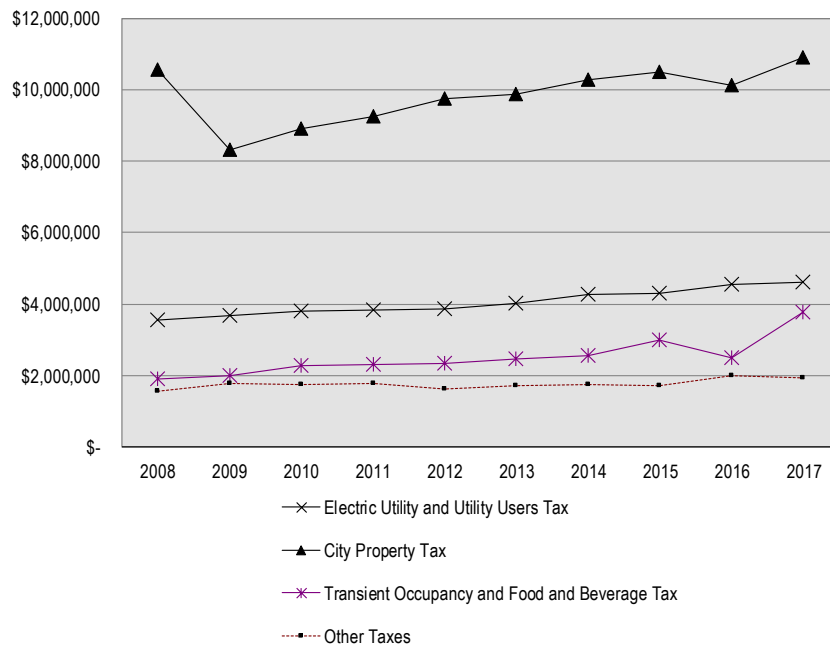
CITY OF ASHLAND, OREGON
GENERAL GOVERNMENTAL TAX REVENUES
BY SOURCE
(amounts expressed in thousands)
Last ten years - Unaudited

Fiscal Year Ended June 30,	Combined Property Taxes	Electric Utility Franchise (1)	Utility Users Tax (1)	Other Franchise and Privilege Taxes	Transient Occupancy Tax	Food and Beverage Tax (2)	Business License Tax	Total
2017	\$ 10,898	\$ 1,496	\$ 3,130	\$ 1,949	\$ 2,819	\$ 964	\$ 248	\$ 21,504
2016	10,508	1,466	3,077	1,604	2,055	432	237	19,378
2015	10,133	1,390	2,923	1,513	2,460	520	209	19,148
2014	10,268	1,373	2,895	1,530	2,091	473	208	18,838
2013	9,874	1,311	2,704	1,518	2,009	460	208	18,084
2012	9,759	1,251	2,627	1,436	1,911	427	202	17,613
2011	9,246	1,228	2,603	1,591	1,918	398	197	17,181
2010	8,896	1,232	2,557	1,552	1,880	396	197	16,710
2009	8,313	1,207	2,468	1,567	1,639	374	201	15,769
2008	10,573	1,170	2,375	1,362	1,508	392	201	17,581

(1) Derived from city-owned electric utility operations

(2) Tax enacted July 1, 1993

GENERAL GOVERNMENTAL TAX REVENUES
BY SOURCE



PROPERTY TAX LEVIES AND COLLECTIONS

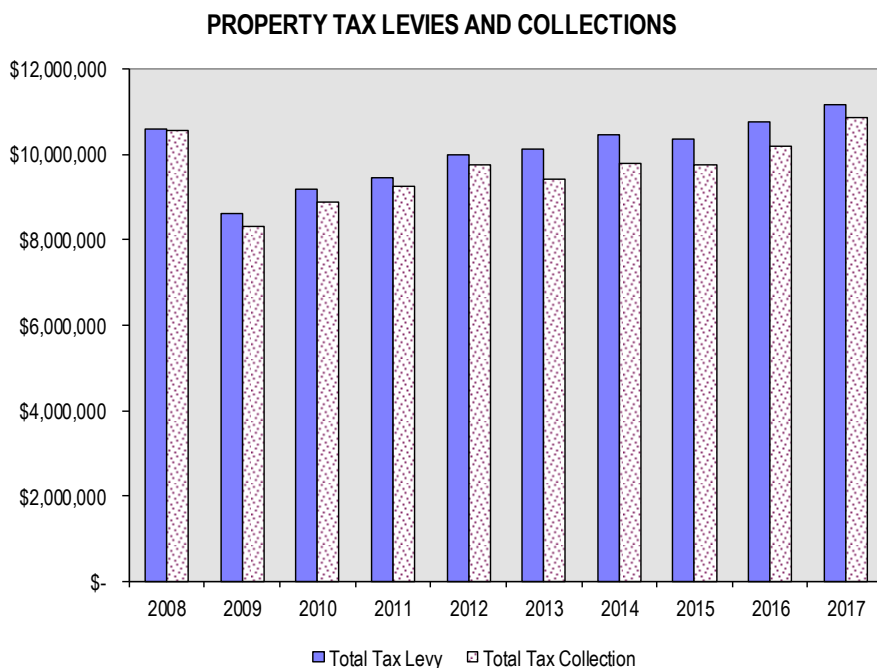
Last ten years - Unaudited

Fiscal Year Ended June 30,	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collections (2)(3)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2017	\$ 11,165,588	\$ 10,584,077	94.8%	\$ 292,706	\$ 10,876,783	97.4%	\$ 718,956	6.4%
2016	10,782,252	10,204,495	94.6%	303,781	10,508,276	97.5%	698,038	6.5%
2015	10,374,563	9,774,296	94.2%	358,851	10,133,147	97.7%	768,885	7.4%
2014	10,453,597	9,799,116	93.7%	468,669	10,267,785	98.2%	704,806	6.7%
2013	10,119,532	9,440,360	93.3%	394,679	9,835,039	97.2%	785,377	7.8%
2012	9,997,229	9,322,678	93.3%	436,198	9,758,876	97.6%	755,098	7.6%
2011	9,470,164	8,885,987	93.8%	359,767	9,245,754	97.6%	773,714	8.2%
2010	9,176,778	8,511,729	92.8%	384,362	8,896,091	96.9%	699,122	7.6%
2009	8,616,000	7,981,337	92.6%	331,445	8,312,782	96.5%	684,345	7.9%
2008	10,609,706	10,273,879	96.8%	298,774	10,572,653	99.7%	636,512	6.0%

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

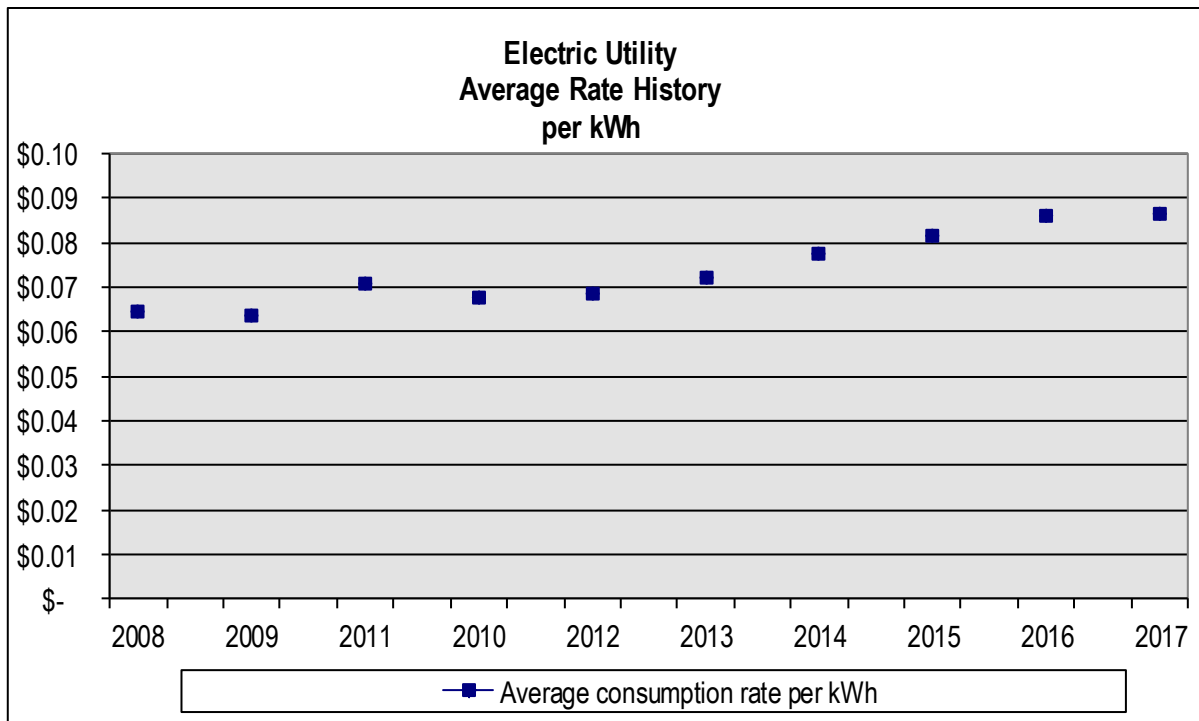
(2) Includes adjustments, rounding and discounts

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



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

	2017	2016	2015	2014
Electric:				
Commercial	54,212,204	55,434,978	57,241,622	57,351,533
Governmental	16,881,982	17,084,620	18,894,191	19,552,546
Municipal	6,489,407	7,607,560	6,439,200	6,410,372
Residential	89,500,760	86,749,323	85,448,299	91,309,827
Electric usage total	167,084,353	166,876,481	168,023,312	174,624,278
Total electric revenue	\$ 14,465,963	\$ 14,338,555	\$ 13,700,057	\$ 13,536,923
Average consumption rate per kWh	\$ 0.087	\$ 0.086	\$ 0.082	\$ 0.078
BPA surcharge revenue	NA	NA	NA	NA
Average surcharge per consumed kWh (1)	NA	NA	NA	NA

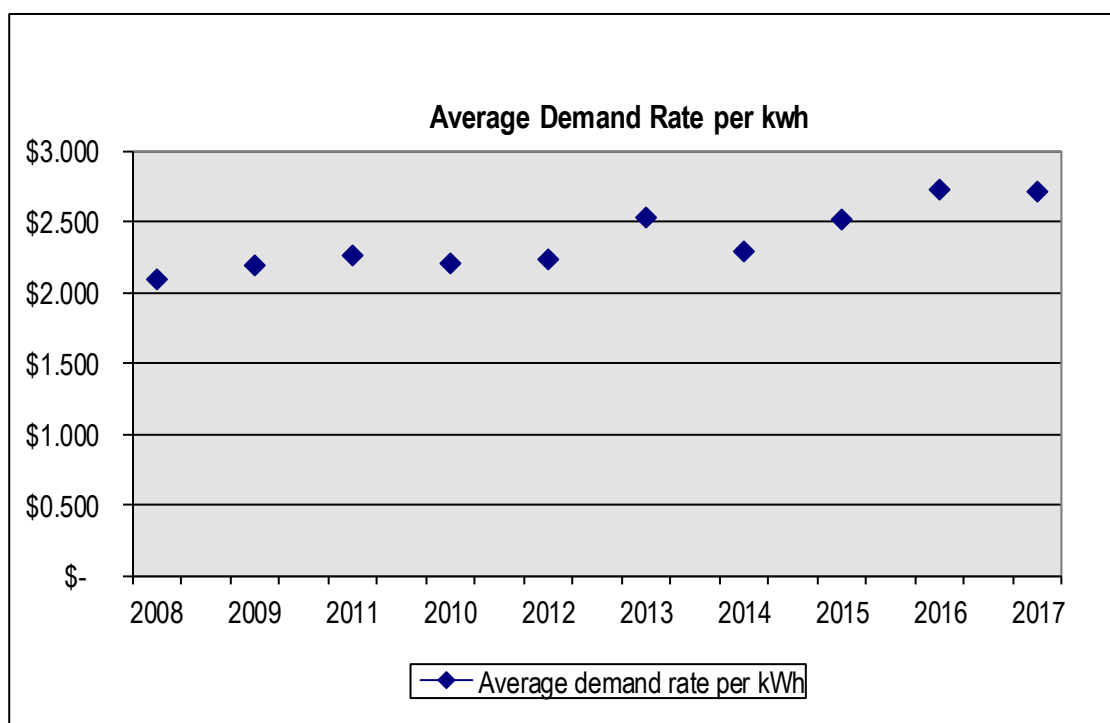


(1) Council implemented the surcharge due to increasing costs and changes in the wholesale power industry in FY 2002

	2017	2016	2015	2014
Demand:				
Commercial	152,791	159,344	209,020	158,829
Governmental/Municipal	67,095	67,850	66,037	67,481
Demand usage total	219,886	227,194	275,057	226,310
Total demand revenue	\$ 597,188	\$ 620,772	\$ 691,225	\$ 519,458
Average demand rate per kWh	\$ 2.716	\$ 2.732	\$ 2.513	\$ 2.295

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

2013	2012	2011	2010	2009	2008
58,984,152	55,628,874	55,617,369	56,996,490	56,893,914	59,730,031
19,934,831	20,136,246	20,539,286	19,467,344	18,283,476	18,328,996
5,978,193	6,164,885	6,107,945	6,407,172	6,288,095	6,231,719
89,637,162	91,550,691	94,402,343	93,634,626	91,638,620	95,853,685
174,534,338	173,480,696	176,666,943	176,505,632	173,104,105	180,144,431
\$ 12,575,449	\$ 12,305,176	\$ 12,126,401	\$ 11,931,379	\$ 11,028,224	\$ 11,638,234
\$ 0.072	\$ 0.071	\$ 0.069	\$ 0.068	\$ 0.064	\$ 0.065
NA	NA	NA	NA	NA	\$ 1,016,152
NA	NA	NA	NA	NA	\$ 0.006



2013	2012	2011	2010	2009	2008
175,675	164,566	162,175	151,072	147,155	159,430
67,388	71,111	68,480	63,445	70,242	65,931
243,063	235,677	230,655	214,517	217,397	225,361
\$ 614,862	\$ 533,947	\$ 515,481	\$ 475,273	\$ 476,024	\$ 473,565
\$ 2.530	\$ 2.266	\$ 2.235	\$ 2.216	\$ 2.190	\$ 2.101

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

Fiscal Year Ended June 30,	Population (1)	Percentage Change	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Fund Monies Available
2017	20,620	1.05%	\$ 2,537,384,808	\$ 13,395,000	\$ 973,878
2016	20,405	0.32%	2,445,873,117	14,880,000	855,545
2015	20,340	0.22%	2,348,446,788	37,195,894	861,561
2014	20,295	-0.15%	2,262,503,440	37,462,187	794,695
2013	20,325	-5.29%	2,186,388,026	38,111,076	785,823
2012	21,460	6.79%	2,128,659,147	35,728,075	976,265
2011	20,095	-6.56%	2,072,000,226	35,331,935	804,633
2010	21,505	0.09%	2,008,178,855	39,708,269	762,199
2009	21,485	-1.44%	1,943,167,724	42,560,804	1,072,785
2008	21,800	1.73%	1,875,310,040	44,138,466	1,246,509

Source:

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

(2) Jackson County Assessor tax roll property value records

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

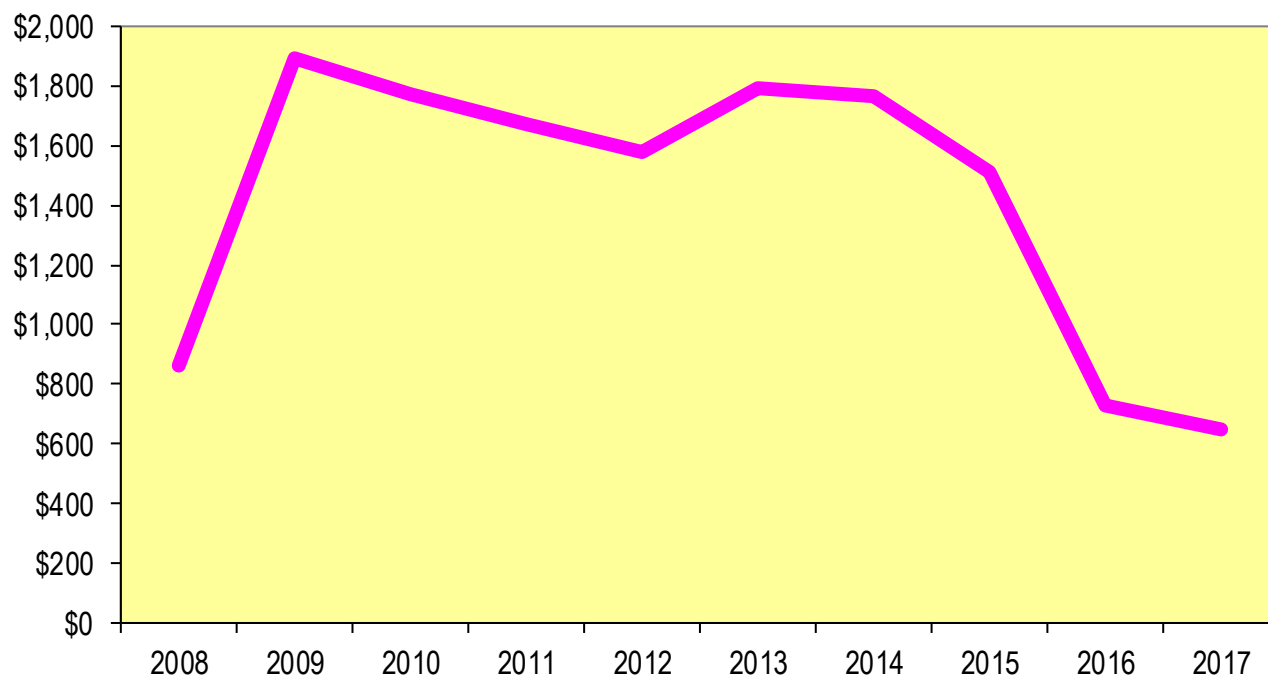
(4) Includes general obligation debt paid from Hospital Enterprise Fund operations, Utility Services Revenue, fund operations, and special assessment payments from benefited property owners.

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

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

Enterprise Fund Monies Available	Debt Payable for Enterprise Revenues (4)	Net General Obligation Bonded Debt (5)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
\$ 875,490	\$ 17,774,620	\$ 13,395,000	0.53%	\$ 649.61
875,490	19,219,172	14,880,000	0.61%	\$ 729.23
875,490	20,392,351	30,764,962	1.31%	1,513
875,490	19,102,713	35,792,002	1.58%	1,763.59
875,490	18,320,823	36,449,763	1.67%	1,793.35
875,490	16,821,156	33,876,320	1.59%	1,578.58
875,490	18,578,931	33,651,812	1.62%	1,674.64
875,490	21,389,684	38,070,580	1.90%	1,770.31
875,490	23,059,454	40,612,529	2.09%	1,890.27
1,751,369	38,652,249	18,840,000	1.00%	864.22

Net Bonded Debt Per Capita
Last Ten Years

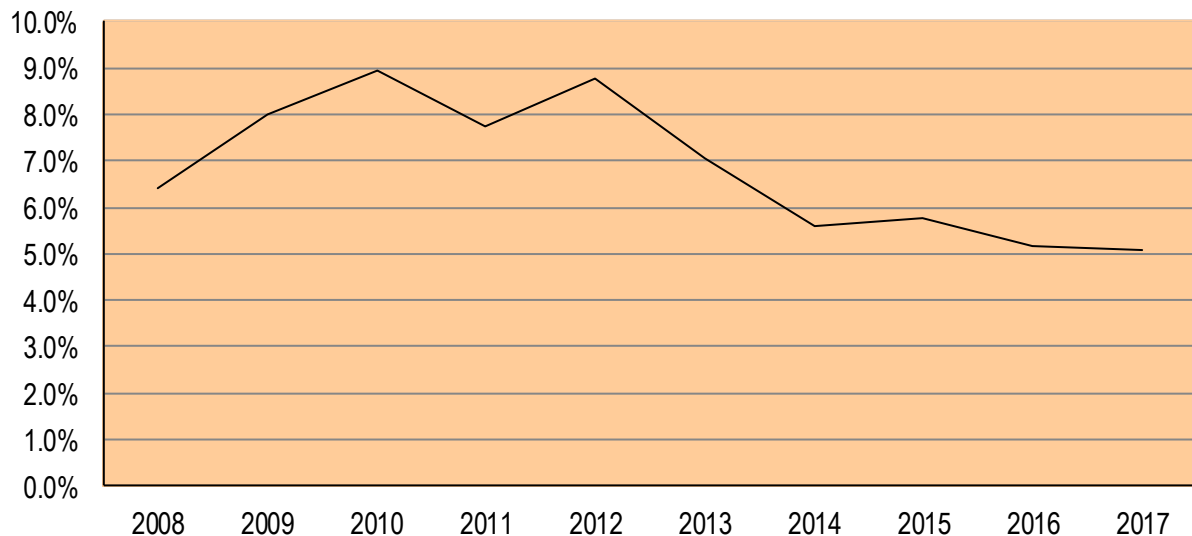


CITY OF ASHLAND, OREGON
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
Last ten years - Unaudited

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service (1)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2017	\$ 1,485,000	\$ 375,091	\$ 1,860,091	\$ 36,555,232	5.1%
2016	1,445,000	418,422	1,863,422	36,033,961	5.2%
2015	1,495,000	415,879	1,902,924	32,988,739	5.8%
2014	1,320,000	522,374	1,842,374	32,948,928	5.6%
2013	1,000,000	906,689	1,906,689	26,957,272	7.1%
2012	1,105,000	916,434	2,021,434	23,012,672	8.8%
2011	905,000	904,149	1,809,149	23,415,021	7.7%
2010	865,000	943,917	1,808,917	20,245,798	8.9%
2009	695,000	976,738	1,671,738	20,849,371	8.0%
2008	415,000	885,470	1,300,470	20,241,350	6.4%

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

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



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

Fiscal Year Ended June 30,	Gross Revenues (1)	Operating Expenses (2)	Future Rate Stabilization Offset (3)	Net Revenues Available for Debt Service	Debt Service Requirements (4)			Coverage
					Principal	Interest	Total	
2017	\$ 7,756,012	\$ 4,706,339	-	\$ 3,049,673	\$ 453,835	\$ 161,855	\$ 615,690	4.95
2016	7,289,715	4,225,107	-	3,064,608	443,717	173,330	617,046	4.97
2015	6,604,339	4,256,299	-	2,348,040	899,952	147,300	1,047,251	2.24
2014	6,322,142	4,244,890	-	2,077,252	584,414	129,093	713,507	2.91
2013	8,280,514	5,776,098	-	2,504,416	412,533	82,471	495,004	5.06
2012	5,745,624	3,597,970	-	2,147,654	580,742	127,436	708,178	3.03
2011	4,806,603	3,597,701	-	1,208,902	394,036	135,574	529,610	2.28
2010	4,455,767	3,439,267	-	1,016,500	345,000	112,206	457,206	2.22
2009	4,543,609	3,451,254	-	1,092,355	335,000	120,288	455,288	2.40
2008	4,321,582	3,089,546	-	1,232,036	335,000	127,406	462,406	2.66

(1) Total Operating Revenues, including System Development Charges

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

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

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

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

Governmental Activities			Notes and Contracts		
Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value	Promissory Notes	OECD (1) Loans	Per Capita (2)
2017	\$ 13,395,000	0.53%	\$ 1,104,821		\$ 703.19
2016	14,880,000	0.61%	1,251,707		790.58
2015	16,325,000	0.70%	478,543	-	812.39
2014	17,820,000	0.79%	539,474	-	901.48
2013	19,140,000	0.88%	650,253	-	973.69
2012	17,550,000	0.82%	681,780	675,138	853.51
2011	15,695,000	0.76%	354,502	703,502	833.69
2010	16,600,000	0.83%	488,197	1,230,388	851.83
2009	17,465,000	0.90%	622,313	1,412,321	907.59
2008	18,160,000	0.97%	740,079	1,587,138	939.78

Business - Type Activities					
Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value	Revenue Bonds and Notes	DEQ (3) Loan	Per Capita (2)
2017	\$ 11,077,669	0.44%	\$ 4,634,074	\$ 2,062,878	\$ 932.06
2016	12,777,871	0.52%	4,628,555	1,812,747	941.89
2015	14,439,962	0.61%	4,193,067	1,759,323	985.90
2014	16,054,089	0.71%	3,048,624	-	937.97
2013	17,490,395	0.80%	830,429	-	901.39
2012	14,034,014	0.66%	2,787,143	-	783.84
2011	15,400,074	0.74%	3,178,857	-	924.55
2010	1,298,697	0.06%	3,560,571	16,530,415	994.64
2009	1,505,000	0.08%	3,927,286	17,627,168	1,073.28
2008	680,000	0.04%	4,284,000	18,687,249	1,084.92

Total Outstanding Debt			
Fiscal Year Ended June 30,	Total Outstanding Debt	Personal Income (4)	Debt as a Percentage of Personal Income
2017	\$ 32,274,442	unavailable	NA
2016	35,350,879	unavailable	NA
2015	37,195,894	unavailable	NA
2014	37,462,187	unavailable	NA
2013	38,111,077	unavailable	NA
2012	35,728,075	unavailable	NA
2011	35,331,935	unavailable	NA
2010	39,708,269	unavailable	NA
2009	42,559,088	391,431,000	10.87%
2008	44,138,466	430,978,000	10.24%

(1) OECD - Oregon Economic and Community Development Department

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

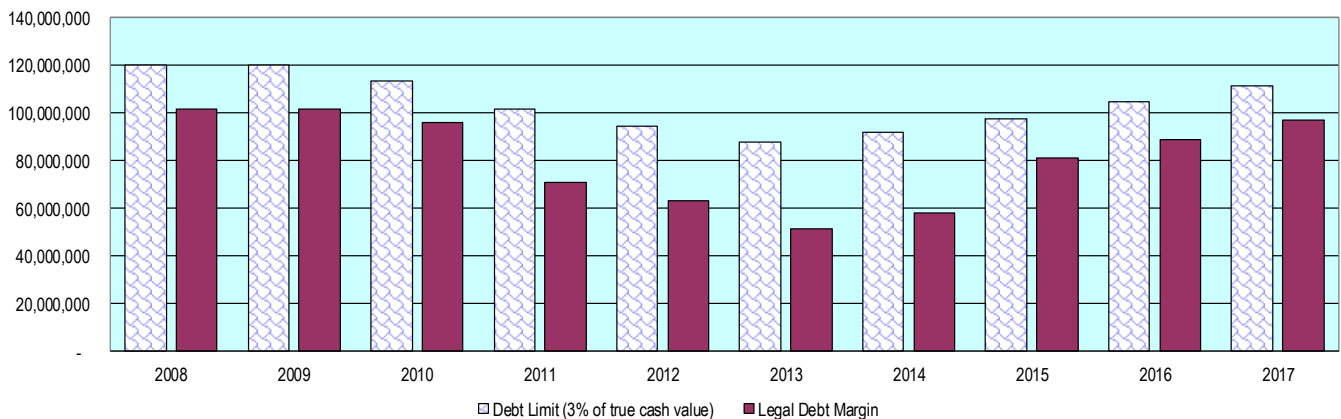
(3) DEQ - Oregon Department of Environmental Quality

(4) Oregon Department of Revenue Personal Income Tax Statistics

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

	2017	2016	2015	2014	2013
True Cash Value	\$ 3,722,306,182	\$ 3,493,732,448	\$ 3,258,618,439	\$ 3,072,079,759	\$ 2,931,862,235
Legal Debt Margin					
Debt limit (3% of true cash value)	111,669,185	104,811,973	97,758,553	92,162,393	87,955,867
Net Bonded Debt:					
Gross bonded debt	14,499,821	16,131,707	16,325,000	34,295,413	36,630,395
Less amounts exempted:					
Water				-	-
Special assessment				-	-
Re-funding				-	-
Water re-funding	-	-	-	(250,000)	(375,000)
Total debt applicable to margin	14,499,821	16,131,707	16,325,000	34,045,413	36,255,395
Legal Debt Margin	\$ 97,169,364	\$ 88,680,267	\$ 81,433,553	\$ 58,116,980	\$ 51,700,472

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



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

2012	2011	2010	2009	2008
\$ 3,145,655,451	\$ 3,394,416,254	\$ 3,790,236,802	\$ 4,011,032,636	\$ 4,000,418,984
94,369,664	101,832,488	113,707,104	120,330,979	120,012,570
31,584,014	31,095,074	17,898,697	18,970,000	18,840,000
-	-	-	-	(25,000)
-	-	-	-	-
-	-	-	-	-
(370,000)	(360,000)	(345,000)	(505,000)	(655,000)
31,214,014	30,735,074	17,553,697	18,465,000	18,160,000
\$ 63,155,650	\$ 71,097,414	\$ 96,153,407	\$ 101,865,979	\$ 101,852,570

**CITY OF ASHLAND, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2017 - Unaudited**

True cash value	\$	3,722,306,182	
3% of true cash value		<u>0.03</u>	
	\$		111,669,185
NET BONDED DEBT:			
Gross bonded debt		14,499,821	
Less amounts exempted:			
Water			
Water re-funding		<u>-</u>	
Total debt applicable to margin			<u>14,499,821</u>
LEGAL DEBT MARGIN	\$		<u><u>97,169,364</u></u>

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

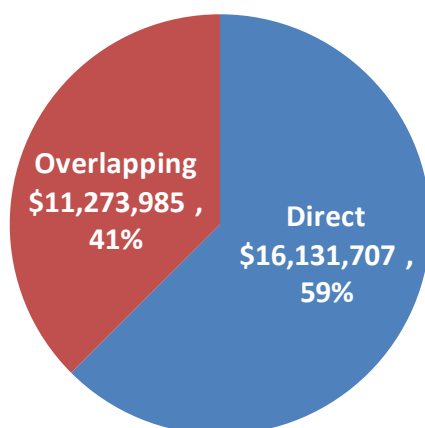
CITY OF ASHLAND, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
June 30, 2017 - Unaudited

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct:			
City of Ashland - Governmental Activities only	\$ 14,499,821	100.00%	\$ 14,499,821
Overlapping:			
Jackson County	1,609,542	14.60%	234,993
School District No. 5	9,265,841	80.82%	7,488,653
Rogue Community College	5,895,742	14.60%	860,778
Jackson County Housing Authority	687,914	14.60%	100,435
Rogue Valley Transit District	47,422	19.15%	9,081
	<u>\$ 17,506,461</u>		<u>\$ 8,693,941</u>
	<u>\$ 32,006,282</u>		<u>\$ 23,193,762</u>

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

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

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



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

<u>2017</u>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Southern Oregon University	700	7.06%
Oregon Shakespeare Festival	650	6.55%
Ashland Public Schools	591	5.96%
City of Ashland	276	2.78%
Asante Ashland Community Hospital	270	2.72%
Subtotal	2,487	25.07%
Estimated total city employment	9,922	

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

Estimated total city employment 9,000

** Excludes Ashland Parks Commission

Source: Ashland Chamber of Commerce

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

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

Fiscal Year Ended June 30,	Population (1)	Percentage Change	Per Capita Income	Total Personal Income (2)	School Enrollment (3)	Jackson County Unemployment Rate (4)
2017	20,620	1.05%		unavailable	2,720	5.2%
2016	20,405	0.32%		unavailable	2,775	6.2%
2015	20,340	0.22%	-	unavailable	2,735	6.6%
2014	20,295	-0.15%	-	unavailable	2,800	8.4%
2013	20,325	-5.29%	-	unavailable	2,700	8.3%
2012	21,460	6.79%	-	unavailable	2,720	8.3%
2011	20,095	-6.56%	-	unavailable	2,737	11.9%
2010	21,505	0.09%	-	unavailable	2,819	12.1%
2009	21,485	-1.44%	18,219	391,431	2,767	13.6%
2008	21,800	1.73%	19,770	430,978	2,846	6.7%

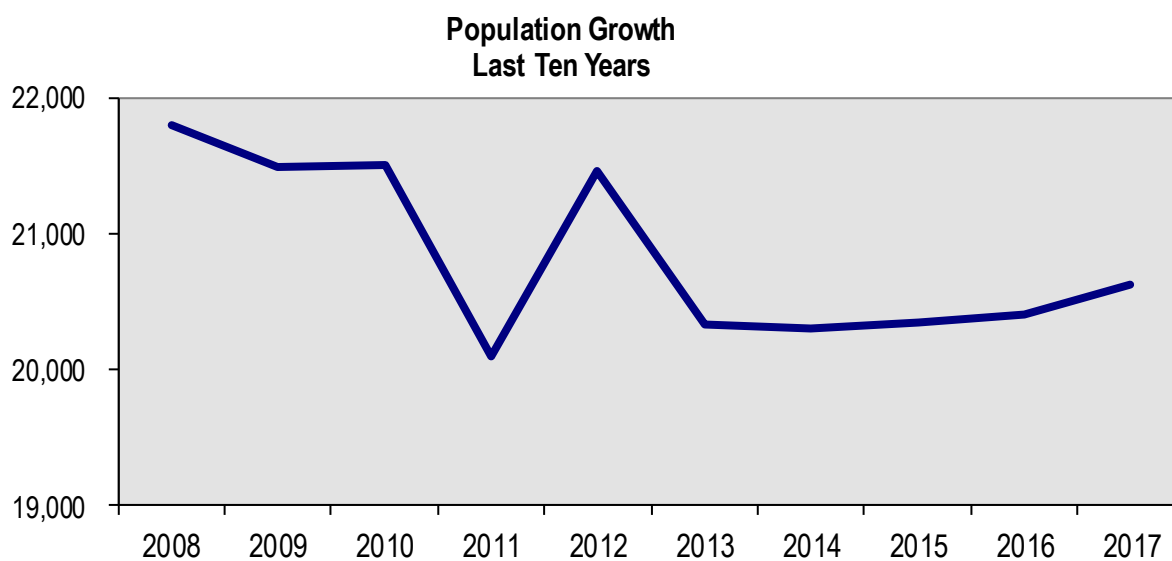
Sources:

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

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

(3) Ashland School District

(4) US Bureau of Labor Statistics



CITY OF ASHLAND, OREGON
SCHEDULE OF MAJOR INSURANCE IN FORCE
June 30, 2017

Company	Coverage	Policy Period	Annual Aggregate/Each Occurrence	Premium
Citycounty Insurance Services	General Liability			\$ 218,285
	Commercial General Liability	07/01/2016-07/01/2017	\$15,000,000 / \$5,000,000	
	Public Officials Liability	07/01/2016-07/01/2017	\$15,000,000 / \$5,000,000	
	Employment Practices	07/01/2016-07/01/2017	\$15,000,000 / \$5,000,000	
	Automobile Liability			40,156
	Scheduled Autos	07/01/2016-07/01/2017	None / \$5,000,000	
	Hired Autos/Non Owned	07/01/2016-07/01/2017	None / \$5,000,000	
	Uninsured Motorist	07/01/2016-07/01/2017	None / \$5,000,000	
	Auto Physical Damage			17,230
	Scheduled Autos	07/01/2016-07/01/2017	Per Filed Value	
	Rented or Leased	07/01/2016-07/01/2017	Per Filed Value	
	Newly Acquired Autos	07/01/2016-07/01/2017	Per Filed Value	
	Property			97,376
	Buildings	07/01/2016-07/01/2017	Per Filed Value	
	Mobile Equipment	07/01/2016-07/01/2017	Per Filed Value	
	Boiler and Machinery	07/01/2016-07/01/2017	Replacement Cost of Machinery & Equipment not covered elsewhere	Included above
	Excess Crime	07/01/2016-07/01/2017	Per Loss / \$250,000	1,075
	Excess Cyber Liability	07/01/2016-07/01/2017	\$500,000 / \$500,000	8,593
	Excess Earthquake	07/01/2016-07/01/2017	Each Occur. \$5,000,000	13,500
	Excess Flood	07/01/2016-07/01/2017	Each Occur. \$5,000,000	2,250
ACE Group	Airport Liability	07/01/2016-07/01/2017	\$4,000,000 / \$4,000,000	2,505
Wright National Flood Ins. Co.	Flood	10/23/2016-10/23/2017	\$69,100	870
Safety National Casualty Corp.	Workers' Compensation Self-Insured Bond	07/01/2016-07/01/2017		6,000
Midwest Employers Casualty Co	Excess Workers' Compensation	07/01/2016-07/01/2017	Statutory / \$1,000,000	71,101
AIG/Chartis	Volunteer Accident Ins	07/01/2016-07/01/2017	\$50,000	2,000
ACE Group	Underground Storage Tank Pollution Liability	07/01/2016-07/01/2017	\$2,000,000 / \$1,000,000	835

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Administration	3.00	3.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00	3.06
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Legal	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50
Information Technology	8.75	8.75	8.80	8.80	8.80	8.80	8.80	7.95	7.95	7.60
Finance	16.75	16.75	16.25	16.25	16.25	16.25	16.25	17.25	17.25	15.75
Municipal Court	4.15	4.15	4.15	4.15	4.15	3.15	3.65	3.65	3.65	4.15
City Recorder/Treasurer	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police	36.75	36.75	36.75	36.75	36.30	35.30	34.80	34.80	36.80	39.30
Fire	37.60	37.60	34.75	34.75	34.75	33.75	32.00	32.40	33.40	35.40
Streets	10.70	10.70	10.70	10.70	10.95	9.90	9.90	10.20	10.20	10.20
Water	15.00	15.00	14.50	14.50	14.50	14.50	14.50	16.30	16.30	16.30
Wastewater	11.30	11.30	11.30	11.30	11.30	10.30	10.30	12.80	12.80	11.80
Public Works Administration	7.00	7.00	7.00	7.00	7.00	6.00	7.50	7.00	7.00	8.00
Engineering	7.00	7.00	7.00	7.00	7.00	6.00	5.00	6.00	6.00	6.00
Facilities Maintenance / Cemetery	5.50	5.50	4.00	4.00	4.50	4.50	4.50	4.00	4.00	4.00
Fleet Maintenance	4.00	4.00	4.80	4.80	4.80	4.80	5.00	3.50	3.50	3.50
Planning	9.00	9.00	9.00	9.00	9.00	8.90	8.90	8.70	8.70	10.65
Building	4.00	4.00	4.00	4.00	4.00	3.70	3.60	3.85	3.85	5.75
Electric	17.00	17.00	17.25	17.25	17.25	17.75	17.75	18.50	18.50	18.10
Telecommunication	5.75	5.75	5.70	5.70	5.70	6.70	6.20	7.55	7.55	7.55
Conservation	4.00	4.00	3.50	3.50	3.50	3.00	3.00	3.00	3.00	3.00
Subtotal	214.25	214.25	210.45	210.45	210.75	205.30	202.65	208.45	211.45	218.61
Parks	48.00	48.00	43.80	43.80	43.80	43.80	43.45	45.65	48.55	50.55
Total	262.25	262.25	254.25	254.25	254.55	249.10	246.10	254.10	260.00	269.16

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

Function/Program	2017	2016	2015	2014
Police				
Physical arrests, juvenile and adult	2,083	2,042	2,591	2,509
Traffic violations	2,155	2,065	2,969	3,461
Fire				
Fire alarm responses	1004	819	462	398
Emergency medical responses	2900	2718	3144	3,098
Non-emergency public service responses	274	248	261	155
Code enforcement plans review	486	507	499	404
Total calls for service	4178	4063	3867	3,533
Total ambulance patient transports	1972	1942	1895	1,600
Water				
Service connections	9,155	7,689	8,738	8,870
Daily average consumption in millions of gallons	2.7	4.1	3	3
Maximum daily capacity of plant in million gallons	8	8	8	8
Sewer				
Service connections	8,394	8,414	8,308	8,295
Daily average treatment in million of gallons	2.2	2.2	2.4	2
Maximum daily capacity in millions of gallons	4	4	4	4
Electric				
Service connections	11864**	12,706	12,678	12,662
Telecommunications				
Cable TV	1200	1350	1306	1,400
Cable modem	3,933	3,962	3,800	3,961
Potential station capacity	140	140	140	140

¹ Identifies correction to capacity

² Identifies the implementation of new software that correctly accounts for crimes

³ Cable TV outsourced

⁴ Cable TV analog channels

** Actually Service connections , previous informaiton provide was by billed services

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

2013	2012	2011	2010	2009	2008
2,868	2,670	2,343	2,073	2,098	2,489
3,061	2,679	2,868	3,160	2,784	2,600
390	379	291	359	363	500
2,927	3,105	2,694	2,705	2,761	3,022
97	94	79	75	46	76
380	246	215	293	262	440
3,414	3,577	3,327	3,128	3,170	3,590
1,523	1,635	1,611	1,456	1,476	1,700
9,038	9,071	8,678	8,433	8,126	8,291
2.7	2.7	4.6	2.7	3.3	3.4
8	8	8	8	8	8
8,181	7,850	8,181	7,995	8,008	8,153
2.2	2.2	2.1	2.2	2.2	2.2
4	3	4	4	4	4
11,914	12,148	11,985	11,275	11,944	11,979
1,840	-	-	-	-	-
4,082	4,066	4,454	4,094	4,160	4,153
140	140	140	140	80	80

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

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

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

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

2014	2013	2012	2011	2010	2009	2008
1	1	1	1	1	1	1
1	1	1	1	1	1	1
8	8	8	8	8	8	8
28	28	25	25	26.5	26.5	27
2	2	2	2	2	2	2
27	27	26	26	26	29	31
92	92	92	92	92	92	100
9	9	9	9	14	14	11
93	93	93	93	93	90	89
130	130	130	130	130	130	124
1,266	1,262	1,248	1,248	1,245	1,237	1,154
1	1	1	1	1	1	1
110	110	110	110	110	110	110
1	1	1	1	1	1	1

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

Function/Program	2017	2016	2015
Electric			
Street lights	1865	1865	1864
Electrical transformers	2052	2049	2040
Poles	3600	3600	3602
Substations	3	3	3
Telecommunications			
Miles of fiber	25	25	25
Miles of coax	119	119	119
Parks and Recreation			
Community centers	3	3	3
Parks	19	19	19
Park acreage		831	642
Golf courses	1	1	1
Swimming pools	1	1	1
Ice skating rinks	1	1	1
Skateboard parks	1	1	1
Tennis courts	12	12	12
Trails (miles)	48	41	40
Health Care			
Hospital	1	1	1
Hospital beds	49	49	49
Education			
Elementary schools	4	4	4
Elementary school instructors	TBD	78	75
Secondary schools	2	2	2
Secondary school instructors	TBD	105	103
State universities	1	1	1

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

2014	2013	2012	2011	2010	2009	2008
1864	1,858	1,827	1,827	1,832	1,811	1,802
2032	2,025	2,007	2,007	2,002	1,996	1,982
3605	3,600	3,506	3,506	3,560	3,557	3,453
3	3	3	3	3	3	3
25	25	25	25	25	25	25
119	119	119	119	119	118	117
3	3	3	3	3	3	3
19	16	16	16	19	19	19
642	642	642	642	642	640	640
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
12	12	12	12	12	12	12
29	29	29	29	25	25	25
1	1	1	1	1	1	1
49	49	49	49	49	49	49
4	4	4	4	4	4	4
69	69	69	69	59	59	59
2	2	2	2	2	2	2
91	91	91	91	106	106	106
1	1	1	1	1	1	1



AUDIT COMMENTS AND DISCLOSURES

Required by State Regulations

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



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

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Ashland as of and for the year ended June 30, 2017, and have issued our report thereon dated November 6, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

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

2017 Audit Comments and Disclosures

OAR 162-10-0230 Internal Control

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

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

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

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





**GOVERNMENT AUDITING STANDARDS
COMPLIANCE REPORTS**



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(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 6, 2017

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ashland as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 6, 2017.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

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



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

November 6, 2017

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

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

Report on Compliance for Each Major Federal Program

We have audited City of Ashland's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2017. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, City of Ashland, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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



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

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2017 Government Auditing Standard Compliance Reports

CITY OF ASHLAND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2017

Program Title	Federal CFDA Number	Pass-Through Organization	Identifying Number	Year to Date Disbursements / Expenditures	Passed Through to Subrecipients
GRANTS					
DEPARTMENT OF AGRICULTURE					
Schools and Roads - Grants to States Title III - Community Wildfire Grant 07/01/2014-06/30/2016 Project# 000442	10.665	Jackson County Oregon	3240	2,485.55	-
Schools and Roads - Grants to States Title III - FY15/FY16 Firewise Grant 07/01/2014-12/31/2016 Project# 000444	10.665	Jackson County Oregon	3235	2,510.59	-
Schools and Roads - Grants to States Title III - FY17/FY18 CWPP Grant 07/01/2016-06/30/2018 Project# 000517	10.665	Jackson County Oregon	3517	3,445.84	-
Schools and Roads - Grants to States Title III - FY17/FY17 Firewise Grant 07/01/2016-06/30/2018 Project# 000518	10.665	Jackson County Oregon	3511	32,601.90	-
Wildland Fire Management Ashland Forest Resiliency Grant 10/17/2016-01/01/2020 Project# 000199	10.688	Lomakatsi Restoration Project	2016-SA-11061000-037	323,933.99	-
				<u>\$ 364,977.87</u>	<u>\$ -</u>
Total Department of Agriculture				<u>\$ 364,977.87</u>	<u>\$ -</u>
DEPARTMENT OF HOMELAND SECURITY					
Assistance to Firefighters Grant Federal Emergency Management Agency FY2014 Assistance to Firefighters Grant 8/6/2015-8/5/2016 Project# 000480	97.044	Direct	EMW-2014-FP-00609	80,912.57	-
				<u>\$ 80,912.57</u>	<u>\$ -</u>
State Homeland Security Program Grant Oregon Military Department CERT Grant 10/01/2015-09/30/2016	97.067	Oregon Military Department	15-201	154.00	-
State Homeland Security Program Grant Oregon Military Department CERT Grant 9/15/2016-9/30/2017	97.067	Oregon Military Department	16-201	3,837.00	-
Total Department of Homeland Security				<u>\$ 84,903.57</u>	<u>\$ -</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/Entitlement Grants 07/01/2015-06/30/2016-Grant Award	14.218	Direct	B15MC410008	6,519.65	-
07/01/2016-06/30/2017-Grant Award	14.218	Direct	B16MC410008	122,863.52	-
Total Department of Housing and Urban Development				<u>\$ 129,383.17</u>	<u>\$ -</u>
DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program 04/01/2014-08/31/2017 Project # 000445	16.607	Direct	ASHLAND CITY	2,238.80	-
Public Safety Partnership and Community Policing Grants Community Policing Development Program COPS Grant 9/01/2015-8/31/2017 Project# 000519	16.710	Direct	2015CKWXX019	-	-
Total Department of Justice				<u>\$ 2,238.80</u>	<u>\$ -</u>
DEPARTMENT OF TRANSPORTATION					
State and Community Highway Safety Ashland Safety Belt Grant 11/07/2016-not specific Project# 000479	20.600	Direct	M1HVE-16-46-03 BBB	2,994.10	-
Airport Improvement Program Federal Aviation Administration Ashland Municipal Airport Grant 7/3/2014-not specific Project# 201312	20.106	Direct	3-41-0002-010-2014	21,387.35	-
Total of Department of Transportation				<u>\$ 24,381.45</u>	<u>\$ -</u>
TOTAL GRANTS EXPENDED or PASSED THROUGH to SUBRECIPIENTS				<u>\$ 605,884.86</u>	<u>\$ -</u>
LOANS					
ENVIRONMENTAL PROTECTION AGENCY					
Capitalization Grants for Drinking Water State Revolving Funds Loop Road Reservoir, PS and TAP Intertie 7/19/2014 - 7/19/2017 Project # 200808	66.468	Oregon Infrastructure Finance Authority	S14005	115,407.00	1,128,618.74
STATE OF OREGON					
Safe Drinking Water Revolving Loan Fund 2.5 MGD Water Treatment Plant Project # 201531	66.468	Oregon Infrastructure Finance Authority	S16021	232,210.00	14,579,655.00
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 953,501.86</u>	

2017 Government Auditing Standard Compliance Reports

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

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

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515 (d)(2) of the Uniform Guidance?

☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

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

☐ yes ☒ none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?

☐ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

66.468

NAME OF FEDERAL PROGRAM CLUSTER

Capitalization Grants for Drinking Water State Revolving Funds

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

Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. FEDERAL LOAN PROGRAMS

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For year ended June 30, 2017



ASHLAND PARKS AND RECREATION COMMISSION

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

**JACKSON COUNTY
STATE OF OREGON**

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

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

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

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

Prepared by:
City of Ashland
Administrative Services Department



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INTRODUCTORY SECTION





November 13, 2017

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

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

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

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

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

PROFILE OF THE GOVERNMENT

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

2017 Introductory Section

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

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

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

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

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

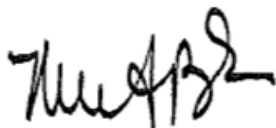
AWARDS AND ACKNOWLEDGEMENTS

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael A. Black".

Michael A. Black, Director
Ashland Parks and Recreation Commission



Government Finance Officers Association

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

Presented to

**Ashland Parks and Recreation
Commission, Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

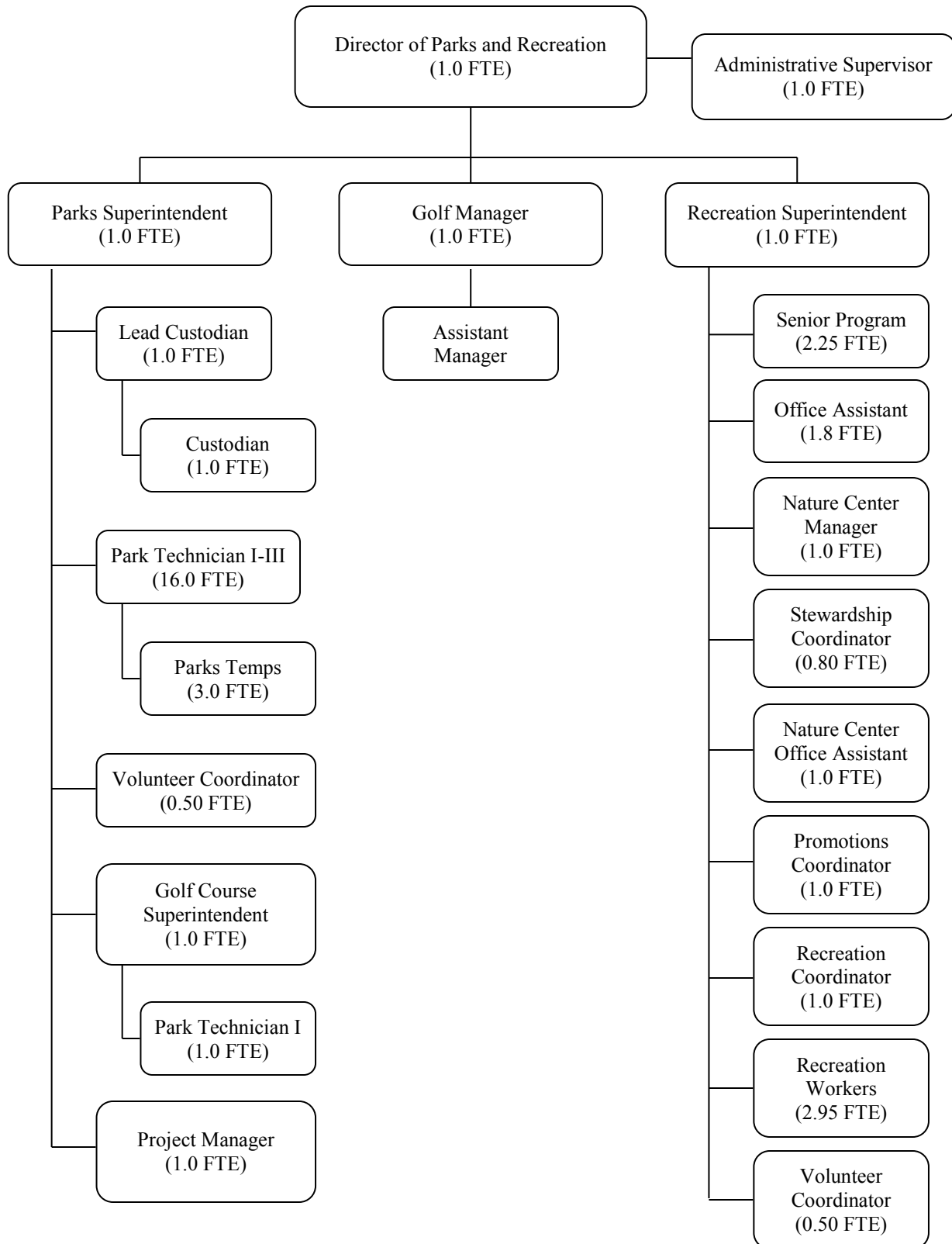
A handwritten signature in black ink, reading "Jeffrey R. Enen".

Executive Director/CEO

Parks and Recreation Department

44.80 FTE

(As budgeted 2015-2017)



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

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

ASHLAND PARKS AND RECREATION COMMISSION

340 S. PIONEER STREET • ASHLAND, OREGON 97520

COMMISSIONERS:

Mike Gardiner
Rick Landt
Jim Lewis
Matt Miller
Joel Heller



Michael A. Black, AICP
Director

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

November 13, 2017

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

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

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

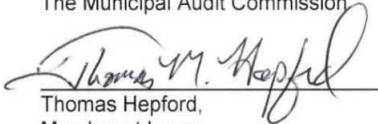
At the conclusion of the annual audit, the Commission meets with the City's auditor to discuss the results of their audit and their evaluation of the City and Parks financial reporting. The Commission also discusses the financial accounting and reporting processes with the City's auditor, including the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

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

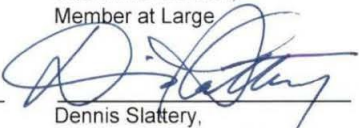
Based upon the above, we accept the 2017 Comprehensive Annual Financial Report (CAFR) and the related audit reports of the independent certified public accountants for the City of Ashland and the Ashland Parks and Recreation Commission and recommend that the respective CAFR and auditor's reports be accepted by the Council and the Commission.

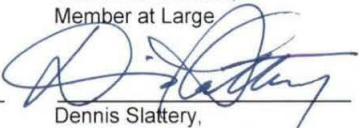
Respectfully submitted,


The Municipal Audit Commission


Thomas Hepford,
Member at Large


Dee Anne Everson,
Member at Large


Vacant, Budget Liaison
Representing Budget Committee


Dennis Slattery,
City Council Liaison/Member


Melissa Huhtala,
City Recorder/Ex-Officio Member



FINANCIAL SECTION





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

November 6, 2017

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland, as of June 30, 2017, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

2017 Financial Section

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

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

Other Information

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

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

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

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 6, 2017, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

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

Overview of Financial Statements

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

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

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

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

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

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

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

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

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

2017 Financial Section

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

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

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

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

Ashland Parks and Recreation Commission Net Position

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

Government-wide Financial Analysis

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

Ashland Parks and Recreation Commission's Net Position

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

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

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

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

Significant factors leading to the increase in net position include:

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

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

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

2017 Financial Section

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

General Fund Budgetary Highlights

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

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

Capital Asset and Debt Administration

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

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

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

Requests for Information

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

340 South Pioneer Street
Ashland, OR 97520





BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

ASHLAND PARKS AND RECREATION COMMISSION

ASHLAND, OREGON

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2017

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

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

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

Total Fund Balances - Governmental Funds	\$ 1,238,593
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The statement of Net Position includes those capital assets among the assets of the Commission as a whole.

Net Capital Assets	14,402,273
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The net pension assets (Liability), and deferred inflows and outflows related to the Net Pension Asset is the difference between the total pension liability and the assets set aside to pay benefits earned to the past and current employees and beneficiaries.

	(3,065,383)
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Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.

	<u>(242,481)</u>
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Net Position	<u><u>\$ 12,333,002</u></u>
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The accompanying notes are an integral part of the basic financial statements.

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

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

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

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

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

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

The Pension Expense and the changes in the deferred inflows and outflows related to the Net Pension Assets represents the changes in the Net Pension Assets (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.		(572,547)
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Change in compensated Absences is an expense on the Statement of Activities but it is not an expenditure to the governmental fund, unless matured.		56,201
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Change in Net Position of Governmental Activities	\$	3,352,726
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The accompanying notes are an integral part of the basic financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS

ASHLAND PARKS AND RECREATION COMMISSION JACKSON COUNTY, OREGON

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING ENTITY

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND TYPES

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

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

The Commission reports the following major funds:

GENERAL FUND

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

CAPITAL IMPROVEMENT FUND

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

EQUIPMENT FUND

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

C. BUDGET

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

2017 Notes To Basic Financial Statements

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

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

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

Expenditures of the various funds were within authorized appropriations.

D. ACCOUNTS RECEIVABLE

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

E. CAPITAL ASSETS

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

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

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

F. RETIREMENT PLAN

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

G. VESTED COMPENSATED ABSENCES

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

earned in the Government-wide Financial Statements.

H. ESTIMATES

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

I. LONG TERM DEBT

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

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

J. FUND EQUITY

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

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution by City of Ashland City Council.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

2017 Notes To Basic Financial Statements

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fair Value Inputs and Methodologies and Hierarchy

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

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. CASH AND INVESTMENTS

Cash and cash equivalents

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

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

2017 Notes To Basic Financial Statements

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

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

Cash and Investment Note

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2016. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2017, the fair value of the position in the LGIP is 100.57% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Interest Rate Risk

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

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

The City limits investment maturities as follows:

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

Credit Risk

Neither the Oregon Revised Statutes nor the City's investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies. The City's investments in U.S. Government Agencies were rated AAA by Standard & Poor's and AAA by Moody's Investor Service. The State Pool is unrated. Oregon Revised Statutes require that Bankers Acceptances be guaranteed by, and carried on the books of, a qualified finan-

2017 Notes To Basic Financial Statements

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

Concentration of Credit Risk

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2017, the City was in compliance with all percentage restrictions.

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

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

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

3. CAPITAL ASSETS

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

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

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

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

4. LONG-TERM DEBT

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

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

5. PENSION PLAN

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

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

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

i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, and 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

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

- member was employed by PERS employer at the time of death,
- member died within 120 days after termination of PERS covered employment,

2017 Notes To Basic Financial Statements

- member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member.
 - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.
 - iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2017 were \$277,768, excluding amounts to fund employer specific liabilities. In addition approximately \$125,812 in employee contributions were paid or picked up by the Commission in fiscal 2017.

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

2017 Notes To Basic Financial Statements

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

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

Year ending June 30,	Amount
2018	\$ 431,483
2019	431,483
2020	869,017
2021	645,615
2022	82,627
Thereafter	<u> </u>
Total	<u>\$ 2,460,225</u>

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

2017 Notes To Basic Financial Statements

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

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)
Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

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

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate – The discount rate used to measure the total pension liability was 7.5% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return:

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

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

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

2017 Notes To Basic Financial Statements

Changes Subsequent to the Measurement Date

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

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

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

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

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

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

6) RISK MANAGEMENT

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

2017 Notes To Basic Financial Statements

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

7) TRANSFERS

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

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

8) TRANSACTIONS WITH PRIMARY GOVERNMENT (CITY OF ASHLAND)

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



REQUIRED SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION

For the fiscal year ended June 30, 2017

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	Employer's proportion of the net pension liability (NPL) (a)	Employer's proportionate share of the net pension liability (NPL) (b)	covered payroll (c)	NPL as a percentage of covered payroll (b/c)	Plan fiduciary net position as a percentage of the total pension liability
2017	0.04%	\$ (6,003,534)	\$ 2,071,981	(289.7) %	80.5 %
2016	0.04%	(2,568,803)	1,848,032	(139.0)	91.9
2015	0.04%	947,255	1,962,898	48.3	103.6
2014	0.04%	(2,132,592)	1,734,423	(123.0)	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date. These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2017	\$ 277,768	\$ 277,768	\$ -	\$ 2,174,306	12.8 %
2016	283,273	283,273	\$ -	2,071,981	13.7
2015	411,657	411,657	\$ -	1,848,032	22.3
2014	448,754	448,754	-	1,962,898	22.9

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date. These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

2017 Required Supplementary Information

ASHLAND PARKS AND RECREATION COMMISSION, ASHLAND , OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

GENERAL FUND

For the year ended June 30, 2017

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

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

176,854

Total GAAP fund balance

\$ 386,186



SUPPLEMENTARY INFORMATION

2017 Supplementary Information

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

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

ASHLAND PARKS AND RECREATION COMMISSION, ASHLAND, OREGON

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

EQUIPMENT FUND

For the year ended June 30, 2017

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

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

(176,854)

\$ -

(1) Appropriation Level

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

Capital Assets:	
Buildings and improvements	\$ 17,397,351
Equipment	2,388,960
Improvements other than Building	3,110,935
Construction in Process	<u>1,607,042</u>
Total capital assets	<u>\$ 24,504,288</u>

Sources of Investment in Capital Assets:	
General Fund	\$ 11,940,597
Shakespeare Festival	<u>12,563,691</u>
Total sources of investment in capital assets	<u>\$ 24,504,288</u>

Sources of Investment in Capital Assets:	
General Fund - depreciation	\$ 4,993,271
Shakespeare Festival- depreciation	<u>5,108,743</u>
Total sources of investment in capital assets	<u>\$ 10,102,014</u>

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

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

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

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

ASHLAND PARKS AND RECREATION COMMISSION

ASHLAND, OREGON

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

For the year ended June 30, 2017

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



STATISTICAL SECTION



ASHLAND PARKS AND RECREATION COMMISSION STATISTICAL SECTION (Unaudited)

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

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

Source:

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

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

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

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

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

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

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

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

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

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

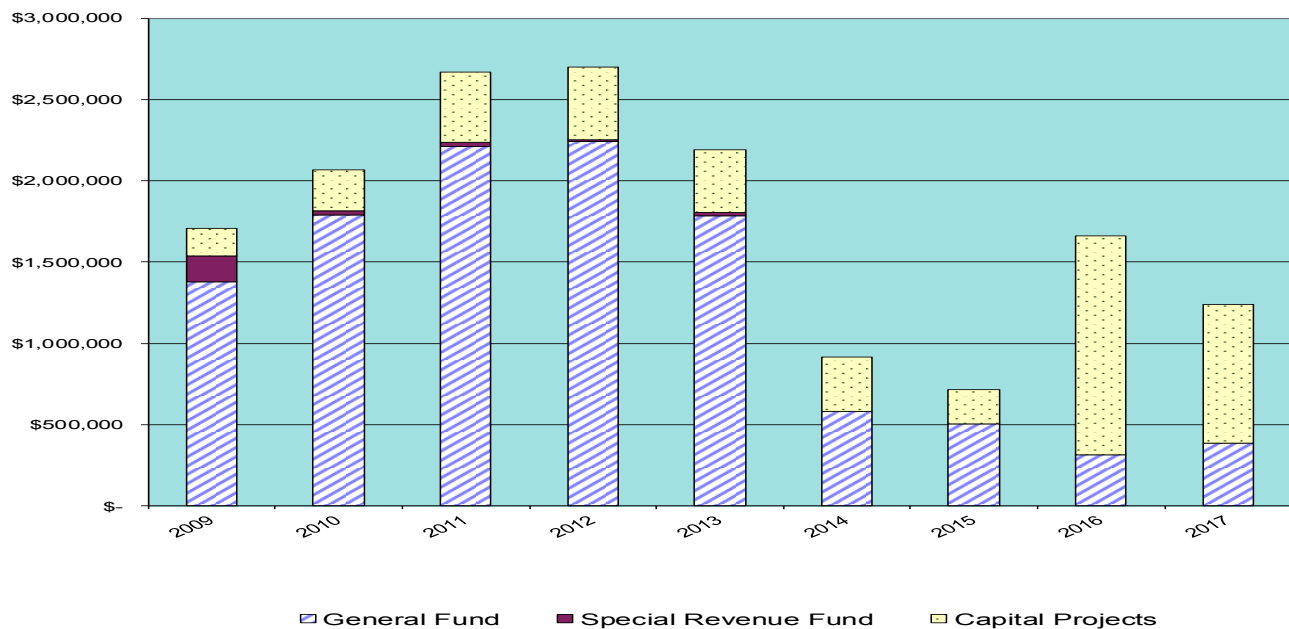
ASHLAND PARKS AND RECREATION COMMISSION

FUND BALANCES

For the last ten fiscal years

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

Fund Balance Comparison
Governmental Funds
Last Ten Years



**ASHLAND PARKS AND RECREATION COMMISSION
FUND BALANCES**

For the last ten fiscal years (continued)

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

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

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

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

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

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

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

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

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

2017 Statistical Section

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

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

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

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

Source: County Assessor tax roll property values.

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

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

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

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

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

Source: Jackson County Assessor and Tax Collector

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

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

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

(1) Property value is assessed valuation

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

City of Ashland, Department of Community Development

Jackson County Assessor

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

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

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

Source: Jackson County Assessor

2017 Statistical Section

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

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

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

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

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

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

For the year ended June 30, 2017 - Unaudited

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

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

(2) Net tax supported debt

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

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

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

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

** Excludes Ashland Parks Commission

Source: Ashland Chamber of Commerce

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

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

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

Sources:

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

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

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

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

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

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

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

*more staff hired to decrease overtime

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

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

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

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

Dedicated Park Land 761 Acres

Dedicated Park Sites: 19

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

Number of Parks and Recreation Facilities

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

Number of Parks and Recreation Employees 36.00

(not including temporary or part time employees)

Usage Agreements:

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

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

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

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

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

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

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

2017 Statistical Section

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

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

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

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





2016-17 AUDITORS' COMMENTS AND DISCLOSURES



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Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Ashland as of and for the year ended June 30, 2017, and have issued our report thereon dated November 6, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

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

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

