

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For year ended June 30, 2018



## 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, 2018**

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

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November 28, 2018

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, 2018.

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 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, 2018, 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 about the Commission's financial statements for the fiscal year ended June 30, 2018, which were 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

## **2018 Introductory Section**

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parks and recreation system includes approximately 271.55 acres of developed parkland and approximately 507.80 acres of undeveloped parkland, including a network of 48 miles of maintained trails. Recreational facilities include a municipal golf course, five community centers, twelve tennis courts and a seasonal swimming pool and 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 working on the development of an infrastructure inventory, to begin putting a long-term plan in place for upgrade and replacement or removal of current infrastructure that is deteriorating as a result of age or use.

**Major initiatives:** With the update of the food and beverage tax approval, the Commission has

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

**Relevant financial policies:** Periodically the Commission’s ending fund balance exceeds its budgeted projections. This is usually the result of collection of more revenue than originally anticipated, expending less on services than originally anticipated, or a combination of both. The Commission and Council have completed a Memorandum of Understanding that redefines their relationship, including budgeting and management responsibilities. The Commission and Council are continuing to work on an incentive policy for Ashland Parks and Recreation that encourages entrepreneurial opportunities.

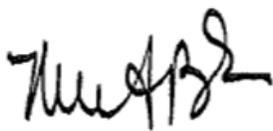
### **AWARDS AND ACKNOWLEDGEMENTS**

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, 2017. 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 Ashland Parks and Recreation. I express my appreciation to all members of the organization 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 organization in a responsible and progressive manner.

Respectfully submitted,  
Michael A. Black, Director



Ashland Parks and Recreation Commission



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Ashland Parks and Recreation  
Commission, Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

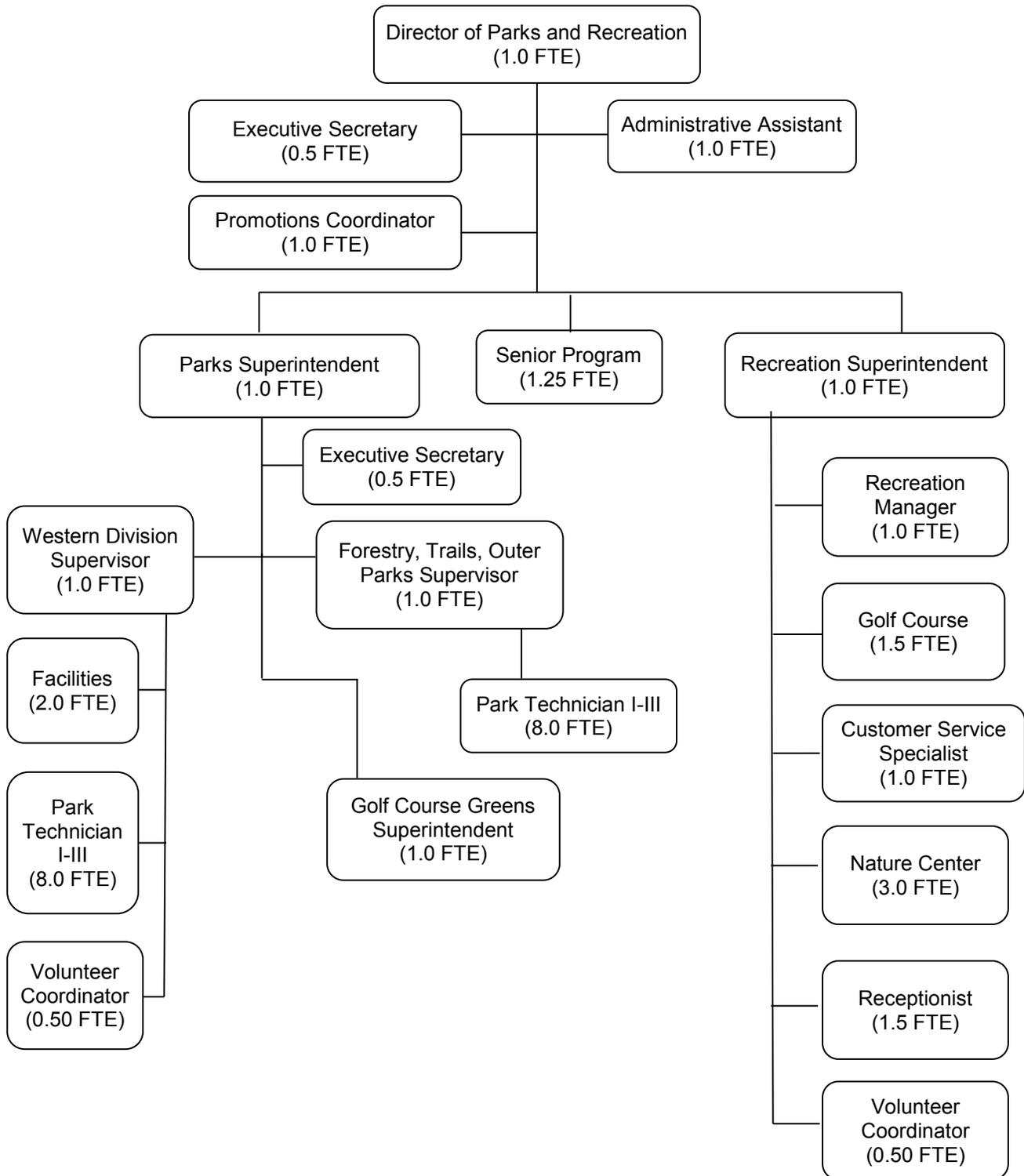
*Christopher P. Morill*

Executive Director/CEO

# Parks and Recreation Department

## 37.25 FTE

(As budgeted 2017-2019)



**ASHLAND PARKS AND RECREATION DEPARTMENT  
(A Component Unit of the City of Ashland, Oregon)  
ELECTED OFFICIALS  
as of June 30, 2018**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Term Expires</u></b>
Mike Gardiner	Commissioner	December 2018
Rick Landt	Commissioner	December 2018
Jim Lewis	Commissioner	December 2020
Matt Miller	Commissioner	December 2018
Joel Heller	Commissioner	December 2020

**Appointed Official**

Michael Black	Parks and Recreation Director
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## 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 28, 2018

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.

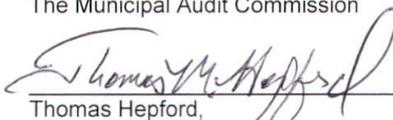
At the conclusion of the annual audit, the Commission meets with the City's auditor to discuss the results of their audit and their evaluation of the City and Parks financial reporting. The Commission also discusses the financial accounting and reporting processes with the City's auditor, including the 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 2018 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,

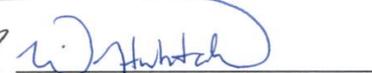
The Municipal Audit Commission

  
Thomas Hepford,  
Member at Large

  
Dee Anne Everson,  
Member at Large

  
Shane Hunter, Budget Liaison  
Representing Budget Committee

  
Dennis Slattery, Member  
City Council Liaison

  
Melissa Huhtala,  
City Recorder/ Ex-Officio Member



**FINANCIAL SECTION**

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

November 2, 2018

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

INDEPENDENT AUDITORS' REPORT

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Ashland Parks and Recreation Commission (a blended component unit of the City of Ashland), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

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

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Ashland Parks and Recreation Commission, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## 2018 Financial Section

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### **Other Matters**

#### *Required Supplementary Information*

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

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

### **Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 2, 2018, 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.

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## 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, 2018. 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 \$14,806,254 (net position).
- The Park and Recreation Commission's total net position has increased by \$2,473,252.
- As of the close of the current fiscal year, the Ashland Parks and Recreation Commission's governmental funds reported combined ending fund balances of \$1,770,134, an increase of \$531,542 from the prior fiscal year.

### Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Ashland Parks and Recreation Commission's basic financial statements, which are comprised of three components: 1) Government-wide financial statements 2) Fund financial statements 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 and 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.

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

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

## 2018 Financial Section

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demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32-34 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 38-53 of this report.

### Ashland Parks and Recreation Commission Net Position

	June 30, 2018	June 30, 2017	Change
Current and other assets	\$ 2,115,230	\$ 1,468,799	44.0%
Capital assets	16,373,500	14,402,273	13.7%
Total assets	<u>18,488,730</u>	<u>15,871,072</u>	16.5%
<b>Deferred Outflows of Resources:</b>			
Deferred outflows - pensions	1,599,652	3,238,648	-50.6%
Deferred outflows - OPEB	39,072	-	0.0%
Long-term liabilities outstanding	345,096	230,206	49.9%
Proportionate Share of Net Pension Liability	4,106,513	6,003,534	-31.6%
Other liabilities	516,748	242,483	113.1%
Total liabilities	<u>4,968,357</u>	<u>6,476,223</u>	-23.3%
<b>Deferred Inflows of Resources:</b>			
Deferred inflows - pensions	343,281	300,495	14.2%
Deferred inflows - OPEB	9,564	-	0.0%
Net Position:			
Net investment in capital assets	16,373,500	14,402,273	13.7%
Unassigned	(1,567,246)	(2,069,271)	-24.3%
Total net position	<u>\$ 14,806,254</u>	<u>\$ 12,333,002</u>	20.1%

### 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 \$14,806,254 at the close of 2018 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.

**Ashland Parks and Recreation Commission  
Change in Net Position  
For the Year Ended June 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,096,063	\$ 1,139,709	-3.8%
Operating grants and contributions	7,086,738	-	N/A
General revenues:			
City of Ashland	-	5,681,770	N/A
Taxes	758,101		N/A
Miscellaneous	45,012	33,303	35.2%
Interest	26,751	14,791	80.9%
OSF - Donated Capital Assets	-	3,440,453	N/A
Total revenues	<u>9,012,665</u>	<u>10,310,026</u>	-12.6%
Expenses:			
Parks	4,386,659	4,947,282	-11.3%
Recreation	1,356,339	1,582,389	-14.3%
Golf course	517,322	427,630	21.0%
Total expenses	<u>6,260,319</u>	<u>6,957,300</u>	-10.0%
Increase in net position	2,752,346	3,352,726	-17.9%
<b>Net Position - Beginning</b>	<u>12,053,908</u>	<u>8,980,276</u>	34.2%
<b>Net position - Ending</b>	<u>\$ 14,806,254</u>	<u>\$ 12,333,002</u>	20.1%

**Governmental activities.** Net Position has increased \$2,473,252 from last year. Significant factors in recognizing and/or leading to the increase in net position include:

- Operating contribution revenues increased due to two reclassifications from general revenues to program revenues. At the request of GFOA, Oregon Shakespeare Festival Capital general revenues of \$1,871,793, moved to program revenue, as did the City of Ashland contribution of \$5,209,500.
- Food and Beverage tax is now shown as its own line item this fiscal year.
- Parks implemented GASB 75 – Other post employment benefits (OPEB) for health care which resulted in a restatement of net position of \$279,094.

**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 \$1,770,135, an increase of \$531,542 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 \$788,308, an increase of \$402,122 from

## **2018 Financial Section**

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the prior year. The General Fund's balance represents 45 percent of the combined governmental funds balance.

The Capital Projects Fund has a total fund balance of \$891,802 all of which is reserved for future capital projects. This increase in fund balance is due to less spending on projects at this measurement point. The large upcoming project is the completion of the Lithia Park master plan.

### **General Fund Budgetary Highlights**

The Ashland Parks and Recreation Commission did revise its budget once during the first year of this biennium. It was a transfer from operations to recreation for ice rink related costs.

The general fund's revenue ended at 47% of the biennium budget and expenditures ended at 44% of budget. The parks management staff have made considerable efforts to keep expenditures below revenues as much as possible. They did manage to meet that goal this fiscal year. This was accomplished primarily by not filling vacant positions within this budget cycle.

### **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, 2018 amounted to \$16,373,500 (net of accumulated depreciation).

A major portion of the Ashland Parks and Recreation Commission's investment in capital assets include leasehold improvements of \$9,326,741, an increase of over \$2 million (net of accumulated depreciation) related to a long-term lease with the Oregon Shakespeare Festival Association. The detail is shown on page 64 of the Supplementary Information 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**

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**ASHLAND PARKS AND RECREATION COMMISSION**  
**ASHLAND, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2018**

	<b>Primary Government</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 2,081,610
Receivables:	
Accounts	33,620
Capital assets, net of Accumulated Depreciation	16,373,500
<b>Total Assets</b>	<b>18,488,730</b>
 <b>Deferred Outflows of Resources:</b>	
Deferred outflows - Pensions - GASB 68	1,599,652
Deferred outflows - OPEB - GASB 75	39,072
<b>Total Deferred Outflows:</b>	<b>1,638,724</b>
 <b>Liabilities:</b>	
Accounts payable	289,630
Payroll Liabilities	55,466
Non-Current Liabilities:	
Proportionate Share of Net Pension Liability	4,106,513
OPEB Net Pension Obligations	262,240
Compensated Absences:	
Due Within 1 Year:	
Vacation and Sick Payable	64,127
Due In More than 1 Year:	
Vacation and Sick Payable	190,381
<b>Total Liabilities</b>	<b>4,968,356</b>
 <b>Deferred Inflows of Resources:</b>	
Deferred inflows - Pensions - GASB 68	343,281
Deferred inflows - OPEB - GASB 75	9,564
<b>Total Deferred Inflows:</b>	<b>352,845</b>
 <b>Net Position</b>	
Net investment in Capital Assets	16,373,500
Unrestricted:	(1,567,246)
<b>Total Net Position</b>	<b>\$ 14,806,254</b>

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, 2018**

<u>Functions</u>	<u>Expenses</u>	<u>Function Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	
Parks	\$ 4,386,659	\$ 431,850	\$ 5,527,580	\$ 1,572,771
Recreation	1,356,339	440,881	1,128,672	213,214
Golf Course	517,322	223,331	430,486	136,495
Total Governmental Activities	<u>\$ 6,260,320</u>	<u>\$ 1,096,063</u>	<u>\$ 7,086,738</u>	<u>\$ 1,922,481</u>
				Taxes 758,101
				Interest and Investment Earnings 26,751
				Miscellaneous 45,012
				<u>Total General Revenues 829,865</u>
				Changes in Net Position 2,752,346
				<u>Net Position - Beginning, Restated 12,053,908</u>
				<u>Net Position - Ending \$ 14,806,254</u>

**ASHLAND PARKS AND RECREATION COMMISSION  
ASHLAND, OREGON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018**

	General	Capital Improvement	Total Governmental Funds
<b>ASSETS</b>			
<b>Assets:</b>			
Cash and Investments	\$ 1,003,981	\$ 1,077,629	\$ 2,081,610
Receivables:			
Accounts	33,620	-	33,620
<b>Total Assets</b>	<b>1,037,601</b>	<b>1,077,629</b>	<b>2,115,230</b>
<b>LIABILITIES, AND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	193,827	95,803	289,630
Payroll Liabilities	55,466	-	55,466
<b>Total Liabilities</b>	<b>249,292</b>	<b>95,803</b>	<b>345,095</b>
<b>Fund Balances:</b>			
Committed for:			
Open Space Improvements	-	981,826	981,826
Equipment Replacement	126,855	-	126,855
Unassigned:			
Unassigned	661,454	-	661,454
<b>Total fund balances</b>	<b>788,308</b>	<b>981,826</b>	<b>1,770,135</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,037,601</b>	<b>\$ 1,077,629</b>	<b>\$ 2,115,230</b>

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, 2018**

Total Fund Balances - Governmental Funds	\$	1,770,135
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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		16,373,500
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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.		(2,850,142)
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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		(232,731)
Accrued vacation and sick leave		(254,508)
		(487,239)

Net Position	\$	14,806,254
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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, 2018**

	<u>Governmental Fund Types</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Revenues:</b>			
Taxes	\$ -	\$ 758,101	\$ 758,101
Intergovernmental	750	4,695	5,445
Charges for Services	6,305,563	-	6,305,563
Interest on Investments	12,773	13,978	26,751
Miscellaneous	45,012	-	45,012
<b>Total Revenues</b>	<u>6,364,098</u>	<u>776,774</u>	<u>7,140,872</u>
<b>Expenditures:</b>			
Current:			
Parks	3,890,304	-	3,890,304
Recreation	1,348,844	-	1,348,844
Golf Course	502,118	-	502,118
Capital Outlay	305,710	562,355	868,065
<b>Total Expenditures</b>	<u>6,046,976</u>	<u>562,355</u>	<u>6,609,331</u>
Excess(Deficiency) of Revenues over Expenditures	317,122	214,419	531,541
<b>Other financing sources (uses):</b>			
Transfers in	85,000	-	85,000
Transfers out	-	(85,000)	(85,000)
<b>Total other financing sources (uses):</b>	<u>85,000</u>	<u>(85,000)</u>	<u>-</u>
Net Change in Fund Balance	402,122	129,419	531,541
<b>Fund Balance, July 1, 2017</b>	<u>386,186</u>	<u>852,407</u>	<u>1,238,593</u>
<b>Fund Balance, June 30, 2018</b>	<u>\$ 788,308</u>	<u>\$ 981,826</u>	<u>\$ 1,770,134</u>

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

**ASHLAND PARKS AND RECREATION COMMISSION  
ASHLAND, OREGON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
For the year ended June 30, 2018**

Total Net Changes in Fund Balances - Governmental Funds	\$	531,541
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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	\$	4,349,081	
Capital Asset Deletions		(1,334,938)	
Depreciation Expense		<u>(1,042,915)</u>	
			1,971,228

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.

	215,239
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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.

Other Post Employment Benefits implicit liability		46,363
Compensated Absences		<u>(12,026)</u>

Change in Net Position of Governmental Activities	\$	<u><u>2,752,345</u></u>
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The accompanying notes are an integral part of the basic financial statements.



## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**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 18 parks ranging in size from .08 to 300 acres and a network of over 48 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 , under contractual agreements with Commission No. 5. 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

## 2018 Notes To Basic Financial Statements

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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 is a Non – GAAP fund and is reported as part of the general Fund. This fund is for the placement 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.

## **2018 Notes To Basic Financial Statements**

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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 acquisition 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.

## 2018 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 upon 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.

	2018
Petty Cash	\$ 650
Demand Deposit	10,000
City Investment Pool	2,070,960
Total	<u>\$ 2,081,610</u>

As of June 30, 2018, the Commission had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
State Treasurer's investment pool	2,070,960	2,070,960	-	-
Total	<u>\$ 2,070,960</u>	<u>\$ 2,070,960</u>	<u>\$ -</u>	<u>\$ -</u>

**CASH AND INVESTMENT NOTE**

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2018. 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, 2018, the fair value of the position in the LGIP is 100.13% 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:

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

**Credit Risk**

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

**Concentration of Credit Risk**

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2018, 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.

## 2018 Notes To Basic Financial Statements

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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%

### 3. CAPITAL ASSETS

The changes in capital assets for the 2017-2018 fiscal years are as follows:

	Balance June 30, 2017	Additions & Reclasses	Retirements & Reclasses	Balance June 30, 2018
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,607,042	\$ -	\$1,334,938	\$ 272,104
Total capital assets, not being depreciated	\$ 1,607,042	\$ -	\$1,334,938	\$ 272,104
Capital assets, being depreciated:				
Buildings	\$ 17,397,351	\$ 2,435,616	\$ -	\$ 19,832,967
Equipment	2,388,960	305,710	58,593	2,636,075
Improvements Other than Buildings	3,110,935	1,607,755	-	4,718,690
Total capital assets, being depreciated	22,897,246	4,349,081	58,593	27,187,732
Less accumulated depreciation for:				
Buildings	7,077,884	677,645	-	7,755,529
Equipment	1,613,529	180,300	58,593	1,735,236
Improvements Other than Buildings	1,410,601	184,970	-	1,595,571
Total accumulated depreciation	10,102,014	1,042,915	58,593	11,086,336
Total capital assets being depreciated, net	<u>\$ 14,402,274</u>	<u>\$ 3,306,166</u>	<u>\$1,334,938</u>	<u>\$ 16,373,500</u>

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

	Depreciation Expense 2018
Parks	\$ 334,270
OSF	563,823
Recreation	84,848
Golf	59,974
Total	<u>\$ 1,042,915</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, 2017 Balance	Additions	Reductions	June 30, 2018 Balance	Due Within a Year
Governmental Activities:	\$ 242,481	\$ 254,507	\$ 242,481	\$ 254,507	\$ 64,127
5. Total Compensated Absences Payable	\$ 242,481	\$ 254,507	\$ 242,481	\$ 254,507	\$ 64,127

**OTHER POST EMPLOYMENT BENEFITS**

**Post Employment Health Insurance Subsidy**

The post employment Health Insurance Subsidy is administrated by the Park Commission. The Parks has elected to use the project Unit Credit cost method.

***Plan Description***

The Parks 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 Parks post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing health care premiums, the rate must be based on all plan members, including both active employees and retirees.

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 Parks implicit employer contribution.

The Parks Commission 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 Parks to fund these benefits in advance.

Annual Pension Cost and Net Pension Obligation - The Park'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 45/75. 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, 2017 actuarial valuation, using the present value of projected benefits discounted at the valuation interest rate (4.50 percent). The assumed health costs will increase 7 percent in the first year (July 1, 2017, premiums compared with July 1, 2016, premiums). In future years, the medical and vision cost trend varies from 7.50 percent to 5.00 percent depending upon the timing of the excise tax scheduled to affect health care benefits beginning in 2020. 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.

## 2018 Notes To Basic Financial Statements

	Deferred Outflow of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	(9,564)
Net difference between projected and actual earnings on pension plan investments	-	-
Net changes in proportionate share and Difference between the Commission contributions and proportionate share of contributions	-	-
	39,072	-
Subtotal - Amortized Deferrals (below)	39,072	(9,564)
Parks Contributions subsequent to measuring date	-	-
Net Deferred outflow (inflow) of resources	<u>\$ 39,072</u>	<u>\$ (9,564)</u>

Year ending June 30,	Amount
2019	\$ (1,543)
2020	(1,543)
2021	(1,543)
2022	(1,543)
2023	(1,543)
Thereafter	(1,849)
Total	<u>\$ (9,564)</u>

	Decrease (2.58%)	Rate (3.58%)	Increase (4.58%)
Parks proportionate share of the net pension liability	\$ 276,987	\$ 262,240	\$ 248,522

### 6. DEFINED BENEFIT 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/documents/financials/CAFR/2017-CAFR.pdf> If the link is expired please contact Oregon PERS for this information.

#### PERS Pension (Chapter 238)

The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

#### *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 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

**Death Benefits**

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

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

**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.

**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.

**OPSRP Pension Program (OPSRP DB)**

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

**Pension Benefits**

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

*Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

## 2018 Notes To Basic Financial Statements

*General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

### **Death Benefits**

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

### **Disability Benefits**

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

### **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, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2018 were \$309,012, excluding amounts to fund employer specific liabilities. In addition approximately \$115,532 in employee contributions were paid or picked up by the Parks in fiscal 2018. At June 30, 2018, the Parks reported a net pension liability of \$4,106,513 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2015. The Parks proportion of the net pension liability was based on a projection of the Parks long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2017, the Parks proportion was .14 percent. Pension expense for the year ended June 30, 2018 was \$424,544.

The rates in effect for the year ended June 30, 2018 were:

Tier 1/Tier 2 – 21.43%  
OPSRP general services – 14.49%

	Deferred Outflow of Resources	Deferred Inflow Of Resources
Difference between expected and actual experience	\$ 198,593	\$ -
Changes in assumptions	748,544	-
Net difference between projected and actual earnings on pension plan investments	-	-
Net changes in proportionate share and Difference between the Commission contributions and proportionate share of contributions	42,307	-
	22,628	317,403
	-	-
	97,465	25,878
Subtotal - Amortized Deferrals (below)	1,109,537	343,281
Parks Contributions subsequent to measuring date	490,116	-
	0	-
Net Deferred outflow (inflow) of resources	<u>\$ 1,599,652</u>	<u>\$ 343,281</u>

## 2018 Notes To Basic Financial Statements

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

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	\$ 133,513
2019	\$ 466,827
2020	\$ 296,711
2021	\$ (130,253)
2022	\$ (543)
Thereafter	-
Total	<u>\$ 766,256</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 16, 2018. Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

### **Actuarial Valuations**

The employer contribution rates effective July 1, 2017 through June 30, 2019, 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.

### **Actuarial Methods and Assumptions**

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
Experience Study Report	2014, Published September 23, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization basis 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	2.50 percent
Investment rate of return	7.50 percent
Projected salary increase	3.5 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro 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.

## 2018 Notes To Basic Financial Statements

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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 2015 Experience Study which is reviewed for the four-year period ending December 31, 2015.

### 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%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

(Source: June 30, 2017 PERS CAFR; p. 92)

### 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 2015 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	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
Assumed Inflation - Mean		2.50%

(Source: June 30, 2017 PERS CAFR; p. 69)

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50 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 Parks proportionate share of the net pension liability to changes in the discount rate – The following presents the Parks proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Parks proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	Decrease (6.5%)	Rate (7.5%)	Increase (8.5%)
Parks proportionate share of the net pension liability	\$ 6,998,250	\$ 4,106,514	\$ 1,688,487

**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.

**Deferred Compensation Plan**

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

**OPSRP Individual Account Program (OPSRP IAP)**

***Plan Description***

Employees of the Parks are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

***Pension Benefits***

Participants in OPERS defined benefit pension plans also participate in their defined contribution

## **2018 Notes To Basic Financial Statements**

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plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member 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, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

### ***Death Benefits***

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

### ***Contributions***

Employees of the Parks pay six (6) percent of their covered payroll. The Parks did not make any optional contributions to member IAP accounts for the year ended June 30, 2018.

## **Retirement Health Insurance Account**

### ***Plan Description***

As a member of Oregon Public Employees Retirement System (OPERS) the Parks contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

### ***Funding Policy***

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the Parks currently contributes 0.50% of annual covered OPERS payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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) of the plan over a period not to exceed thirty years. The Parks contributions to RHIA for the years ended June 30, 2018 was \$10,422 which equaled the required contributions each year.

At June 30, 2018, the Cities net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

**7. 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 City County Insurance Services, a member-owned trust. The City is self-insured for the first annual cumulative deductible of \$50,000 under its general liability insurance policy. Workers' compensation is self-insured for \$450,000 per occurrence for claims incurred; excess coverage above this retention limit is purchased from commercial insurers on a stop-loss basis. The Commission, and all participating City funds, pay contributions based on prior experience, exposure, insurance premiums, and administrative costs. Settlements have not exceeded insurance coverage in each of the past three years.

**8. TRANSFERS**

The purpose of the transfer was for on going maintenance of parks per ordinance #3331 .

Fund	Transfers In	Transfers Out
General Fund	\$ 85,000	\$ -
Capital Improvements	-	85,000
Total	\$ 85,000	\$ 85,000

**9. TRANSACTIONS WITH PRIMARY GOVERNMENT (CITY OF ASHLAND)**

The City of Ashland paid a total of \$5,967,601 to Ashland Parks Commission. Of the total, \$5,209,500 was paid to Parks General Fund to pay for parks and recreation services rendered to the community. \$758,101 was paid to the Capital Project Fund for their share of Food and Beverage revenue received per Ordinance # 3331.

**10. RESTATEMENT ON PRIOR YEAR NET POSITION**

Due to the implementation of GASB 75 a restatement of the prior year net position was required.

Net position Beginning as previously reported	\$ 12,333,002
OPEB Liability	(279,094)
Net position - Beginning as restated	\$ 12,053,908



## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**REQUIRED SUPPLEMENTARY INFORMATION**  
For the fiscal year ended June 30, 2018

**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
2018	0.04%	\$ (4,106,513)	\$ 2,174,306	(188.9) %	83.1 %
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
2018	\$ 309,012	\$ 309,012	\$ -	\$ 1,928,618	16.0 %
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.

**2018 Required Supplementary Information**

**ASHLAND PARKS AND RECREATION COMMISSION**  
**Required Supplemental Information**  
**SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB)**  
**LIABILITY AND RELATED RATIOS MEDICAL BENEFIT**  
**For the year ended June 30, 2018**

<b>Total Pension Liability at June 30, 2017</b>	<b>\$</b>	<b>279,094</b>
<u>Changes for the year:</u>		
Service Cost		18,591
Interest		8,026
Changes of Benefit Terms		-
Differences between expected and actual experience		-
Changes of assumptions or other input		(11,107)
Benefit Payments		(32,364)
<b>Net change for the year</b>		<b>(16,854)</b>
<b>Total Pension Liability at June 30, 2018</b>	<b>\$</b>	<b>262,240</b>
<b>Fiduciary Net Position - Beginning</b>	<b>\$</b>	<b>-</b>
Contributions - Employer		-
Contributions - Employee		32,364
Net Investment Income		-
Benefit Payments		-
Administrative Expense		(32,364)
<b>Net change in Fiduciary Net Position</b>		<b>-</b>
Fiduciary Net Position - End of Year		-
<b>Net OPEB Liability at End of Year</b>	<b>\$</b>	<b>262,240</b>
Fiduciary Net Position as a percentage of the total Single Employer OPEB Liability		0%
Covered Payroll	\$	2,547,221.00
Net Single Employer OPEB Plan as a Percentage of Covered Payroll		10.30%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 75 in the fiscal year ending June 30, 2018

**2018 Required Supplementary Information**

**ASHLAND PARKS AND RECREATION COMMISSION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PARKS AND RECREATION FUND  
For the year ended June 30, 2018**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ 30,000	\$ 30,000	\$ 750	\$ 750	\$ (29,250)
Charges for services - External	2,181,200	2,181,200	868,563	868,563	(1,312,637)
Charges for services - Internal	10,601,400	10,601,400	5,209,500	5,209,500	(5,391,900)
Interest on investments	14,000	14,000	9,692	9,692	(4,308)
Miscellaneous	60,000	60,000	19,883	19,883	(40,117)
<b>Total revenues</b>	<b>12,886,600</b>	<b>12,886,600</b>	<b>6,108,388</b>	<b>6,108,388</b>	<b>(6,778,212)</b>
<b>Expenditures:</b>					
Parks and Recreation:					
Operations and maintenance	8,639,215	8,633,533	3,890,304	3,890,304	4,743,229
Recreation	3,193,871	3,199,553	1,348,844	1,348,844	1,850,709
Golf Course	1,163,100	1,163,100	502,118	502,118	660,982
Total Parks and Recreation	12,996,186	12,996,186	5,741,266 (1)	5,741,266 (1)	7,254,920
Contingency	195,000	195,000	-	-	195,000
<b>Total expenditures</b>	<b>13,191,186</b>	<b>13,191,186</b>	<b>5,741,266</b>	<b>5,741,266</b>	<b>7,449,920</b>
Excess (deficiency) of revenues over (under) expenditures	(304,586)	(304,586)	367,122	367,122	671,708
<b>Other financing sources (uses):</b>					
Transfer in	170,000	170,000	85,000	85,000	(85,000)
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>170,000</b>	<b>170,000</b>	<b>85,000</b>	<b>85,000</b>	<b>(85,000)</b>
Net change in fund balance	(134,586)	(134,586)	452,122	452,122	586,708
<b>Fund balance, July 1, 2017</b>	<b>392,641</b>	<b>392,641</b>	<b>209,332</b>	<b>209,332</b>	<b>(183,309)</b>
<b>Fund balance, June 30, 2018</b>	<b>\$ 258,055</b>	<b>\$ 258,055</b>	<b>\$ 661,454</b>	<b>\$ 661,454</b>	<b>\$ 403,399</b>

(1) Appropriation level

Reconciliation to GAAP fund balance :

Equipment fund balance:	126,855
Total GAAP fund balance	<u>\$ 788,308</u>





## **SUPPLEMENTARY INFORMATION**

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**2018 Supplementary Information**

**ASHLAND PARKS AND RECREATION COMMISSION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PARKS CAPITAL IMPROVEMENTS FUND  
For the year ended June 30, 2018**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 1,484,690	\$ 1,484,690	\$ 758,101	\$ 758,101	\$ (726,589)
Intergovernmental	900,000	900,000	4,695	4,695	(895,305)
Interest on investments	20,000	20,000	13,978	13,978	(6,022)
<b>Total revenues</b>	<b>2,404,690</b>	<b>2,404,690</b>	<b>776,774</b>	<b>776,774</b>	<b>(1,627,916)</b>
<b>Expenditures:</b>					
General government:					
Personal Services	-	-	-	-	-
Material and Services	-	150,000	-	-	150,000
Capital outlay	5,095,000	4,812,157	562,355	562,355	4,249,802
Total cost of service	5,095,000	4,962,157	562,355	562,355	4,399,802
Contingency	-	-	-	-	-
<b>Total expenditures</b>	<b>5,095,000</b>	<b>4,962,157</b>	<b>562,355</b>	<b>562,355</b>	<b>4,399,802</b>
Excess (Deficiency) of revenues over (under) expenditures	(2,690,310)	(2,557,467)	214,419	214,419	2,771,886
<b>Other financing sources (uses):</b>					
Other Financing Sources	3,250,000	3,250,000	-	-	3,250,000
Transfers Out	(440,440)	(573,283)	(85,000)	(85,000)	(488,283)
<b>Total other financing sources (uses):</b>	<b>2,809,560</b>	<b>2,676,717</b>	<b>(85,000)</b>	<b>(85,000)</b>	<b>2,761,717</b>
Net change in fund balance	119,250	119,250	129,419	129,419	10,169
<b>Fund balance, July 1, 2017</b>	<b>341,235</b>	<b>341,235</b>	<b>852,407</b>	<b>852,407</b>	<b>511,172</b>
<b>Fund balance, June 30, 2018</b>	<b>\$ 460,485</b>	<b>\$ 460,485</b>	<b>\$ 981,826</b>	<b>\$ 981,826</b>	<b>\$ 521,341</b>

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

**For the year ended June 30, 2018**

	BN 2015-2017		First Year Actual FY 2017-18	Total Actual for budget period	Variance with Final Budget - Positive (Negative)
	Biennium Budget Amounts Original	Final			
<b>Revenues:</b>					
Charges for Services	\$ 425,000	\$ 425,000	\$ 227,500	\$ 227,500	\$ (197,500)
Interest on Investments	1,450	1,450	3,081	3,081	1,631
Miscellaneous	-	-	25,129	25,129	25,129
<b>Total Revenues</b>	<b>426,450</b>	<b>426,450</b>	<b>255,710</b>	<b>255,710</b>	<b>(170,740)</b>
<b>Expenditures:</b>					
Capital Outlay	450,000	450,000	305,710 (1)	305,710	144,290
Total Parks	450,000	450,000	305,710	305,710	144,290
<b>Total Expenditures</b>	<b>450,000</b>	<b>450,000</b>	<b>305,710</b>	<b>305,710</b>	<b>144,290</b>
Net Change in Fund Balance	(23,550)	(23,550)	(49,999)	(49,999)	(26,449)
Fund Balance, July 1, 2017	176,139	176,139	176,854	176,854	715
<b>Fund Balance, June 30, 2018</b>	<b>\$ 152,589</b>	<b>\$ 152,589</b>	<b>\$ 126,855</b>	<b>\$ 126,855</b>	<b>\$ (25,734)</b>

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

(126,855)  
\$ -

(1) Appropriation Level

**ASHLAND PARKS AND RECREATION COMMISSION**  
**ASHLAND, OREGON**  
**SCHEDULE OF CAPITAL ASSETS - BY SOURCES**  
**For the year ended June 30, 2018**

Capital Assets:	
Buildings and improvements	\$ 19,832,967
Equipment	2,636,076
Improvements other than Building	4,718,690
Construction in Process	<u>272,104</u>
Total capital assets	<u><u>\$ 27,459,837</u></u>
Sources of Investment in Capital Assets:	
General Fund	\$ 12,460,530
Shakespeare Festival	<u>14,999,307</u>
Total sources of investment in capital assets	<u><u>\$ 27,459,837</u></u>
Depreciation in Capital Assets:	
General Fund - depreciation	\$ 5,413,770
Shakespeare Festival- depreciation	<u>5,672,566</u>
Total depreciation in capital assets	<u><u>\$ 11,086,336</u></u>

**ASHLAND PARKS AND RECREATION COMMISSION**  
**ASHLAND, OREGON**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY SOURCES**  
**For the year ended June 30, 2018**

	<u>Total</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Improvements other than Buildings</u>	<u>CIP</u>
Capital Assets, July 1, 2017	\$ 24,504,288	\$ 17,397,351	\$ 2,388,960	\$ 3,110,935	\$ 1,607,042
Additions:					
General Fund	1,913,465	-	305,710	1,607,755	-
Shakespeare Festival	2,435,616	2,435,616	-	-	-
	<u>4,349,081</u>	<u>2,435,616</u>	<u>305,710</u>	<u>1,607,755</u>	<u>-</u>
Deletions:					
General Fund	1,393,531	-	58,593	-	1,334,938
Shakespeare Festival	-	-	-	-	-
	<u>1,393,531</u>	<u>-</u>	<u>58,593</u>	<u>-</u>	<u>1,334,938</u>
Capital Assets, June 30, 2018	<u>\$ 27,459,838</u>	<u>\$ 19,832,967</u>	<u>\$ 2,636,077</u>	<u>\$ 4,718,690</u>	<u>\$ 272,104</u>

**ASHLAND PARKS AND RECREATION COMMISSION**  
**ASHLAND, OREGON**  
**SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY**  
**For the year ended June 30, 2018**

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>\$ 27,459,837</u>	<u>\$ 19,832,967</u>	<u>\$ 2,636,076</u>	<u>\$ 4,718,690</u>	<u>\$ 272,104</u>

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**ASHLAND PARKS AND RECREATION COMMISSION**  
**ASHLAND, OREGON**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY**  
**For the year ended June 30, 2018**

Function and Activity	Capital Assets July 1, 2017	Additions	Deletions	Capital Assets June 30, 2018
Parks and Recreation	\$ 24,504,288	\$ 4,349,081	\$ 1,393,531	\$ 27,459,838



## **STATISTICAL SECTION**

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**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.

	<b>Page</b>
<b>Financial Trends</b>	
These tables contain trend information that may assist the reader in assessing the Commission's current financial performance by placing it in historical perspective.	72-81
<b>Revenue Capacity</b>	
These tables contain information that may assist the reader is assessing the viability of the revenue sources.	82-86
<b>Debt Capacity</b>	
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.	87
<b>Economic &amp; Demographic Information</b>	
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.	88-89
<b>Operating Information</b>	
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.	90-96

**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.

**2018 Statistical Section**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,081,610	\$ 1,442,365	\$ 2,077,124	\$ 981,557
Receivables:				
Interest	-	-	-	-
Accounts	33,620	26,434	19,650	85,472
Taxes	-	-	-	-
Proportional share of net pension assets	-	-	-	947,255
Capital assets, net of Accumulated Depreciation	16,373,500	14,402,273	10,112,652	10,397,953
<b>Total Assets</b>	<u>18,488,730</u>	<u>15,871,072</u>	<u>12,209,426</u>	<u>12,412,237</u>
<b>Deferred Outflows of Resources:</b>				
Deferred outflows - Pensions - GASB 68	1,599,652	3,238,648	672,510	-
Deferred outflows - OPEB - GASB 75	39,072	-	-	-
<b>LIABILITIES:</b>				
Accounts payable	289,630	187,473	225,677	187,564
Payroll liabilities	55,466	42,733	211,956	166,538
Vacation payable	-	-	-	-
Noncurrent liabilities	-	-	-	-
Proportionate share of net pension liability	4,106,513	6,003,534	2,568,603	-
OPEB Net Pension Obligations	262,240	-	-	-
Due within one year	64,127	60,620	74,671	62,583
Due in more than one year	190,380	181,863	224,011	187,747
<b>Total Liabilities</b>	<u>4,968,356</u>	<u>6,476,223</u>	<u>3,304,918</u>	<u>604,432</u>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows - Pensions - GASB 68	343,281	300,495	596,742	1,416,160
Deferred inflows - OPEB - GASB 75	9,564	-	-	-
<b>NET POSITION:</b>				
Invested in capital assets, net of related debt	16,373,500	14,402,273	10,112,652	10,397,953
Restricted for: YAL	-	-	-	-
Unrestricted	(1,567,246)	(2,069,271)	(1,132,376)	(6,308)
<b>Total Net Position</b>	<u>\$ 14,806,254</u>	<u>\$ 12,333,002</u>	<u>\$ 8,980,276</u>	<u>\$ 10,391,645</u>

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

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

2014	2013	2012	2011	2010	2009
\$ 1,193,676	\$ 2,416,468	\$ 2,829,756	\$ 2,855,465	\$ 2,210,964	\$ 1,824,579
-	-	-	-	-	-
99,470	90,512	112,138	24,666	89,798	7,244
-	-	370,792	382,865	369,389	368,142
-	-	-	-	-	-
10,478,922	9,527,217	9,592,447	9,114,880	9,388,309	9,799,880
<u>11,772,068</u>	<u>12,034,197</u>	<u>12,905,133</u>	<u>12,377,876</u>	<u>12,058,460</u>	<u>11,999,845</u>
-	-	-	-	-	-
-	-	-	-	-	-
232,706	216,013	131,911	163,169	177,249	200,522
144,563	119,902	116,978	92,725	91,657	89,530
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
63,800	69,083	23,511	22,062	27,076	27,898
191,402	207,247	70,532	66,185	81,228	83,694
<u>632,471</u>	<u>612,245</u>	<u>342,932</u>	<u>344,141</u>	<u>377,210</u>	<u>401,644</u>
-	-	-	-	-	-
-	-	-	-	-	-
10,478,922	9,527,217	9,592,447	9,114,880	9,388,309	9,799,880
-	-	20,325	9,898	-	-
660,674	1,894,735	2,949,429	2,908,957	2,292,941	1,798,320
<u>\$ 11,139,596</u>	<u>\$ 11,421,952</u>	<u>\$ 12,562,201</u>	<u>\$ 12,033,735</u>	<u>\$ 11,681,250</u>	<u>\$ 11,598,200</u>

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

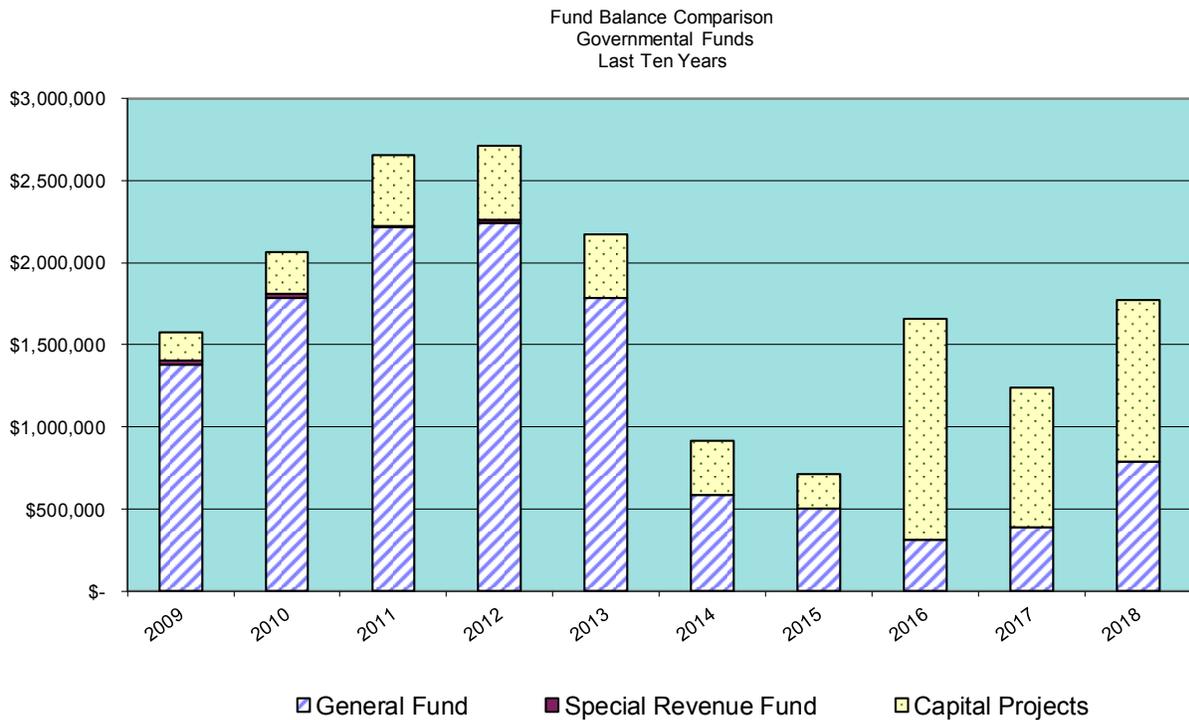
	2018	2017	2016	2015
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 1,096,063	\$ 1,139,709	\$ 1,153,455	\$ 1,149,154
Operating grants and contributions	7,086,738	-	92	320,539
<b>General revenues:</b>				
City of Ashland	-	5,681,770	6,210,271	4,896,167
Property taxes	-	-	-	-
Taxes	758,101	-	-	-
Interest	26,752	14,791	9,700	4,957
Other	45,012	33,303	17,204	17,620
Donated Capital Assets - OSF	-	3,440,453	-	-
<b>Total revenues</b>	<u>9,012,666</u>	<u>10,310,026</u>	<u>7,390,722</u>	<u>6,388,437</u>
<b>Expenses:</b>				
Parks	4,386,659	4,947,282	6,151,387	3,921,790
Recreation	1,356,339	1,582,389	1,863,782	1,124,584
Golf course	517,322	427,630	786,922	406,176
Debt service	-	-	-	-
<b>Total expenses</b>	<u>6,260,320</u>	<u>6,957,301</u>	<u>8,802,091</u>	<u>5,452,550</u>
Increase (Decrease) in net position	2,752,346	3,352,725	(1,411,369)	935,887
Net position - Beginning, Restated	12,053,908	8,980,276	10,391,645	9,455,758
Prior period adjustment	-	-	-	-
<b>Net position - Ending</b>	<u>\$ 14,806,254</u>	<u>\$ 12,333,001</u>	<u>\$ 8,980,276</u>	<u>\$ 10,391,645</u>

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

2014	2013	2012	2011	2010	2009
\$ 1,578,123	\$ 932,235	\$ 968,436	\$ 1,101,358	\$ 1,010,118	\$ 1,019,780
-	-	33,117	21,140	9,983	-
3,959,833	-	-	-	-	-
-	4,082,108	4,349,737	4,210,320	4,082,522	3,970,602
-	-	-	-	-	-
7,934	16,133	20,698	16,096	23,515	22,455
53,234	67,690	35,648	47,888	21,785	256,122
-	-	-	-	-	-
<u>5,599,124</u>	<u>5,098,166</u>	<u>5,407,636</u>	<u>5,396,802</u>	<u>5,147,923</u>	<u>5,268,959</u>
4,372,964	4,515,960	3,363,614	3,557,166	3,452,280	3,884,152
935,821	1,207,171	1,060,887	1,141,094	1,135,400	1,151,793
572,695	371,911	454,669	346,057	477,193	423,595
-	-	-	-	-	-
<u>5,881,480</u>	<u>6,095,042</u>	<u>4,879,170</u>	<u>5,044,317</u>	<u>5,064,873</u>	<u>5,459,540</u>
(282,356)	(996,876)	528,466	352,485	83,050	(190,581)
11,421,952	12,562,201	12,033,735	11,681,250	11,598,200	11,788,781
-	(143,373)	-	-	-	-
<u>\$ 11,139,596</u>	<u>\$ 11,421,952</u>	<u>\$ 12,562,201</u>	<u>\$ 12,033,735</u>	<u>\$ 11,681,250</u>	<u>\$ 11,598,200</u>

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

	2018	2017	2016	2015
<b>General Fund</b>				
Unassigned, reported in:				
General Fund	\$ 788,308	\$ 386,186	\$ 313,140	\$ 503,626
<b>Total General Fund</b>	<u>788,308</u>	<u>386,186</u>	<u>313,140</u>	<u>503,626</u>
<b>Special Revenue Fund</b>				
Restricted, reported in:				
Special revenue funds	-	-	-	-
<b>Total Special Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Capital Projects</b>				
Committed, reported in:				
Capital projects funds	981,826	852,407	1,346,001	209,302
<b>Total Capital Projects</b>	<u>981,826</u>	<u>852,407</u>	<u>1,346,001</u>	<u>209,302</u>
<b>Total Governmental Funds</b>	<u>\$ 1,770,134</u>	<u>\$ 1,238,593</u>	<u>\$ 1,659,141</u>	<u>\$ 712,928</u>



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

2014	2013	2012	2011	2010	2009
\$ 583,394	\$ 1,783,433	\$ 2,242,227	\$ 2,214,031	\$ 1,787,781	\$ 1,379,752
<u>583,394</u>	<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>
-	-	20,325	9,898	22,534	27,356
<u>-</u>	<u>-</u>	<u>20,325</u>	<u>9,898</u>	<u>22,534</u>	<u>27,356</u>
332,482	387,632	449,132	432,867	252,864	166,991
<u>332,482</u>	<u>387,632</u>	<u>449,132</u>	<u>432,867</u>	<u>252,864</u>	<u>166,991</u>
<u>\$ 915,876</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>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>REVENUES:</b>				
Property Taxes:	\$ -	\$ -	\$ -	\$ -
Taxes	758,101	-	-	-
City of Ashland	5,209,500	5,681,770	6,210,271	4,896,167
Intergovernmental revenues	5,445	-	92	320,539
Charges for services	1,096,063	1,139,709	1,153,455	1,149,154
Interest revenue	26,751	14,791	9,700	4,957
Miscellaneous revenue	45,012	33,303	-	17,620
<b>Total Revenues</b>	<u>7,140,872</u>	<u>6,869,573</u>	<u>7,373,518</u>	<u>6,388,437</u>
<b>EXPENDITURES:</b>				
Current:				
Parks	3,890,304	4,044,004	3,895,295	3,753,591
Recreation	1,348,844	1,412,516	1,409,208	1,300,196
Golf Course	502,118	509,634	547,280	501,458
Capital Outlay	868,065	1,323,967	592,727	1,036,140
Debt Service	-	-	-	-
Ratio of debt service to non capital expenditures	0.00%	0.00%	0.00%	0.00%
<b>Total Expenditures</b>	<u>6,609,331</u>	<u>7,290,121</u>	<u>6,444,510</u>	<u>6,591,385</u>
Excess of revenues over, (under)				
Expenditures	531,541	(420,548)	946,213	(202,948)
Other Financing Sources, (Uses)				
Transfers in	85,000	-	80,000	320,000
Transfers out	(85,000)	-	(80,000)	(320,000)
<b>Total Other Financing Sources, (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	531,541	(420,548)	946,213	(202,948)
<b>Fund Balance - Beginning of Year,</b>	1,238,593	1,659,141	712,928	915,876
Prior period adjustment	-	-	-	-
<b>Fund Balance - End of Year</b>	<u>\$ 1,770,134</u>	<u>\$ 1,238,593</u>	<u>\$ 1,659,141</u>	<u>\$ 712,928</u>

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

2014	2013	2012	2011	2010	2009
\$ -	\$ 4,434,223	\$ 4,349,737	\$ 4,210,320	\$ 4,082,522	\$ 3,982,698
-	-	-	-	-	-
3,959,833	-	-	-	-	-
724,634	-	33,117	21,140	9,983	-
853,490	932,235	968,436	1,101,358	1,010,118	1,019,781
7,934	16,133	20,698	16,096	23,515	22,455
53,234	67,690	35,648	47,888	21,785	256,122
5,599,125	5,450,281	5,407,636	5,396,802	5,147,923	5,281,056
3,719,517	3,855,744	3,800,834	3,277,305	3,121,588	3,487,474
1,207,579	1,184,863	1,032,591	1,080,917	1,081,399	1,315,635
524,969	419,249	414,374	281,834	437,285	370,199
1,402,249	531,044	104,949	163,129	18,571	159,026
-	-	-	-	-	-
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6,854,314	5,990,900	5,352,748	4,803,185	4,658,843	5,332,334
(1,255,189)	(540,619)	54,888	593,617	489,080	(51,278)
602,000	370,325	-	-	-	-
(602,000)	(370,325)	-	-	-	-
-	-	-	-	-	-
(1,255,189)	(540,619)	54,888	593,617	489,080	(51,278)
2,171,065	2,711,684	2,656,796	2,063,179	1,574,099	1,625,377
-	-	-	-	-	-
\$ 915,876	\$ 2,171,065	\$ 2,711,684	\$ 2,656,796	\$ 2,063,179	\$ 1,574,099

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

<b>Fund Balances</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<u>Adopted</u>	<u>Adopted</u>	<u>Adopted</u>	<u>Adopted</u>
<b>Parks Component</b>				
Parks and Recreation Fund	\$ 258,055	\$ 4,014	\$ 184,915	\$ 666,289
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	460,485	308,617	(674,924)	302,132
Parks Equipment Fund	152,589	40,000	192,000	-
<b>Total Budget</b>	<u><u>871,129</u></u>	<u><u>352,631</u></u>	<u><u>(298,009)</u></u>	<u><u>968,421</u></u>
<b>For the Fiscal Year Ended June 30,</b>				
<b>Fund Balances</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
<b>Parks Component</b>				
Parks and Recreation Fund	661,454	209,332	254,306	503,626
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	981,826	852,407	1,346,001	209,302
Parks Equipment Fund	126,855	176,854	58,834	-
<b>Total Actual</b>	<u><u>\$ 1,770,135</u></u>	<u><u>\$ 1,238,593</u></u>	<u><u>\$ 1,659,141</u></u>	<u><u>\$ 712,928</u></u>

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

2014 Adopted	2013 Adopted	2012 Adopted	2011 Adopted	2010 Adopted	2009 Adopted
\$ 666,289	\$ 1,290,439	\$ 1,703,840	\$ 1,409,225	\$ 1,450,910	\$ 1,190,614
-	-	-	-	10,591	-
302,132	242,067	193,504	167,739	287,239	107,590
-	-	-	-	-	-
<b>968,421</b>	<b>1,532,506</b>	<b>1,897,344</b>	<b>1,576,964</b>	<b>1,748,740</b>	<b>1,298,204</b>
2014 Actual	2013 Actual	2012 Actual	2011 Actual	2010 Actual	2009 Actual
583,394	1,783,433	2,242,227	2,214,031	1,787,781	1,379,752
-	-	20,325	9,898	22,534	27,356
332,482	387,632	449,132	432,867	252,864	166,991
-	-	-	-	-	-
<b>\$ 915,876</b>	<b>\$ 2,171,065</b>	<b>\$ 2,711,684</b>	<b>\$ 2,656,796</b>	<b>\$ 2,063,179</b>	<b>\$ 1,574,099</b>

**2018 Statistical Section**

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

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<b>Fiscal Year Ended June 30</b>	<b>Real (1)</b>	<b>Mobile Home</b>	<b>Personal</b>	<b>Utilities</b>	<b>Total</b>	<b>Property Tax Rate</b>	<b>Taxable ratio (True Cash Value to Assessed)</b>
2017-18	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	1
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%

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
2017-18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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

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
2017-18	N/A		N/A		N/A
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

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	2018 Assessed Valuation	Percentage of Total Assessed Valuation
Avista Corp	Utility	\$ 16,386,700	0.62%
Deluca Ronald L Trustee ET AL	Housing	13,173,880	0.50%
Deluca Ronald L Trustee	Housing	12,071,418	0.46%
Ashland Community Hopsital	Hospital	9,840,160	0.37%
Ashland Hills Hotel LLC	Motel	9,295,490	0.35%
Deluca Revocable Trust ET AL	Housing	8,598,360	0.33%
Charter Communications	Utility	7,942,400	0.30%
Ashlander Ashland LLC	Housing	7,652,430	0.29%
Ashland Shopping Center LLC	Retail	6,354,590	0.24%
Mark Anthony Hist Prop LLC	Motel	6,337,590	0.24%

All other	2,535,600,096	96.29%
<b>Total</b>	<b>\$ 2,633,253,114</b>	<b>100.00%</b>

Taxpayers	Type of Business	2009 Assessed Valuation	of Total Assessed Valuation
Windmill Inns of America, Inc	Motels	\$ 10,533,210	0.54%
Qwest Corporation	Utility	9,867,700	0.51%
Ronald L. Deluca	Housing	9,253,040	0.48%
Avista Corp.	Utility	7,779,000	0.40%
Pacific Financial, Inc.	Financial	5,865,120	0.30%
Michael D & Beverly Rydbom	Retail	4,870,350	0.25%
Skylark Assisted Living	Assisted Care	4,787,200	0.25%
Bard's Inn Limited	Motels	4,582,790	0.24%
North Mountain Land Company	Housing	4,577,330	0.24%
Summit Investment	Retail	4,539,860	0.23%

All other	1,876,512,124	96.57%
<b>Total</b>	<b>\$ 1,943,167,724</b>	<b>100.00%</b>

Source: Jackson County Assessor

**2018 Statistical Section**

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

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy (1)</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Tax Collections (2)(3)</b>	<b>Total Tax Collections</b>	<b>Total Tax Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Delinquent Taxes to Tax Levy</b>
2017-18	N/A	N/A	N/A	N/A	N/A	N/A	-	-
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%

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, 2018 - Unaudited

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to Parks</u>
<b>Direct:</b>			
Parks Commission	N/A	(1)	N/A
<b>Overlapping:</b>			
Jackson County	835,107	14.41%	120,339
School District #5	4,807,671	80.80%	3,884,598
Rogue Community College	5,598,198 (2)	14.41%	806,700
Jackson County Housing Authority	782,702	14.41%	112,787
Rogue Valley Transit District	107,059	19.15%	20,502
	<u>\$ 12,130,737</u>		<u>\$ 4,944,927</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**

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<u>Employer</u>	<u>2018</u>	<u>Employees</u>
Southern Oregon University		703
Oregon Shakespeare Festival		747
Ashland Public Schools		378
Asante Ashland Community Hospital		275
City of Ashland**		254
	Subtotal	2,357

<u>Employer</u>	<u>2009</u>	<u>Employees</u>
Southern Oregon University		748
Ashland Community Hospital		452
Ashland Shakespeare Festival		450
Ashland Public Schools		380
City of Ashland**		260
Pathway Enterprises		140
Ashland Food Cooperative		150
Professional Tool Mfg. LLC		80
Prestige Care (dba Linda Vista)		75
	Total	2,735

\*\* 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**

<b>Fiscal Year Ended June 30, 2018</b>	<b>Population (1)</b>	<b>Percentage Change</b>	<b>Per Capita Income</b>	<b>Total Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Jackson County Unemployment Rate (4)</b>
2018	20,700	0.39%	-	unavailable	2,940	4.6%
2017	20,620	1.05%	-	unavailable	2,921	4.9%
2016	20,405	0.32%	30,947	631,468	2,883	6.2%
2015	20,340	0.22%	29,987	609,934	2,782	7.1%
2014	20,295	-0.15%	28,296	574,277	2,765	8.4%
2013	20,325	-5.29%	25,235	512,899	2,759	9.9%
2012	21,460	6.79%	28,363	608,663	2,720	11.3%
2011	20,095	-6.56%	21,792	437,910	2,737	12.1%
2010	21,505	0.09%	19,698	423,604	2,819	12.7%
2009	21,485	-1.44%	18,219	391,431	2,767	13.3%

## Sources:

- (1) Center for Population and Research and Census, Portland State University
- (2) Oregon Department of Revenue
- (3) Ashland School District
- (4) US Bureau of Labor Statistics

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

Function/Program	2018	2017	2016	2015
<b>Parks Division</b>				
Director	1.00	1.00	1.00	1.00
Parks Superintendent	1.00	1.00	1.00	1.00
Western Division Supervisor	1.00	1.00	1.00	-
Forestry, Trails, and Outer Parks Supervisor	1.00	1.00	1.00	-
Executive Secretary	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	-
Office Assistant I	0.00	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	10.00	12.20
Park Technician II	3.00	4.00	4.00	3.00
Park Technician III	3.00	2.00	2.00	3.00
<b>Recreation Division</b>				
Recreation Superintendent	1.00	1.00	1.00	1.00
CC/Recreation Facilities Manager	-	-	-	0.25
Recreation Coordinator	1.00	1.00	1.00	1.00
Nature Center Manager	1.00	1.00	1.00	-
Nature Center Coordinator	1.00	1.00	1.00	-
Office Assistant I	0.00	1.40	1.40	-
Environmental Education Coordinator	0.00	0.80	0.80	1.80
Promotions Coordinator	1.00	1.00	1.00	1.00
Senior Program Manager	1.00	1.00	1.00	1.00
Customer Services Specialist	1.00	-	-	-
Senior Center Information/Reference Specialist	0.25	-	-	-
Senior Program Specialist	-	0.25	0.25	0.70
Senior Program Support Specialist	-	0.50	0.50	0.55
Office Assistant II	2.50	1.00	1.00	1.00
Environmental Ed Assistant				1.00
<b>Golf Division</b>				
Golf Manager	1.00	1.00	1.00	1.00
Assistant Manager	0.50	1.00	1.00	0.80
Greens Superintendent	1.00	1.00	1.00	1.00
Park Technician I	-	1.00	1.00	0.80
	<b>37.25</b>	<b>39.35</b>	<b>39.35</b>	<b>37.10</b>

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

2014	2013	2012	2011	2010	2009
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	-	-
-	-	-	5.00	5.00	8.00
12.20	12.20	12.20	6.00	5.00	6.00
3.00	3.00	3.00	6.00	7.00	7.00
3.00	3.00	3.00	2.00	4.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
0.25	0.25	0.25	-	1.00	1.00
1.00	1.00	1.00	1.00	1.00	2.00
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1.80	1.80	1.80	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	0.80	0.80	0.80
-	-	-	-	-	-
-	-	-	-	-	-
0.70	0.70	0.70	0.80	0.80	0.70
0.55	0.55	0.55	0.35	0.35	0.35
1.00	1.00	1.00	0.00	0.00	1.00
1.00	1.00	1.00	2.00	2.00	1.00
1.00	1.00	1.00	1.00	1.00	-
0.80	0.80	0.80	-	-	-
1.00	1.00	1.00	1.00	1.00	1.00
0.80	0.80	0.80	1.00	1.00	-
<b>37.10</b>	<b>37.10</b>	<b>37.10</b>	<b>36.95</b>	<b>38.95</b>	<b>41.85</b>

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

Function/Program	Actual 2018	Actual 2017	Actual 2016	Actual 2015
<b>Forestry, Trails, and Natural Resources</b>				
Acres treated/retreated for fuel reduction	unavailable	265	239	197
Miles of trail maintained	48	48	41	40
<b>Horticulture</b>				
Trees maintained	****340	5,140	5,125	5,058
Number of trees planted	****118	45	30	58
Number of plants planted	1,236	1,450	1,350	11,093
Acres mowed- athletic area	48	46	46	46
<b>Parks and Recreation Community Facilities</b>				
Community Center Rentals	35%	37%	37%	39%
Pioneer Hall Rentals	29%	26%	26%	28%
Hunter Park usage	37%	40%	44%	49%
Lithia Park Reservations	8%	5%	5%	3%
The Grove usage	25%	20%	25%	25%
(% rented of available rental hours)				
<b>Aquatic Facilities</b>				
Recreational swimmers	*13,504	9,246	8,500	9,299
Lesson participants	**228	358	337	341
Accidents per season	1	2	4	6
Number of seasonal employees	20	18	22	23
<b>Ice Rink Facilities</b>				
Number of admissions	21,309	20,397	18,462	15,049
Accidents per season	17	***28	2	9
Number of seasonal employees	18	23	17	17
<b>Golf Division</b>				
Total rounds of golf	11,400	14,300	13,109	16,998
*Winter/Spring use of pool				
**Summer smoke				
***More thorough tracking of accidents				
****Change in tracking methodology				

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

Actual 2014	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
166	166	142	98	63	63
29	29	29	29	25	25
5,058	5,058	5,000	5,000	5,000	5,000
58	58	40	40	40	40
11,093	11,093	15,250	15,250	15,250	15,250
46	46	46	46	46	46
38%	42%	42%	38%	37%	290
28%	22%	17%	23%	20%	270
49%	21%	25%	21%	21%	88
4%	4%	3%	3%	7%	108
20%	11%	11%	11%	8%	31
10,000 (est)	10,000	10,000 (est)	10,000 (est)	10,500	10,500
317	275	282	286	475	475
-	-	-	-	-	-
23*	14	13	17	19	19
14,500 (est)	14,500 (est)	14,500	14,500	14,850	1,500
1	1	-	-	-	-
14	12	10	10	10	6
17,859	17,916	17,528	16,820	18,093	12,209

**ASHLAND PARKS AND RECREATION COMMISSION**  
**MISCELLANEOUS STATISTICS**  
**For the year ended June 30, 2018**

<b>Dedicated Park Land</b>	772.83 Acres
<b>Developed Parks</b>	18
<b>Undeveloped Parks &amp; Open Space Parcels</b>	19
Acid Castle Rocks	45.79
Ashland Creek Park	7
Ashland Pond	22
Bear Creek Greenway	1.76
Bluebird Park	0.25
BMX Park	1.4
Briscoe Geology Park	0.08
Briscoe School Park	1.76
Burnson Property	46
Calle Guanajuato	1.33
Chitwood Property	2.4
Clay Street Park	4
Cottle-Phillips Property	4
Dog Park	2
Evergreen Property	0.57
Garden Way Park	1
Garfield Park	3
Glenwood Park	1
Granite Street Property	6.26
Hald-Strawberry Property	31
Hunter Park	10
Keener Property	2.03
Kestrel Property	3
Lawrence Property	31.79
Liberty Street Property	1
Lithia Springs Gun Club	25.84
Lithia Park	93
North Mountain Park	37.89
Oak Knoll Golf Course	72
Railroad District Park	1.75
Riverwalk	6.24
Scenic Park	1.5
Sherwood Park	0.25
Skate Park	0.56
Siskiyou Mtn Park / Oredson-Todd Woods	300
Triangle Park	0.50
Westwood Park	10
<b>Number of Parks and Recreation Facilities</b>	
Community Centers	3
Swimming Pool	1
Tennis Courts	12
Playgrounds	10
Golf Course	1
Seasonal Ice Rink	1
Skateboard Facility	1
Trails	48 Miles
<b>Number of Parks and Recreation Employees</b>	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.

**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
2017-18	\$ 5,741,266	\$ 305,710	\$ 562,355	\$ -	\$ 6,609,331
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

(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

**2018 Statistical Section**

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

<b>Fiscal Year Ended June 30</b>	<b>Property Taxes</b>	<b>Taxes</b>	<b>City of Ashland</b>	<b>Intergovernmental</b>	<b>Charges for Services</b>	<b>Interest</b>	<b>Miscellaneous</b>	<b>Total Revenues</b>
2017-18	\$ -	\$ 758,101	\$ 5,209,500	\$ 5,445	\$ 1,096,063	\$ 26,751	\$ 45,012	\$ 7,140,872
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	-	7,373,518
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	4,082,108	-	-	932,235	16,133	67,690	5,098,166
2011-12	4,349,737	4,349,737	33,117	33,117	968,436	20,698	35,648	5,407,636
2010-11	4,210,320	4,210,320	21,140	21,140	1,101,358	16,096	47,888	5,396,802
2009-10	4,082,522	4,082,522	9,983	9,983	1,010,118	17,639	21,785	5,142,047
2008-09	3,982,698	3,982,698	-	-	1,019,781	22,455	256,122	5,281,056

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

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





## **2017-18 AUDITORS' COMMENTS AND DISCLOSURES**

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November 2, 2018

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

We have audited the basic financial statements of the Ashland Parks and Recreation Commission as of and for the year ended June 30, 2018, and have issued our report thereon dated November 2, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295)**
- Indebtedness limitations, restrictions and repayment.**
- Budgets legally required (ORS Chapter 294).**
- Insurance and fidelity bonds in force or required by law.**
- Authorized investment of surplus funds (ORS Chapter 294).**
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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

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

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

## **2018 Auditors' Comments and Disclosures**

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This report is intended solely for the information and use of the Board of Commissioners/Council Members/Audit Committee Members and Management of Ashland Parks and Recreation Commission and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with a large initial "K" and "A".

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

