

**CITY OF
ASHLAND**



STATE OF OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the year ended June 30, 2019

Prepared by the Administrative Services Department Kelly Madding,
Administrative Services and Finance Director



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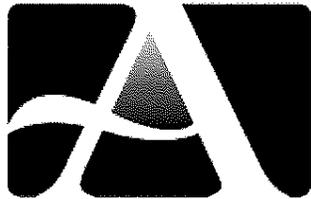
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INTRODUCTORY SECTION



December 3, 2019

RE: City of Ashland Comprehensive Annual Financial Report

To the Citizens of the City of Ashland:

The City of Ashland is pleased to submit our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. State statutes require the City of Ashland to issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants licensed by the State of Oregon to conduct municipal audits.

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

Based upon their audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion and that the City's financial statements for the year ended June 30, 2019, are presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report. It is followed by a Management Discussion and Analysis (MD&A). The reader is encouraged to review the MD&A for a better understanding of the City, its financial condition, and its activities for the year.

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

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

GOVERNMENTAL STRUCTURE, ECONOMIC CONDITIONS AND OUTLOOK

The City, incorporated in 1874, is located in the southwest part of the state and currently has a land area of 6.52 square miles with a population of 20,815. The government has all powers necessary or convenient for the conduct of its municipal affairs, including the power to levy a property tax on both real and personal property located within its boundaries. The City also has the power, by state statute, to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

2019 Introductory Section

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

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

In addition to the help they receive from their appointed staff and employees, 17 standing advisory boards and commissions and various ad hoc committees assist the City Council. Over 150 Ashland citizens serve on these boards and commissions and make a valuable contribution to the City of Ashland.

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

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

Ashland is home to an educated population, with 97.3 percent of the population over the age of 25 with a High School Diploma or higher, and 58.5 percent with a Bachelor's Degree or higher. The Oregon Employment Division reports ranked by total payroll, the largest employment sectors in Ashland which are accommodations and food (21 percent), retail trade (15 percent) and healthcare services (12 percent). Government (all sectors) represents approximately six percent of total payroll paid in Ashland.

In 2019, the City Council has adopted the following strategic planning goals and objectives.

MISSION STATEMENT

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

CITY COUNCIL GOALS

RESOLUTION NO. 2019-27

**A RESOLUTION REPEALING RESOLUTION 2019-02 AND REPLACING WITH
2019-27 TO ADOPT THE CITY COUNCIL'S 2019-2021 BIENNIAL GOALS**

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RECITALS:

- A. The City Council desired to develop overall city goals for 2019-2021;
- B. The City Council held a listening session, on January 7, 2019 to allow for broad public input on City goals/issues and held two public meetings, on January 18, 2019 and February 1, 2019, focused on developing City Council goals utilizing a facilitator.
- C. The City Council adopted Resolution No. 2019-02 which outlined the City Council goals to be used in the preparation, review and adoption of the 2019-2021 biennial budget.

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. The 2019-2021 goals set forth below are adopted and will be used during the time period of 2019-2021.

SECTION 2. The City Council goals are as follows:

A. Prioritize the "Essential Services", set forth below, including the associated infrastructure:

- a. Electric Service
- b. Municipal Court
- c. Planning & Building Inspections/Plan Review
- d. Sewer
- e. Streets
- f. Water
- g. Stormwater
- h. Fire
- i. Police
- j. Parks Maintenance

B. Develop and/or enhance the following "Value Services" by leveraging the City's resources. The list of Value Services represents the priority Council is placing on these value services as the 2019-2021 biennial budget is prepared, given the progress that has been made to date to address them and the urgency with which they need to be addressed.

A. Tier 1: Higher Priority

- a. Emergency Preparedness
- b. Address Climate Change

B. Tier 2: Moderate Priority

- a. Reduce Wildfire and Smoke Risk
- b. Economic Development
- c. Housing Needs
- d. Multi-Modal Transportation
- e. Homeless Services
- f. All-Age Friendly Community

C. Tier 3: Lower Priority

- a. Acquisition of New Parks
- b. Downtown Parking
- c. Water Conservation

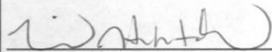
~~C. Utilize City resources as leverage to develop and/or enhance prioritized Value Services.~~

D. Develop current and long-term budgetary resiliency.

E. During the 2019-2021 Biennium Analyze various departments/programs with the goal of gaining efficiencies, reducing costs, and improving City services.

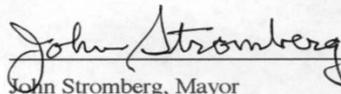
F. Enhance and improve transparency and communication

This resolution was duly PASSED and ADOPTED this 17th day of September 2019, and takes effect upon signing by the Mayor.



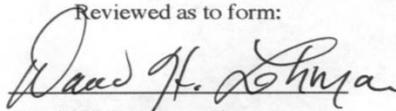
Melissa Huhtala, City Recorder

SIGNED and APPROVED this 17th day of September, 2019.



John Stromberg, Mayor

Reviewed as to form:



David H. Lohman, City Attorney

FINANCIAL INFORMATION

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

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

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

Tests were made of the government's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. Although this testing was not sufficient to support an opinion on the City's internal control system or its compliance with laws and regulations related to non-major federal financial assistance programs, the audit for the year ended June 30, 2019, disclosed no material internal control weaknesses or material violations of laws and regulations.

In addition, the City maintains budgetary controls, whose objective is to ensure compliance with legal provisions embodied in the biennium appropriations budget resolution adopted by the City Council. All funds are included in the biennium appropriated budget. The biennium 2019/21 budget was prepared on a fund basis with department, program, and line item detail.

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

Legal level of Budgetary Control:

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

There are three ways in which to change appropriations after the budget is adopted; all of which require a Resolution passed by the City Council.

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

Significant Impacts. The City's investment policy objectives are to preserve capital, maintain liquidity and diversification, and to attain a market rate of return throughout budgetary and economic cycles. Investments are valued at fair value, as required by GASB 31. Changes in the economy and investment market are prompting a review of the City's policy. As of June 30, 2019, the fair market value of the investment in the Local Government Investment Pool was 100 percent of the pool shares, as reported in Oregon Short Term Fund audited financial statements.

2019 Introductory Section

The City provides life and health coverage to its employees and their dependents. The City pays 95 percent of premiums for employees, with management and all five bargaining units paying the remaining five percent. Other optional supplemental insurances are available to employees and are paid entirely by the individuals electing to carry them. There has been a rising cost of employee benefits, especially health care and retirement. During 2012-2013 the City laid the foundation to become “self-insured” for employee health benefits and that was established beginning July 1, 2013. On July 1, 2018 the City dissolved its self-funded health insurance plan to mitigate rising costs and uncertain expenditures. At that time, the City agreed to an 18-month plan that provides the same benefits levels at the same premium. Beginning January 1, 2020 the City will purchase insurance in the open market.

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

OTHER INFORMATION

Tax Limitation. Article IX of the Oregon Constitution contains various limitations of property taxes levied by local jurisdictions. The Constitution calls for taxes imposed upon property to be segregated into two categories: one to fund the public school system and community colleges and the other for local governments. The citizens of the State of Oregon approved a property tax limitation, commonly referred to as Measure 5, in November 1991. This constitutional amendment divides property taxes into an education category and an “all other” local government category. The education category property taxes were limited to \$15.00 per thousand of real market value (RMV) initially, and has been lowered to \$5.00 per thousand. The 2018-2019 local government category is limited to \$10.00 per thousand. During the 2019 fiscal year Ashland School District levied \$4.1601 and the City levied \$4.2422. Voter approved general obligation debt for capital is not subject to the \$10.00 limitation.

In November 1996, the citizens of the State of Oregon approved another property tax limitation, commonly referred to as Measure 47. Prior to enactment, this measure was repealed and replaced by Measure 50, by special election on May 20, 1997. Measure 50 changed the property tax limitation on levies, rates assessment, and equalization, after the 1996-1997 fiscal year. Measure 50 includes a reduction of property tax to previous levels and a limit on the growth in assessed valuation, which has resulted in a limit on tax increases in future years. Specifically, Measure 50 rolled the assessed value of each unit of property for the tax year 1997-98 back to its 1995-96 “real market value” less ten percent. The measure limited increases in assessed value in future years to three percent per year. The measure also established a new permanent tax rate for each taxing district. Ashland’s permanent rate for the operating levies is set at \$4.2865, although the City chose to levy only \$4.2422 of this amount in fiscal year 2019. The measure also provided for voter approved “Local Option Levies” for levies outside the limits. No local option levies were included in the biennium budget.

Awards. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for fiscal year ended June 30, 2018. This was the thirty-first year the City had submitted its report for review. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program’s requirements, and we intend to submit it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Ashland received the GFOA’s Award for Distinguished Budget Presentation for its biennial 2017/19 budget. In order to qualify for the Distinguished Budget Presentation Award, the City’s budget document was judged to be proficient in several categories, including policy documentation, as an operational guide, as a financial plan, and as a communication device.

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

Sincerely,



Kelly A. Madding
City Administrator

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December 3, 2019

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.

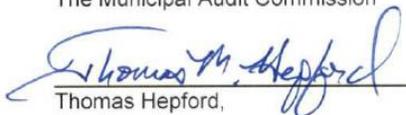
At the conclusion of the annual audit, the Commission meets with the City's auditor to discuss the results of their audit and their evaluation of the City and Parks financial reporting. The Commission also discusses the financial accounting and reporting processes with the City's auditor, including the 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 2019 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.

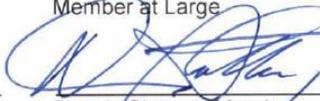
Respectfully submitted,

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Ashland
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

**CITY OF ASHLAND
ELECTED CITY OFFICIALS
as of June 30, 2019**

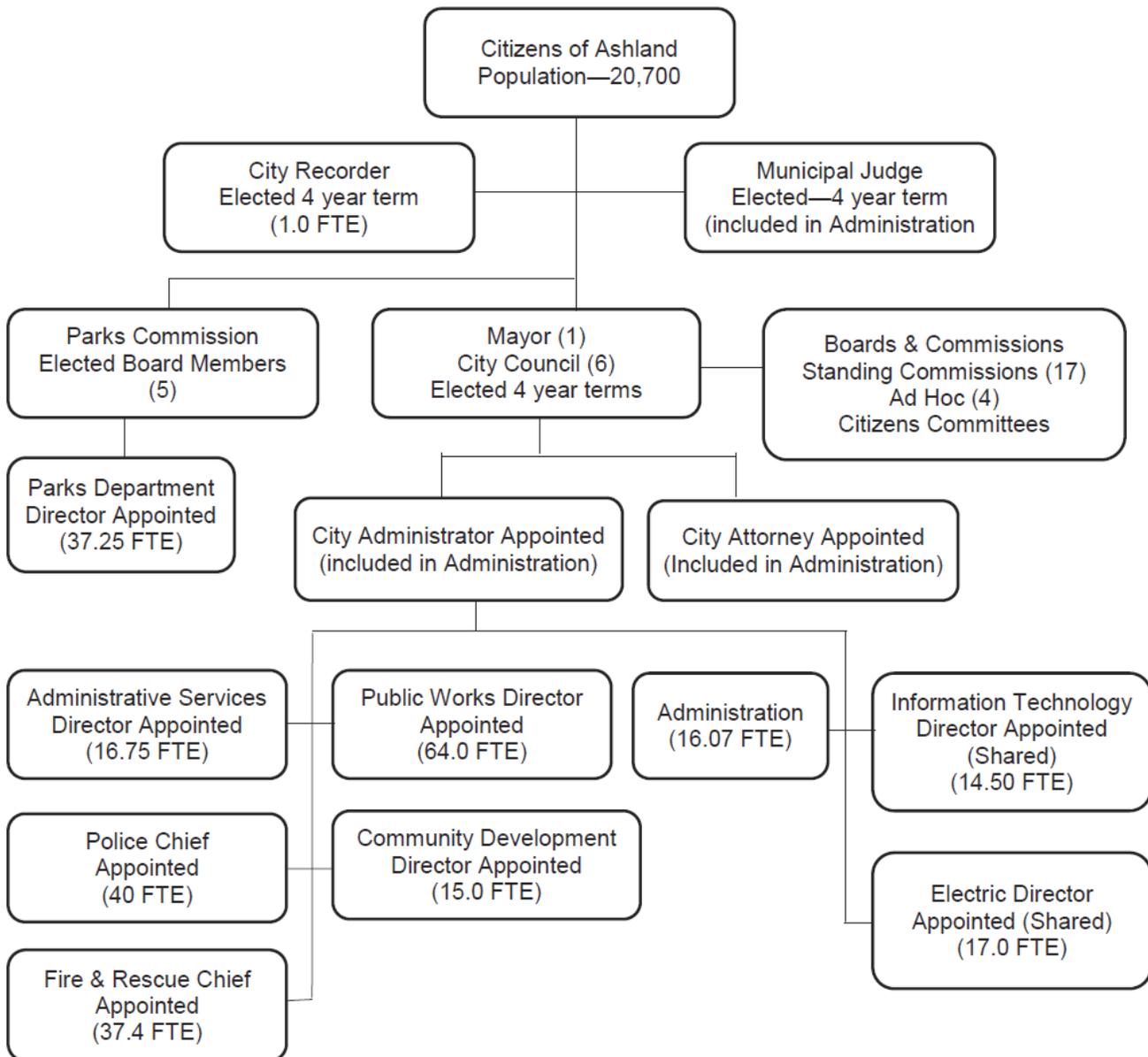
<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John Stromberg	Mayor	December 2020
Dennis Slattery	Council Member	December 2020
Tonya Graham	Council Member	December 2022
Julie Akins	Council Member	December 2020
Stefani Seffinger	Council Member	December 2022
Rich Rosenthal	Council Member	December 2020
Stephen Jensen	Council Member	December 2022
Melissa Huhtala	Recorder Treasurer	December 2022
Pamela B. Turner	Municipal Judge	December 2022

**CITY OF ASHLAND
APPOINTED CITY OFFICIALS
as of June 30, 2019**

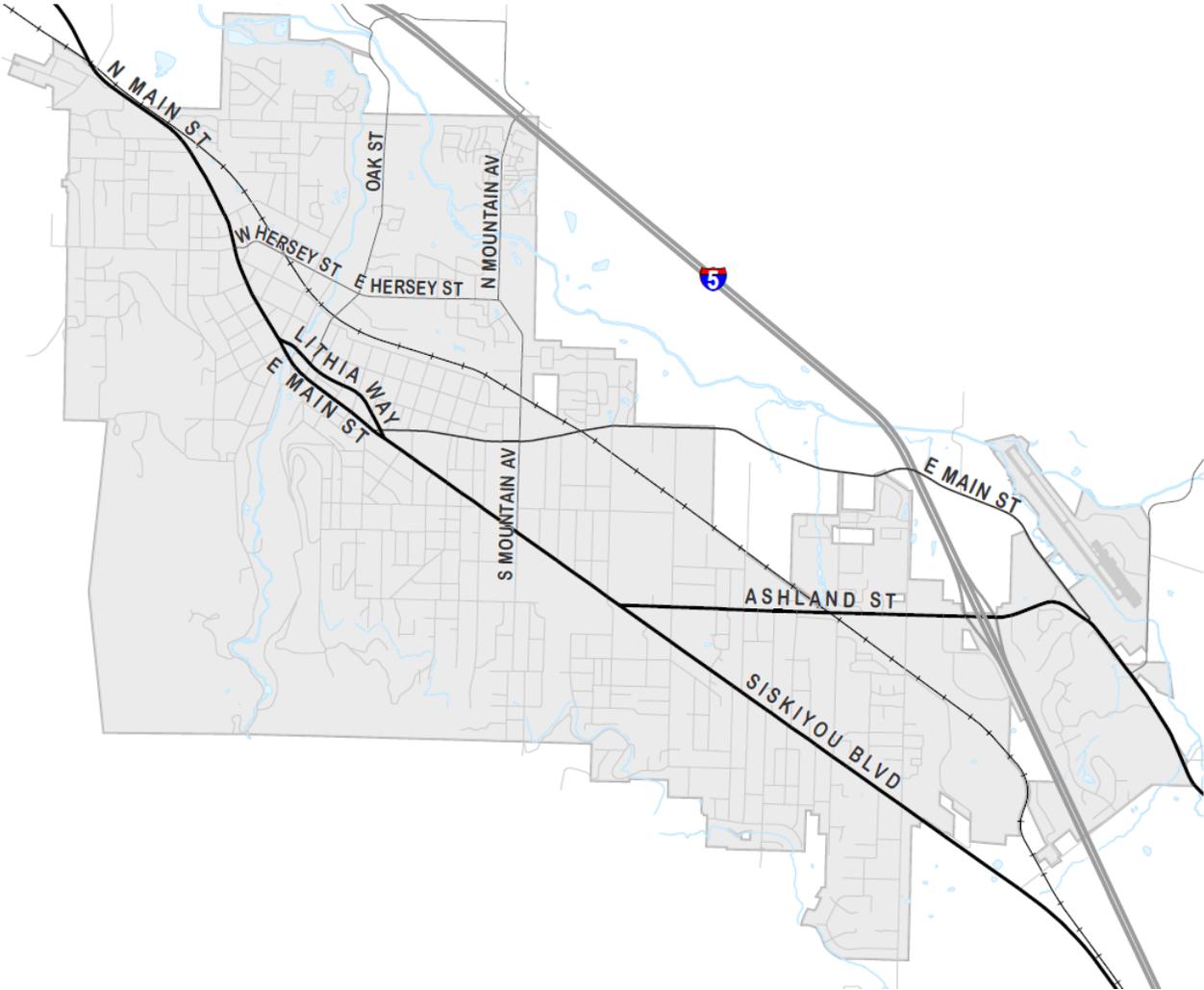
<u>Name</u>	<u>Position</u>
Kelly Madding	City Administrator Interim Administrative Services/Finance Director
Adam Hanks	Assistant City Administrator
David H. Lohman	City Attorney
Paula Brown	Public Works Director
Vacant	Information Technology Director
Thomas McBarlett	Electric Director
William Molnar	Community Development Director
Tighe O'Meara	Police Chief
David Shepherd	Fire Chief
Michael Black	Parks and Recreation Director

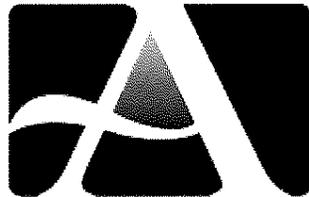
City of Ashland 258.97 FTE

AS BUDGETED



**CITY OF
ASHLAND**
VICINITY MAP 2019





FINANCIAL SECTION



Report of Independent Auditors

To the Mayor and City Council
City of Ashland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland, Oregon (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 28 through 35, schedule of changes in other post employment benefits liability and related ratios on page 86, schedule of proportionate share of net pension liability and schedule of contributions on page 87, and budgetary comparisons on pages 88 through 90, 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 management's discussion and analysis, schedule of changes in other post employment benefits liability and related ratios, schedule of proportionate share of net pension liability and schedule of contributions 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information described above is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules on pages 96 to 117, other information on pages 121 to 125, and schedule of expenditures of federal awards on page 188 which is required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements each as listed in the table of contents (collectively, the supplementary information).

The supplementary information 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory section on pages 9 to 22 and statistical information on pages 130 to 174 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

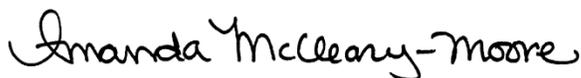
Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 3, 2019 on our consideration of the City's 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.



Amanda McCleary-Moore, Partner for
Moss Adams LLP
Medford, Oregon
December 3, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

City of Ashland management offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019 for its residents. Certain information has been provided for the Ashland Parks and Recreation Commission (APRC) which qualifies as a blended component unit of the City.

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

Overview of the Report

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

Management's Discussion and Analysis

This section of the report provides financial highlights and overviews.

Basic Financial Statements

Includes Statements of Net Position, Statement of Activities, Fund Financial Statements and the Notes of the Financial Statements. Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.

- o The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference.
- o The Statement of Activities focuses on gross and net costs of City programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- o Fund Financial Statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds".
- o The Notes to Basic Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.
- o Required Supplementary Information contains budgetary comparison statements for the major governmental fund types, presented in a Biennium format.

Supplementary Information

Readers desiring additional information can find it in the Supplementary Information section of this report. Components within this section include:

- o Major Fund Budgetary Schedules
- o Special Revenues Funds (non-major)
- o Debt Service Funds (non- major)
- o Capital Projects Fund (non- major)
- o Enterprise Funds (non- major)
- o Internal Service Funds
- o Schedule of Receipts, Disbursements and Balances by Elected Officials.

Statistical Section

This section includes trend information and demographics.

Audit Comments and Disclosures Required by State Regulations

This section includes supplemental communication on the City's compliance and internal controls as required by Oregon statutes and the Single Audit Act.

Financial Highlights

The City's annual financial report has remained fairly consistent with the last annual financial report.

Net Position. The City's total net position is \$120,818,540 at June 30, 2019. Governmental activities' net position is up \$3.8 million as well as the Business-type activities by \$7.0 million between fiscal years. The total of \$120 million is up \$10.8 million from the previous year.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2019-2018
	2019	2018	2019	2018	2019	2018	
Current Assets:							
Cash equivalents and investments	\$ 20,041	\$ 20,136	\$ 22,132	\$ 19,379	\$ 42,173	\$ 39,515	6.7%
Receivables, net	4,150	4,151	4,104	3,985	8,254	8,136	1.5%
Prepays	100	-	-	-	100	-	n/a
Inventories - supplies and materials	26	53	1,133	1,222	1,159	1,275	-9.1%
Internal balances	(3,022)	(737)	3,022	737	-	-	n/a
Restricted assets:							
Cash and cash equivalents	984	968	-	-	984	968	1.7%
Total current assets:	22,279	24,571	30,391	25,323	52,670	49,894	5.6%
Non-current Assets:							
Capital assets	140,700	135,768	127,615	122,275	268,315	258,043	4.0%
Less accumulated depreciation	(75,249)	(71,921)	(61,935)	(59,344)	(137,184)	(131,265)	4.5%
Total non-current assets	65,451	63,847	65,680	62,931	131,131	126,778	3.4%
Total assets	87,730	88,418	96,071	88,254	183,801	176,672	4.0%
Deferred Outflows of Resources:							
Deferred outflows - Pensions GASB 68	10,385	9,090	2,558	2,240	12,943	11,330	14.2%
Deferred outflows - Pensions GASB 73	-	76	-	-	-	76	-100.0%
Deferred outflows - OPEB 75	1,270	265	359	-	1,629	265	514.7%
	11,655	9,431	2,917	2,240	14,572	11,671	
Current Liabilities:							
Accounts payable and accrued liabilities	4,593	4,553	3,173	2,793	7,766	7,346	5.7%
Total current liabilities	4,593	4,553	3,173	2,793	7,766	7,346	5.7%
Long-term liabilities:							
Proportional Share of Net Pensions	24,862	24,038	6,125	5,749	30,987	29,787	4.0%
Transitional Liability	656	-	-	-	656	-	
Net OPEB Liability	3,011	2,246	829	683	3,840	2,929	31.1%
Medical Stipend	-	4,037	-	-	-	4,037	-100.0%
Claims	17	17	-	-	17	17	0.0%
Long Term Debt	12,516	14,352	17,110	16,985	29,626	31,337	-5.5%
Total long-term liabilities	41,062	44,690	24,064	23,417	65,126	68,107	
Total liabilities	45,655	49,243	27,237	26,210	72,892	75,453	-3.4%
Deferred Inflows of Resources:							
Deferred inflows - Pensions GASB 68	3,251	1,951	801	481	4,052	2,432	66.6%
Deferred inflows - Pensions GASB 73	-	264	-	-	-	264	-100.0%
Deferred inflows - OPEB GASB 75	482	145	129	-	611	145	321.4%
	3,733	2,360	930	481	4,663	2,841	64.1%
Net Position:							
Invested in capital assets	52,934	49,494	48,571	45,946	101,505	95,440	6.4%
Nonspendable	985	-	-	-	985	-	n/a
Restricted	4,341	5,022	3,602	3,548	7,943	8,570	-7.3%
Unrestricted	(8,263)	(8,270)	18,648	14,309	10,385	6,039	72.0%
Total net position	\$ 49,997	\$ 46,246	\$ 70,821	\$ 63,803	\$ 120,818	\$ 110,049	9.8%

2019 Financial Section

Changes in Net Position. Overall the City's net position increased by 9.8% mainly due to increase in Total Revenues of 4.7% and a decrease of 3.5% in total expenses.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2019-2018
	2019	2018	2019	2018	2019	2018	
Program revenues:							
Charges for services	\$ 8,698	\$ 5,117	\$ 33,994	\$ 33,037	\$ 42,692	\$ 38,154	11.9%
Operating grants and contributions	8,810	7,321	80	259	8,890	7,580	17.3%
Capital grants and contributions	1,110	-	-	-	1,110	-	n/a
General revenues:							
Property taxes	11,772	11,373	-	-	11,772	11,373	3.5%
Other taxes	9,040	9,031	1,626	1,628	10,666	10,659	0.1%
Interest	807	370	535	339	1,342	709	89.3%
Other	84	5,105	652	137	736	5,242	-86.0%
Transfer	250	-	(250)	-	-	-	n/a
Total revenues	40,571	38,317	36,637	35,400	77,208	73,717	4.7%
Program expenses:							
General government	5,131	7,544			5,131	7,544	-32.0%
Public safety	17,929	19,413			17,929	19,413	-7.6%
Highways and streets	5,449	4,404			5,449	4,404	23.7%
Parks and Recreation	7,783	6,260			7,783	6,260	24.3%
Interest on long-term debt	528	658			528	658	-19.8%
Water			5,683	6,172	5,683	6,172	-7.9%
Wastewater			6,426	6,426	6,426	6,426	0.0%
Stormwater			703	243	703	243	N/A
Electric			14,788	15,878	14,788	15,878	-6.9%
Telecommunications			2,018	1,837	2,018	1,837	9.9%
Total expenses	36,820	38,279	29,618	30,556	66,438	68,835	-3.5%
Increase (decrease) in net positions	3,751	38	7,019	4,844	10,770	4,882	120.6%
Net position - Beginning	46,246	46,208	63,802	58,959	110,048	105,167	4.6%
Net position - Ending	\$ 49,997	\$ 46,246	\$ 70,821	\$ 63,803	\$ 120,818	\$ 110,049	9.8%

Financial Analysis

Governmental Funds. As of the end of the current year the City's governmental funds have a combined ending fund balance of \$15,577,665, an increase from the prior year of \$ 505,118, or 3%. This was primarily due to revenues higher than expenditures.

The General Fund ended the year with revenues slightly higher than expenditures. Revenues at the end of the Biennium were 99% of the budget, a total of \$54.056 million. Departments in this fund used 95% of total budgeted appropriations. Also note that on a GAAP basis the Reserve Fund must roll into the General Fund the beginning of Biennium 2019-2021.

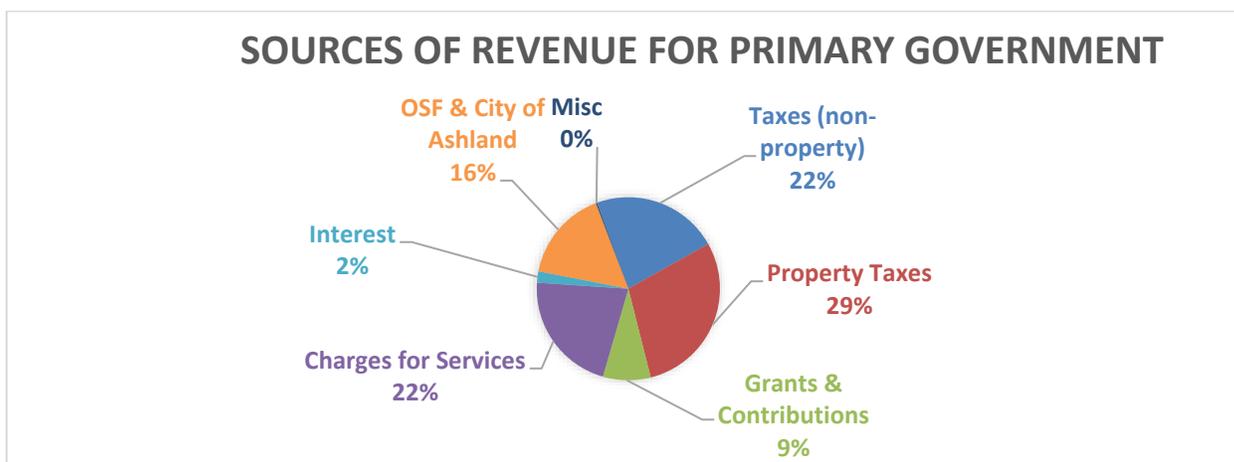
The Street Fund ended the year with revenues lower than budgetary estimates. This is mainly due to a Council decision not to pursue the Nevada Street bridge project that would have been partially funded by outside agencies. This fund spent 31% more than budgeted in the second Biennium. This was due to slurry sealing a large number of streets throughout the City and the start of repaving Hersey St. The fund balance also includes \$2.6 million of Systems Development Charges that are limited to the growth-related portion of transportation system capital improvements.

The Parks and Recreation Fund ended with a fund balance of \$1,107,369. This was largely due to positions being unfilled during portions of the Biennium.

The Non-Major funds are comprised of seven funds. These funds remain close to the same combined fund balance as the prior fiscal year at \$4.6 million.

A transfer from the Capital improvements fund to the City’s central service fund of \$467,000 was made this year. This fund received a total \$1,667,000 with the intent of reducing the increase to internal charges for operating departments for the 2017-2019 Biennium.

The Reserve Fund was established by Resolution #2010-18. This fund must be rolled into the General Fund on a GAAP basis until a stabilization policy is adopted by Council. This year’s ending fund balance is \$38,440.



Business-type Funds. The City has five enterprise funds. The funds are the Water Fund, Wastewater Fund, Stormwater Fund, Electric Fund and Telecommunications Fund. Business type funds are paid by user fees for services provided.

The Water Fund ended the year with an approximately \$1 million dollar change in fund balance. This fund has begun the \$35 million dollar water treatment plant project. The fund balance is anticipated to drop significantly when the water treatment plant project gets under way in the 2019-2021 Biennium.

The Wastewater Fund ended the year with a \$1.2 million increase in fund balance. This fund did receive payment from other City functions for the use of the Hardesty property.

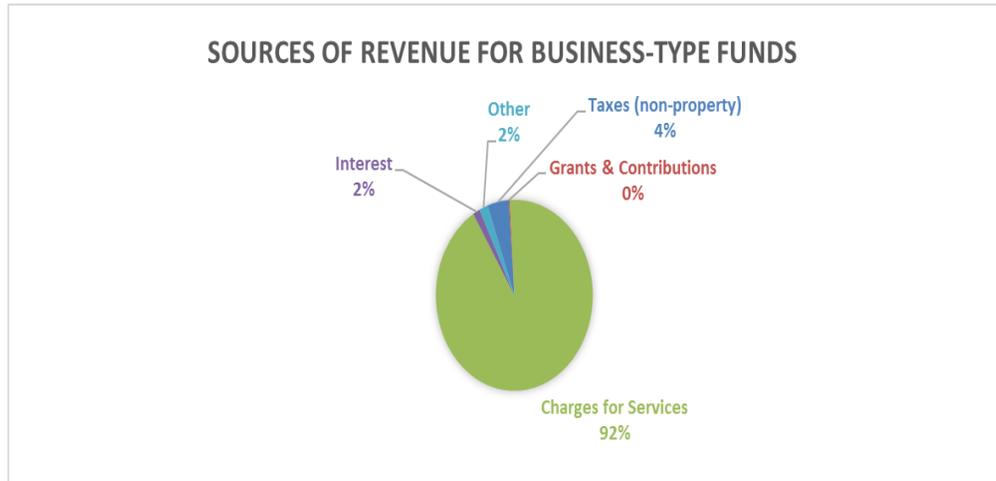
The Stormwater Fund ended the year with a \$1.8 million fund balance. This fund has not completed the Master plan. A new master plan for wastewater, when adopted will require an update to infrastructure needs and associated rate design.

Shown on the Electric Fund ended the year with expenditures over revenues of \$219,468. This was due to the

2019 Financial Section

completion of upgrading electrical infrastructure on Hersey Street prior to the paving of that street. Historically and currently, most of its infrastructure is covered on a cash basis.

The Telecommunications Fund ended in the positive with revenues exceeding expenditures. The fund balance is at \$1.1 million. However, this fund has a need for updating infrastructure in the near term.



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

The Central Service Fund ended with a positive ending fund balance of \$839,000. This fund exceeded its expenditures to revenue by \$252,719 in the second year of the Biennium. This fund has not increased its internal charges in this Biennium.

The Insurance Service Fund ended the year with a negative net change, the result of higher expenses than revenues. This fund will continue to struggle with rising insurance costs in the coming years. This will impact operating departments in future years with increased charges for the rising costs.

The Health Benefits Fund ending fund balances significantly increased at the end of the fiscal year to \$932,375. The City made a substantial change from being self-insured to returning to a pooled insurance market to help stabilize this fund. The City also forgave an interfund loan in 2018.

The Equipment Fund is currently being reevaluated to prepare for future purchases and stabilize the health of the fund.

General Fund Budgetary Highlights. The City's final budget differs from the original budget in that it contains four supplemental appropriations and two transfers during the Biennium approved by Council.

Below are authorized changes in the General Fund:

First year of the Biennium:

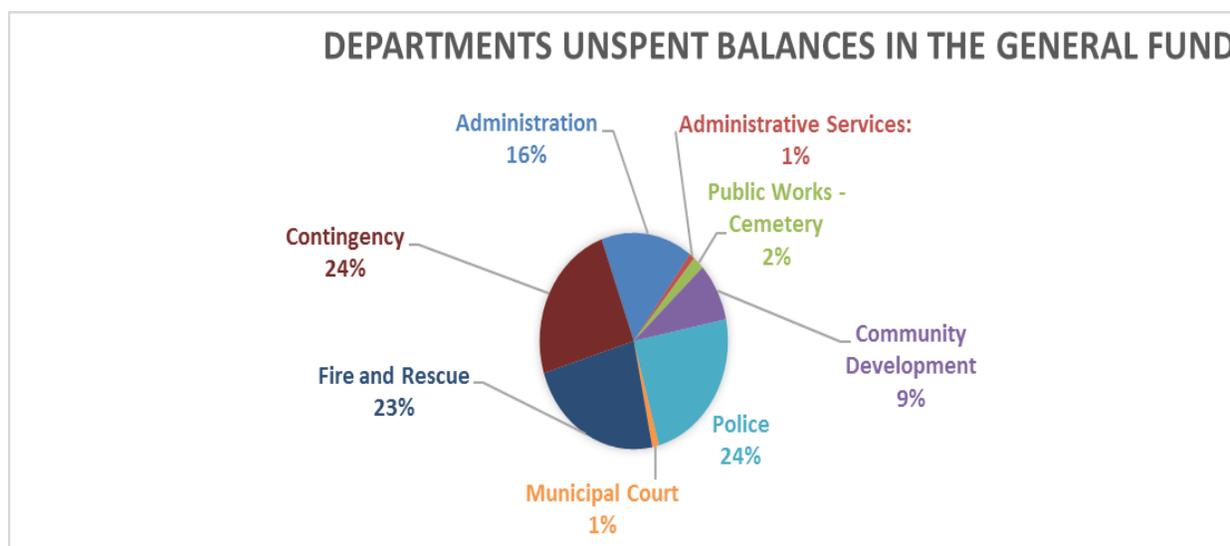
- Fire Department: Recognized grant money for four grants totaling of \$2,420,277 for Ashland Forest Resiliency Program, Firewise, Fire Sprinklers and Title III Community Wildfire.
- Fire Department: Recognized reimbursements for three fires that City personnel was deployed for \$124,244; the Checto Bar, Sonoma and Eagle Creek fires.
- Police Department: transfer of \$10,000 for training from restricted asset forfeiture.

- City: established a Housing Trust Fund and transferred \$166,351 from the General Fund that had been committed through the budget process for affordable housing activities in the Community Development Department.

Second year of the Biennium:

- Police Department: to fund with three additional Police Officers State Marijuana tax and an increase to the public safety support fee in the amount totaling \$330,000.
- Fire Department: FEMA Assistance to Firefighters Grant of \$70,910 and reimbursement for two fires that City personnel were deployed to in the amount of \$82,978.
- Courts: \$95,000 was transferred to cover personnel costs that were incorrectly budgeted.

The general fund ended the Biennium budget with revenues exceeding expenditures by \$170,671. This was mainly due to departments underspending their appropriation levels.



Capital Assets and Debt Administration

- o **Capital Assets.** As of June 30, 2019, the City had \$131 million in capital assets. In the Governmental Activities, the most notable increase is Land. The City purchased property for a future park for \$1 million. In the Business-type Activities, the greatest increase was in Construction in Progress. Two of the largest projects are Electric’s improvements on Hersey Street and two pump stations in the Water Fund.

2019 Financial Section

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2019-2018
	2019	2018	2019	2018	2019	2018	
Land	\$ 15,338	\$ 14,338	\$ 3,107	\$ 3,107	\$ 18,445	\$ 17,445	5.7%
Buildings and improvements	44,461	43,263	22,100	22,100	66,561	65,363	1.8%
Equipment	21,930	19,548	1,381	1,381	23,311	20,929	11.4%
Infrastructure	56,295	56,217	93,235	92,440	149,530	148,657	0.6%
Construction in progress	2,675	2,401	7,792	3,247	10,467	5,648	85.3%
Totals at historical cost	140,699	135,767	127,615	122,275	268,314	258,042	4.0%
Total accumulated depreciation	75,249	71,921	61,935	59,344	137,184	131,265	4.5%
Net capital assets	\$ 65,450	\$ 63,846	\$ 65,680	\$ 62,931	\$ 131,130	\$ 126,777	3.4%

o **Debt Administration.** At end of year, the City had \$29.6 million in debt outstanding. The City did incur new debts of \$2.115 million. These are all drawdowns for the following:

- The Water Fund had its final draw down of \$753,383 for the completion of the pump stations on Terrace and Park Streets. The project is now complete and payment will be starting in the upcoming fiscal year.
- The Water Fund incurred \$941,276 from the State of Oregon for the new water treatment plant
- The TID canal project drew down \$151,145.
- The Wastewater Fund drew down \$269,824 for the riparian restoration and outfall relocation project on Ashland and Bear Creeks.

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

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2019-2018
	2019	2018	2019	2018	2019	2018	
Bonds payable	\$ 10,205	\$ 11,760	\$ 7,607	\$ 9,429	\$17,812	\$21,189	-15.94%
Notes payable	2,311	2,592	9,502	7,556	11,813	10,148	16.41%
Total bonds and notes	\$ 12,516	\$ 14,352	\$17,109	\$16,985	\$29,625	\$31,337	-5.46%

- o **Debt limitation.** Oregon Revised Statutes provide a limit on non-self-supporting general obligation debt of 3% of the real market value of all taxable property within the City's boundaries. Based on the City's FY 2017-18 real market value, this debt limitation is \$118,131,587. The amount of outstanding City debt subject to this limitation is \$14,351,936.

Economic Factors and Next Year's Budget and Rates

- o The City of Ashland has adopted its third Biennium budget for 2019-2021 of \$252,666,853 for total appropriations.
- o **Property Taxes.** This is the single largest source of revenue in the General Fund. This budget includes an increase to the levy of the City's permanent tax rate by \$.0443. The maximum the City is permitted to levy is approximately \$4.2865 per \$1,000 of assessed valuation. This budget levies \$4.2865 per \$1,000, with the entire levy going into the General Fund. Operating property taxes, excluding prior year tax collections, are projected to increase by 3.5% in each year of the Biennium.
- o **Challenges**
Our greatest assets are our employees; however, costs for personnel continue to rise faster than revenue. It is anticipated that health care and retirement costs will continue out pace revenues into the future. Public Employees Retirement System (PERS) is an issue surrounding public employee pension liabilities that has created a substantial financial challenge. The City of Ashland experienced an increase of 25% to its previous blended rate in this budget. PERS has also indicated that these high rate increases will continue into the next several biennia.

Health care, nationally, is increasing 5% annually. The City is addressing this with a change in higher deductible and employee co-pays in this budget and into the future.

With an understanding of the current and future financial conditions, the City Council developed the following goals and service level priorities.

1. Develop current and long-term budgetary resilience.
2. Analyze City departments/programs to gain efficiencies, reduce costs and improve services.
3. Enhance and improve transparency and communication.

Financial Contact:

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Administrative Services Department at:

20 East Main, Ashland, Oregon, 97520 or (541) 488-5300.





BASIC FINANCIAL STATEMENTS

CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 20,041,451	\$ 22,131,868	\$ 42,173,319
Receivables (net of allowance for uncollectible)	4,149,741	4,103,633	8,253,374
Prepays	99,549	-	99,549
Inventories	26,864	1,132,859	1,159,723
Internal balances	(3,022,208)	3,022,208	-
Restricted assets:			
Cash and cash equivalents	984,463	-	984,463
Capital assets:			
Land	15,338,439	3,106,925	18,445,364
Buildings	44,460,767	22,099,664	66,560,431
Machinery and equipment	21,930,382	1,380,879	23,311,261
Infrastructure	56,295,205	93,235,257	149,530,462
Construction in progress	2,674,665	7,792,550	10,467,215
Accumulated depreciation	(75,249,062)	(61,935,072)	(137,184,134)
Total assets	87,730,256	96,070,771	183,801,026
Deferred Outflows of Resources:			
Deferred outflows - Pension	10,384,712	2,558,524	12,943,236
Deferred outflows - OPEB	1,270,634	358,556	1,629,190
Total Deferred Outflows	11,655,346	2,917,080	14,572,426
Liabilities:			
Accounts payable and other current liabilities	4,512,449	3,034,127	7,546,576
Accrued interest payable	80,400	138,123	218,523
Non-current liabilities:			
Proportional Share of Net Pension Liability	24,861,878	6,125,322	30,987,200
Transitional Liability	656,035	-	656,035
Total OPEB Liability	3,011,185	829,084	3,840,269
Claims and judgment - Due within one year	17,247	-	17,247
Bonds - Due within one year	2,311,000	2,216,757	4,527,757
Bonds - Due in more than one year	10,205,000	14,893,055	25,098,055
Total liabilities	45,655,194	27,236,468	72,891,662
Deferred Inflows of Resources:			
Deferred inflows - Pension	3,251,423	801,066	4,052,489
Deferred inflows - OPEB	481,829	128,932	610,761
Total Deferred Inflows	3,733,252	929,998	4,663,250
Net Position:			
Net investment in capital assets	52,934,396	48,570,391	101,504,787
Non-Expendable: Perpetual care	984,914	-	984,914
Restricted for:			
Asset forfeiture	34,459	-	34,459
Transient Occupancy Tax - tourism	487,873	-	487,873
System development	2,745,614	3,602,420	6,348,034
The Community Development Block Grant restriction	36,620	-	36,620
Debt service	1,035,856	-	1,035,856
Unrestricted (deficit)	(8,262,576)	18,648,573	10,385,997
Total Net Position	\$ 49,997,156	\$ 70,821,384	\$ 120,818,540

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**CITY OF ASHLAND, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 5,131,091	\$ 1,756,664	\$ 262,489	\$ -
Public safety	17,929,057	2,548,153	1,623,913	-
Highways and streets	5,448,730	3,249,260	1,511,605	-
Parks and recreation	7,783,870	1,144,135	5,412,257	1,109,687
Interest on long-term debt	527,965	-	-	-
Total governmental activities	36,820,713	8,698,212	8,810,264	1,109,687
Business-type Activities:				
Water	5,683,108	8,536,154	-	-
Wastewater	6,425,838	6,156,129	-	-
Stormwater	703,372	738,913	-	-
Electric	14,788,411	16,182,698	80,914	-
Telecommunications	2,018,513	2,379,809	-	-
Total business-type activities	29,619,242	33,993,702	80,914	-
Total primary government	\$ 66,439,955	\$ 42,691,914	\$ 8,891,178	\$ 1,109,687

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

 Net position - beginning

Net position - ending

CITY OF ASHLAND, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019 (continued)

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,111,938)	\$ -	\$ (3,111,938)
(13,756,991)	-	(13,756,991)
(687,865)	-	(687,865)
(117,791)	-	(117,791)
(527,965)	-	(527,965)
(18,202,550)	-	(18,202,550)
-	2,853,046	2,853,046
-	(269,710)	(269,710)
-	35,541	35,541
-	1,475,201	1,475,201
-	361,297	361,297
-	4,455,374	4,455,374
\$ (18,202,550)	\$ 4,455,374	\$ (13,747,176)
11,772,192	-	11,772,192
5,661,545	-	5,661,545
3,378,833	1,626,299	5,005,132
806,851	534,597	1,341,448
84,260	652,448	736,708
250,000	(250,000)	-
21,953,681	2,563,344	24,517,025
3,751,131	7,018,718	10,769,849
46,246,025	63,802,666	110,048,691
\$ 49,997,156	\$ 70,821,384	\$ 120,818,540

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

**CITY OF ASHLAND, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019**

	General	Street	Parks	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 3,620,888	\$ 5,246,172	\$ 1,243,703	\$ 3,733,800	\$ 13,844,564
Receivables (net of allowance for uncollectible)	3,425,959	310,359	21,442	189,292	3,947,052
Prepays	19,885	29	-	-	19,914
Cash - restricted	-	-	-	984,463	984,463
Total assets	\$ 7,066,733	\$ 5,556,560	\$ 1,265,145	\$ 4,907,555	\$ 18,795,993
Liabilities:					
Accounts payable	979,870	632,952	157,776	136,810	1,907,408
Total liabilities	979,870	632,952	157,776	136,810	1,907,408
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	665,783	-	-	-	665,783
Unavailable revenue - special assessments & other	419,461	107,671	-	118,005	645,137
Total Deferred Inflows of Resources	1,085,244	107,671	-	118,005	1,310,919
Fund Balances:					
Nonspendable:					
Perpetual care	-	-	-	984,914	984,914
Restricted for:					
Asset forfeiture	34,459	-	-	-	34,459
Transient Occupancy Tax - tourism	487,873	-	-	-	487,873
System development charges	-	2,641,068	-	104,546	2,745,614
Community Development Block Grant	-	-	-	36,620	36,620
Debt commitment	-	-	-	1,035,856	1,035,856
Committed for:					
General fund	655,038	-	-	-	655,038
Housing Fund	-	-	-	69,986	69,986
Special revenue funds	-	2,174,869	-	235,659	2,410,529
Parks activities	-	-	1,107,369	1,428,986	2,536,355
Capital projects funds	-	-	-	756,172	756,172
Unassigned	3,824,249	-	-	-	3,824,249
Total fund balances	5,001,619	4,815,937	1,107,369	4,652,740	15,577,665
Total liabilities and fund balances	\$ 7,066,732	\$ 5,556,560	\$ 1,265,145	\$ 4,907,555	\$ 18,795,992

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

CITY OF ASHLAND, OREGON
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2019

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

Fund Balances	\$ 15,577,665
---------------	---------------

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

Net capital assets	60,476,522
--------------------	------------

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

Long-term liabilities	(12,516,000)
Accrued interest on liabilities	(80,400)

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.

	(13,233,643)
--	--------------

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

	(1,515,446)
--	-------------

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

Accrued vacation and sick leave	(1,163,640)
---------------------------------	-------------

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

Deferred revenue:	
Unavailable	773,453
Unearned	537,467

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

Internal Service Fund net position	1,141,178
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Total net position	\$ 49,997,156
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The accompanying notes are an integral part of the basic financial statements.

CITY OF ASHLAND, OREGON
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Fund	Street Fund	Parks Fund	Other Governmental Funds	Total Primary Government
Revenues:					
Taxes	\$ 22,145,317	\$ 704,598	\$ -	\$ 1,400,244	\$ 24,250,159
Fees, licenses and permits	859,045	-	-	-	859,045
Intergovernmental	2,255,466	1,530,941	500	263,010	4,049,917
Charges for services	1,591,398	1,772,743	6,536,035	2,525,895	12,426,072
System development charges	-	-	-	99,436	99,436
Assessments	-	8,924	-	-	8,924
Fines and forfeitures	588,070	-	-	-	588,070
Interest on investments	124,247	119,788	25,497	74,737	344,270
Miscellaneous	67,249	71,668	72,030	1,448,944	1,659,892
Total revenues	<u>27,630,793</u>	<u>4,208,662</u>	<u>6,634,063</u>	<u>5,812,268</u>	<u>44,285,785</u>
Expenditures:					
General government	9,574,472	-	-	2,924,568	12,499,041
Public safety	18,052,832	-	-	-	18,052,832
Highways and streets	-	3,094,251	-	-	3,094,251
Parks and Recreation	-	-	6,258,910	315,619	6,574,529
Debt service	-	367,830	-	2,068,345	2,436,175
Capital outlay	-	765,748	141,092	-	906,840
Total expenditures	<u>27,627,304</u>	<u>4,227,829</u>	<u>6,400,002</u>	<u>5,308,532</u>	<u>43,563,667</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>3,489</u>	<u>(19,167)</u>	<u>234,061</u>	<u>503,736</u>	<u>722,118</u>
Other financing sources (uses)					
Transfers In	273,598	-	85,000	215,500	574,098
Transfers Out	(105,500)	-	-	(685,598)	(791,098)
Total other financing sources (uses)	<u>168,098</u>	<u>-</u>	<u>85,000</u>	<u>(470,098)</u>	<u>(217,000)</u>
Net change in fund balance	171,587	(19,167)	319,061	33,638	505,118
Fund balance, July 1, 2018	<u>4,830,032</u>	<u>4,835,106</u>	<u>788,308</u>	<u>4,619,101</u>	<u>15,072,547</u>
Fund balance, June 30, 2019	<u>\$ 5,001,619</u>	<u>\$ 4,815,939</u>	<u>\$ 1,107,369</u>	<u>\$ 4,652,739</u>	<u>\$ 15,577,665</u>

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

**CITY OF ASHLAND, OREGON
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
For the year ended June 30, 2019**

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

Changes in net fund balance	\$	505,118
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay expenditures capitalized		2,801,283
Depreciation expense		(2,717,280)
<p>The Pension Expense and the changes in the deferred inflows and outflows related to the 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.</p>		
		(1,040,675)
<p>The OPEB Expense and the changes in the deferred inflows and outflows related to the represents the changes in the Net Pension OPEB (Liability) from year to year due to changes in total OPEB liability and the fair value of OPEB plan net position available to pay benefits.</p>		
		(79,061)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transitions that are not normally paid with expendable available financial resources. However, in the Statement of Activities (which is presented on the accrual basis of accounting) expenses and liabilities are reported, regardless of when financial resources are available. This adjustment combines the net changes in liability balances.</p>		
General obligation bonds and notes payable		1,835,936
Compensated absences		(94,289)
Accrued interest		11,399
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Property taxes		(3,849)
Special assessments		(8,503)
Other		15,167
<p>Internal Service Funds are used by the City to account for the fleet operations and support/administrative/insurance services that are provided to other departments and agencies on a cost reimbursement basis. The revenues and expenses of the internal service funds are included in governmental activities in the Statement of Activities.</p>		
Internal Service Fund change in net position		<u>2,525,884</u>
Change in net position	\$	<u>3,751,130</u>

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

**CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019**

	Business-type Activities - Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Stormwater Fund	Electric Fund	Tele- communications Fund		
ASSETS							
Current assets:							
Cash and investments	\$ 9,076,939	\$ 7,716,925	\$ 1,839,339	\$ 2,610,005	\$ 888,659	\$ 22,131,868	\$ 6,196,887
Interest and accounts receivable, net	1,331,382	1,320,896	66,550	997,262	266,131	3,982,220	182,294
Notes and contracts receivable	-	-	-	121,413	-	121,413	20,914
Inventories	417,117	7,227	-	706,016	2,500	1,132,859	26,864
Total current assets	10,825,438	9,045,048	1,905,889	4,434,696	1,157,290	27,368,360	6,506,074
Non Current Capital assets:							
Capital assets	44,850,753	55,167,965	1,521,867	16,346,892	9,727,799	127,615,275	16,545,574
Accumulated depreciation	(20,015,266)	(22,686,642)	(808,906)	(9,187,058)	(9,237,200)	(61,935,072)	(11,571,700)
Capital assets, net	24,835,487	32,481,323	712,961	7,159,834	490,599	65,680,203	4,973,874
Total assets	35,660,924	41,526,371	2,618,850	11,594,530	1,647,888	93,048,563	11,479,948
Deferred Outflows of Resources:							
Deferred Outflows - Pension	735,913	554,388	139,823	834,035	294,365	2,558,524	3,017,243
Deferred Outflows - OPEB	103,132	77,693	19,595	116,883	41,253	358,556	422,842
Total deferred outflows of resources	839,045	632,081	159,418	950,918	335,618	2,917,080	3,440,085
LIABILITIES, DEFERRED INFLOWS AND NET POSITION							
Current liabilities:							
Accounts payable	286,937	185,829	31,851	1,651,403	8,860	2,164,879	868,634
Accrued salaries, vacation and payroll taxes	152,221	101,539	20,274	305,542	35,282	614,858	429,914
Accrued interest payable	98,384	39,211	505	22	-	138,123	-
Other liabilities	-	-	-	254,392	-	254,392	-
Revenue bonds payable, Current	400,501	106,518	-	21,714	-	528,733	-
General obligation bonds payable, Current	199,238	1,478,786	10,000	-	-	1,688,024	-
Total current liabilities	1,137,281	1,911,883	62,630	2,233,074	44,141	5,389,010	1,298,548
Long-term liabilities:							
OPEB Liabilities	238,471	179,648	45,310	270,267	95,388	829,084	977,732
Proportionate Share of Net Pension Liability	1,761,838	1,327,251	334,749	1,996,749	704,735	6,125,322	7,223,534
Accrued claims	-	-	-	-	-	-	160,093
Revenue bonds payable, net	6,749,592	2,180,759	-	43,429	-	8,973,779	-
General obligation bonds payable, net	2,417,871	3,416,404	85,000	-	-	5,919,275	-
Total long-term liabilities	11,167,772	7,104,062	465,059	2,310,445	800,123	21,847,461	8,361,359
Total liabilities	12,305,053	9,015,945	527,689	4,543,518	844,264	27,236,470	9,659,907
Deferred Inflows of Resources:							
Deferred inflows - pensions	230,412	173,577	43,778	261,134	92,165	801,066	944,690
Deferred inflows - OPEB	37,085	27,937	7,046	42,030	14,834	128,932	152,048
Total deferred inflows of resources	267,497	201,514	50,824	303,164	106,999	929,998	1,096,738
Net Position:							
Net Position (deficit):							
Net Investment in capital assets	15,267,523	26,777,642	627,961	7,094,691	490,599	50,258,415	4,973,874
Restricted for system development	1,586,913	2,015,507	-	-	-	3,602,420	-
Unrestricted	7,072,983	4,147,844	1,571,793	604,074	541,645	13,938,342	(810,487)
Total Net Position	23,927,419	32,940,993	2,199,754	7,698,765	1,032,244	67,799,177	4,163,387
Total liabilities, Deferred Inflows and Net Position	\$ 36,499,970	\$ 42,158,452	\$ 2,778,267	\$ 12,545,448	\$ 1,983,507	\$ 95,965,646	\$ 14,920,032
Total Net Position						\$ 67,799,177	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						3,022,208	
Net Position of business-type activities						<u>\$ 70,821,385</u>	

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

CITY OF ASHLAND, OREGON
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended June 30, 2019

	Business-type Activities - Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Water Fund	Wastewater Fund	Stormwater Fund	Electric Fund	Tele- communications Fund		
Operating revenues:							
Charges for services	\$ 8,536,154	\$ 6,156,129	\$ 738,913	\$ 16,182,698	\$ 2,379,809	\$ 33,993,702	\$ 17,423,853
Miscellaneous	26,996	480,200	2,619	142,633	-	652,448	237,660
Total operating revenues	8,563,150	6,636,329	741,532	16,325,331	2,379,809	34,646,151	17,661,513
Operating expenses:							
Cost of sales and services	2,321,187	4,591,688	709,228	14,122,114	2,138,145	23,882,362	12,904,962
Depreciation and amortization	901,144	1,281,785	58,310	278,843	71,106	2,591,188	610,543
Total operating expenses	3,222,331	5,873,473	767,538	14,400,957	2,209,251	26,473,551	13,515,505
Operating income (loss)	5,340,819	762,856	(26,007)	1,924,374	170,558	8,172,600	4,146,008
Non-operating income (expenses):							
Taxes	-	1,626,299	-	-	-	1,626,299	64,308
Intergovernmental	-	-	-	80,914	-	80,914	1,700
Interest income	228,124	193,212	42,640	54,681	15,939	534,597	132,498
Tax equivalents	(675,602)	(524,814)	-	(1,629,851)	-	(2,830,267)	-
Interest expense	(2,063,379)	(534,645)	(2,100)	(928)	-	(2,601,053)	-
Total non-operating income (expenses)	(2,510,857)	760,052	40,540	(1,495,184)	15,939	(3,189,510)	198,506
Non-operating income (expenses):							
Transfer In (Out)	(250,000)	-	-	-	-	(250,000)	467,000
Total non-operating income (expenses)	(250,000)	-	-	-	-	(250,000)	467,000
Change in net position	2,579,962	1,522,908	14,533	429,190	186,497	4,733,090	4,811,514
Total Net Position - beginning	21,347,457	31,418,085	2,185,221	7,269,575	845,747	63,066,085	(648,126)
Total Net Position - ending	\$ 23,927,419	\$ 32,940,993	\$ 2,199,754	\$ 7,698,765	\$ 1,032,244	\$ 67,799,176	\$ 4,163,388
Change in Net Position						\$ 4,733,090	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						2,285,628	
Change in Net Position of business-type activities - Statement of Activities						<u>\$ 7,018,718</u>	

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

**CITY OF ASHLAND, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended June 30, 2019**

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water Fund	Wastewater Fund	Stormwater Fund	Electric Fund	Tele- communications Fund	Total	Internal Service Funds
Cash flows from operating activities:							
Receipts from customers and users	\$ 8,120,072	\$ 6,740,685	\$ 727,003	\$ 16,374,230	\$ 2,464,200	\$ 34,426,190	\$ 17,684,800
Payments to suppliers	(599,222)	(3,060,748)	(345,646)	(10,678,307)	(1,426,109)	(16,110,032)	(9,893,783)
Payments to employees	(1,490,881)	(1,543,992)	(322,444)	(2,657,371)	(687,213)	(6,701,901)	(6,766,936)
Net cash from operating activities	6,029,969	2,135,945	58,913	3,038,552	350,878	11,614,257	1,024,081
Cash flows from noncapital financing activities:							
Taxes collected	-	1,626,299	-	-	-	1,626,299	64,308
Transfers In (Out)	(250,000)	-	-	-	-	(250,000)	-
Tax equivalents	(675,602)	(524,814)	-	(1,629,851)	-	(2,830,267)	467,000
Intergovernmental	-	-	-	80,914	-	80,914	-
Net cash from noncapital financing activities	(925,602)	1,101,485	-	(1,548,937)	-	(1,373,054)	531,308
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(3,956,094)	(391,310)	(10,981)	(986,621)	4,500	(5,340,506)	(2,130,561)
Proceeds from issuance of debt	1,845,804	269,824	-	-	-	2,115,628	-
Principal paid on bonds, contracts and notes	(479,713)	(1,479,433)	(10,000)	(21,714)	-	(1,990,860)	-
Interest paid on debt	(2,269,643)	(534,645)	(2,100)	(928)	-	(2,807,317)	-
Net cash from capital and related financing activities	(4,859,646)	(2,135,564)	(23,081)	(1,009,263)	4,500	(8,023,055)	(2,130,561)
Cash flows from investing activities:							
Interest from investments and other income	228,124	193,212	42,639	54,682	15,939	534,599	134,197
Net increase (decrease) in cash and investments	472,845	1,295,078	78,471	535,034	371,317	2,752,745	(440,975)
Cash and investments, beginning of year	8,604,094	6,421,847	1,760,868	2,074,971	517,342	19,379,122	6,637,862
Cash and investments, end of year	9,076,939	7,716,925	1,839,339	2,610,005	888,659	22,131,867	6,196,887
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	5,340,819	762,856	(26,007)	1,924,374	170,558	8,172,601	4,146,008
Depreciation and amortization	901,144	1,281,785	58,310	278,843	71,106	2,591,188	610,543
Change in assets and liabilities:							
(Increase) decrease in:							
Receivables	(443,077)	104,356	(14,529)	48,899	84,391	(219,960)	23,285
Net Pension Liability	103,139	(60,124)	10,455	(117,957)	(34,384)	(98,871)	(3,885,578)
OPEB Liability	172,424	129,892	32,761	195,414	68,969	599,460	706,938
Inventories	14,523	6,110	-	170,632	(839)	190,426	26,543
Increase (decrease) in:							
Accounts payable and accrued liabilities	(156,007)	34,757	(3,840)	458,721	(12,974)	320,657	320,013
Other liabilities	97,004	(123,687)	1,762	79,626	4,051	58,756	(923,671)
Net cash from operating activities	\$ 6,029,969	\$ 2,135,945	\$ 58,913	\$ 3,038,552	\$ 350,878	\$ 11,614,257	\$ 1,024,081

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





**NOTES TO BASIC
FINANCIAL STATEMENTS**

CITY OF ASHLAND, JACKSON COUNTY, OREGON
Notes to Basic Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

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

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

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

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

D. Assets, Liabilities and Net Position or Net Position/Fund Balance

1. Cash and Investments

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

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

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

2. Restricted Cash

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

	General Government
Restricted Cash:	
Debt service for GO Debt	\$ 984,463
	\$ 984,463

3. Receivables and Payables

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

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

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

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

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

3. Inventories

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

4. Prepaid items and Advances

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

5. Restricted Assets

Certain proceeds of the water enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts (not in the City’s control) and their use is limited by applicable bond covenants.

6. Capital Assets

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

Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement will be reported at acquisition value at the date of the donation.

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

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

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

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

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

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

7. Compensated Absences

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

8. Long-Term Obligations

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

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

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

9. Reservations of Fund Equity

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

Non-spendable fund balance represents amounts that are not in a spendable form. The non-spendable fund balance represents fund balance in perpetual care.

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

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

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

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

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

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

10. Deferred Outflows/Inflow of Resources

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

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

11. 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified only by the City Council through the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require approval by the City Council by adoption of a resolution. Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the City Council. Appropriations are limited to a biennium budget period of 2017-2019; therefore, all spending authority of the City lapses at the end of the biennial period.

- In Fiscal year 2017-2018, the City made three appropriations transfers and three supplemental budget adjustments. These six budget amendments were all adopted by resolution.
- In Fiscal year 2018-2019, the City made two supplemental budget adjustments and two appropriations transfers. All four budget amendments were adopted by resolution.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2019.

The Central Service Fund, an internal service fund, reported deficit net position of \$3,588,149. The deficit net position is a result of the liabilities for Public Employees Retirement System (PERS). Without an increase in assets, the PERS liability will continue to cause a negative net position for the Central Service Fund.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

	Total Primary Government
Petty cash	\$ 6,140
Deposits with financial institutions	1,897,608
Imprest Cash	120,000
Investments	41,134,034
	\$ 43,157,782
Governmental - unrestricted	\$ 42,173,319
Governmental - restricted:	
Debt service	984,463
	\$ 43,157,782

1. Deposits

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

2. Credit Risk Deposits

There is a risk that, in the event of a bank failure, the City's deposits may not be returned. The City's deposit policy is in accordance with ORS 295. All deposits are collateralized with eligible securities in amounts determined by the Oregon State Treasury (OST). The OST's custodian, Federal Home Loan Bank of Des Moines, is the agent of the depository bank. The securities pledged are designated as subject to the Pledge Agreement between the Depository Bank, Custodian Bank and OST and are held for the benefit of the OST on behalf of the public depositors. The City's deposit policy requires that all deposits are covered by the Federal Deposit Insurance Corporation (FDIC), and/or are collateralized as required by and in compliance with ORS 295. The FDIC's standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category.

3. Investments

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

Cash and Investment Note

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2019. 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. These investments are measured 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, 2019, the fair value of the position in the LGIP is 100.65% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

As of June 30, 2019, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
State Treasurer's investment pool	41,134,034	41,134,034	-	-
	<u>\$ 41,134,034</u>	<u>\$ 41,134,034</u>	<u>\$ -</u>	<u>\$ -</u>

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.

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

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:

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

Concentration of Credit Risk

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2019, the City was in compliance with all percentage restrictions.

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

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

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

B. Receivables

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

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

	<u>Balance</u>	<u>Due within One Year</u>	<u>Long Term</u>
<u>Governmental Activities:</u>			
Current:			
Property Tax	\$ 741,442	\$ 741,442	\$ -
Business Licenses	155,720	155,720	-
Ambulance billing	227,308	227,308	-
Utility Receivables	497,075	497,075	-
Misc. Receivables	1,355,249	1,355,249	-
Hotel/Motel Receivables	898,829	898,829	-
Total current	<u>3,875,623</u>	<u>3,875,623</u>	<u>-</u>
Long-Term:			
Rehabilitation loans	61,467	-	61,467
Special Assessments	107,671	-	107,671
Notes Receivable	22,287	-	22,287
SDC receivable	82,693	-	82,693
Total Long - Term	<u>274,118</u>	<u>-</u>	<u>274,118</u>
Total	<u>\$ 4,149,741</u>	<u>\$ 3,875,623</u>	<u>\$ 274,118</u>
<u>Business-type Activities:</u>			
Current:			
Utility Receivables	2,595,589	2,595,589	-
Food & Beverage Receivables	777,079	777,079	-
Misc. Receivables	609,552	609,552	-
Total current	<u>3,982,220</u>	<u>3,982,220</u>	<u>-</u>
Long-Term:			
Conservation loans	121,413	-	121,413
Total Long - Term	<u>121,413</u>	<u>-</u>	<u>121,413</u>
Total	<u>\$ 4,103,633</u>	<u>\$ 3,982,220</u>	<u>\$ 121,413</u>
Accounts, Net	<u>\$ 8,253,374</u>	<u>\$ 7,857,843</u>	<u>\$ 395,531</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2019
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 14,338,439	\$ 1,000,000	\$ -	\$ 15,338,439
Construction in progress	2,401,188	278,942	5,465	2,674,665
Total capital assets, not being depreciated	16,739,627	1,278,942	5,465	18,013,104
Buildings	43,262,695	1,198,072	-	44,460,767
Infrastructure	56,217,159	78,047	-	56,295,206
Machinery and equipment	19,548,133	2,608,465	226,217	21,930,381
Total capital assets, being depreciated	119,027,987	3,884,584	226,217	122,686,354
Less accumulated depreciation for:				
Buildings	(16,997,075)	(1,183,198)	-	(18,180,273)
Infrastructure	(36,226,524)	(1,382,843)	-	(37,609,367)
Machinery and equipment	(18,697,639)	(988,000)	(226,217)	(19,459,422)
Total accumulated depreciation	(71,921,238)	(3,554,041)	(226,217)	(75,249,062)
Total capital assets being depreciated, net	47,106,749	330,543	-	47,437,292
Governmental activities capital assets, net	<u>\$ 63,846,376</u>	<u>\$ 1,609,485</u>	<u>\$ 5,465</u>	<u>\$ 65,450,396</u>
	Balance June 30, 2018	Additions and Reclasses	Retirements and Reclasses	Balance June 30, 2019
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 3,106,925	\$ -	\$ -	\$ 3,106,925
Construction in progress	3,247,176	4,562,023	16,648	7,792,551
Total capital assets, not being depreciated	6,354,101	4,562,023	16,648	10,899,476
Buildings	22,099,664	-	-	22,099,664
Machinery and equipment	1,380,879	-	-	1,380,879
Infrastructure	92,440,126	795,131	-	93,235,257
Total capital assets, being depreciated	115,920,669	795,131	-	116,715,800
Less accumulated depreciation:				
Buildings	(7,736,165)	(436,148)	-	(8,172,313)
Machinery and equipment	(1,133,898)	(64,562)	-	(1,198,460)
Infrastructure	(50,473,821)	(2,090,479)	-	(52,564,300)
Total accumulated depreciation	(59,343,884)	(2,591,189)	-	(61,935,073)
Total capital assets being depreciated, net	56,576,785	(1,796,058)	-	54,780,727
Business-type activities capital assets, net	<u>\$ 62,930,886</u>	<u>\$ 2,765,965</u>	<u>\$ 16,648</u>	<u>\$ 65,680,203</u>

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

General government	\$	959,602
Public safety		180,770
Highways and streets		1,342,843
Parks and Rec		1,070,826
Total	<u>\$</u>	<u>3,554,041</u>

Depreciation expense for the business type activities as charged to functions/programs of the primary government as follows:

Water Fund	\$	901,144
Wastewater Fund		1,281,785
Stormwater Fund		58,310
Electric Fund		278,843
Telecommunication Fund		71,107
Total	<u>\$</u>	<u>2,591,189</u>

Construction Commitments

The government has active construction projects as of June 30, 2019. The projects include construction of various infrastructure improvements and additions to the transportation, storm water, water, wastewater and telecommunications systems. The City has remaining commitments under construction contracts of approximately \$11,041,977 at June 30, 2019.

D. Interfund Receivable, Payable and Transfers

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

The composition of interfund balances as of June 30, 2019, is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 273,598	\$ 105,500
Parks fund	85,000	-
Non-major governmental	215,500	685,598
Internal service funds	467,000	-
Water fund	-	250,000
Total	<u>\$ 1,041,098</u>	<u>\$ 1,041,098</u>

E. Long-term Debt

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

The government has three promissory note agreements for financing:

- Garfield Park – In 2016 the City borrowed \$870,000 for upgrade for the water park within Garfield Park. The debt is funded by park’s share of food and beverage tax.
- Biscoe School – In 2018 the City agreed to purchase Biscoe School from the Ashland School District for \$1,540,000 at zero percent interest. The debt is paid by lease agreement.
- Biscoe Park – In 2018 the City agreed to purchase Biscoe Park from the Ashland School District for \$500,000 at zero percent interest. The debt is paid by park’s share of food and beverage tax.

Promissory notes outstanding at year end are as follows:

Purpose	Activity	Original Amount	Interest Rates	Amount Outstanding
Upgrade to Garfield Water Park	Government	\$ 870,000	2.12%	\$ 591,000
Purchase of Biscoe School Building	Government	\$ 1,540,000	0.00%	1,320,000
Purchase of Biscoe School Yard	Government	\$ 500,000	0.00%	400,000
				<u>\$ 1,720,000</u>

Promissory note debt service requirement to maturity is as follows:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2020	\$ 246,000	\$ 12,073
2021	248,000	10,240
2022	250,000	8,363
2023	251,000	6,455
2024	253,000	4,516
2025-2029	843,000	3,042
2030-2034	220,000	-
	<u>\$ 2,311,000</u>	<u>\$ 44,690</u>

2. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities over the previous fiscal years. No new debt was issued in the category of General Obligation Bonds.

The following schedule shows the debt service requirements for GO bonds as of June 30, 2019:

Purpose	Activity	Original Amount	Interest Rates	Amount Outstanding
2005 Fire Station #1	Government activities	\$ 2,560,000	3.5-5.0%	\$ 260,000
2011 Fire Station #2	Government activities	2,960,000	2.0-4.00%	1,955,000
2013 AFN Debt	Government activities	11,675,000	2-2.8%	7,020,000
2013 GO Bonds New Construction	Government activities	1,520,000	2-2.5%	970,000
2009 GO Bonds	Business-type activities	1,000,000	4.95%	417,299
2010 GO Bonds	Business-type activities	15,440,000	2 - 4%	4,395,000
2013 Water Debt GO Bonds	Business-type activities	1,580,000	2.00%	725,000
2013 GO Bonds New Construction	Business-type activities	3,245,000	2-2.5%	2,070,000
				<u>\$17,812,299</u>

Government Activities:

- The citizens of Ashland authorized by vote in November 1999 for the construction of Fire Station #1. In 2005, the Fire Station #1 bond was issued as a refunding bond in 2005 resulting in a savings of at least 3%. This debt is being paid by property tax.
- The citizens of Ashland authorized by vote in May 2011 for the construction of Fire Station #2. This debt is being paid by property tax.
- In 2013, a new issue for AFN Debt as Full Faith and credit bonds was a result of refinancing a previous debt for AFN. The previous debt was at 5.328% to 2.80% interest. This debt is paid by rates.
- In 2013 a new debt of \$ 4,765,000 as Full Faith and credit bonds was issued for 15 years. The purpose for these bonds are projects in the Street & Parks (\$1,520,000) and Water, Wastewater and Stormwater Funds (\$3,245,000). This debt is paid by user fees.

Business-Type Activities:

- In 2009, the City financed construction project of \$1,000,000 for the Water and Wastewater Fund. This debt is paid by user fees.
- In 2010, the City refinanced the loan for the Wastewater treatment plant project. The refinancing generated approximately \$1.34 million in Net present value savings on the total debt. This debt is paid by Food and Beverage Tax.
- In 2013, the City refunded a portion of the 2003 Water Revenue Bonds in the amount of \$1,580,000. The refund resulted in \$162,000 gross savings, equivalent to \$151,000 in net present value. This debt is paid by user fees.
- In 2013, a new debt of \$ 4,765,000 as Full Faith and credit bonds was issued for 15 years. The purpose of this for these bonds are projects in the Street & Parks (\$1,520,000) and Water, Wastewater and Stormwater Funds (\$3,245,000). This debt is paid by user fees.

2019 Notes to Basic Financial Statements

Future maturities of bond principal and interest at June 30, 2019, are as follows:

Year Ending June 30,	2005 GO Bonds Fire Station #1		2009 GO Bonds		2010 GO Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 260,000	\$ 13,000	\$ 75,504	\$ 19,733	\$ 1,415,000	\$ 175,800
2021	-	-	79,287	15,950	1,465,000	119,200
2022	-	-	83,261	11,976	1,515,000	60,600
2023	-	-	87,433	7,804	-	-
2024	-	-	91,814	3,423	-	-
2025-2029	-	-	-	-	-	-
2030-2034	-	-	-	-	-	-
2035-2039	-	-	-	-	-	-
	<u>\$ 260,000</u>	<u>\$ 13,000</u>	<u>\$ 417,299</u>	<u>\$ 58,886</u>	<u>\$ 4,395,000</u>	<u>\$ 355,600</u>

Year Ending June 30,	2011 GO Bonds Fire Station #2		2013 AFN Debt		2013 Water Debt GO Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 135,000	\$ 66,988	\$ 1,100,000	\$ 155,710	\$ 180,000	\$ 12,700
2021	140,000	62,938	1,130,000	133,410	180,000	9,100
2022	145,000	58,738	1,155,000	109,116	180,000	5,500
2023	145,000	54,388	1,180,000	81,373	185,000	1,850
2024	150,000	50,038	1,210,000	50,741	-	-
2025-2029	840,000	173,825	1,245,000	17,430	-	-
2030-2034	400,000	168,200	-	-	-	-
2035-2039	-	-	-	-	-	-
	<u>\$ 1,955,000</u>	<u>\$ 635,115</u>	<u>\$ 7,020,000</u>	<u>\$ 547,780</u>	<u>\$ 725,000</u>	<u>\$ 29,150</u>

Year Ending June 30,	2013 GO Bonds New Construction		Total	
	Principal	Interest	Principal	Interest
2020	\$ 310,000	\$ 62,225	\$ 3,475,504	\$ 506,156
2021	320,000	55,925	3,314,287	396,523
2022	325,000	49,475	3,403,261	295,405
2023	330,000	42,925	1,927,433	188,339
2024	330,000	36,325	1,781,814	140,527
2025-2029	1,425,000	69,613	3,510,000	264,291
2030-2034	-	-	400,000	168,200
2035-2039	-	-	-	-
	<u>\$ 3,040,000</u>	<u>\$ 316,488</u>	<u>\$ 17,812,299</u>	<u>\$ 1,959,441</u>

3. Revenue Bonds

The government also issues bonds on which the government pledges income derived from the acquired or constructed assets to pay debt service.

Purpose	Activity	Original Amount	Interest Rates	Amount Outstanding
Crebs	Business-type activities	\$ 304,000	3.8-6.01%	\$ 65,142
IFA S14005 - Water	Business-type activities	3,515,200	1.00%	3,515,200
DEQ R11751 - Wastewater	Business-type activities	1,645,280	1.00%	1,592,418
Medford Water Commission	Business-type activities	2,358,076	3.42%	1,957,456
IFA S16021 - Water	Business-type activities	1,445,740	1.00%	1,445,740
DEQ R11753 - Water	Business-type activities	231,697	1.00%	231,697
DEQ R11754 - Wastewater	Business-type activities	694,859	1.00%	694,859
				\$ 9,502,512

- Clean Renewable Energy Bonds, authorized by U.S. Treasury, is for construction of a renewable resource photovoltaic system to generate “green power” for the city’s electrical system. Electric rate revenue is pledged to pay the related debt service.
- IFA #S14005 is complete as of this fiscal year, this loan was for three projects; TAP, Terrace St Pump Station and Park Estates Pump Station. This loan received \$950,000 in principal forgiveness.
- The DEQ #R11751 loan is for the wastewater treatment plant for the membrane system upgrade in the amount of \$1,645,280. This project is complete and the City is now paying on this loan.
- The Medford Water Commission loan is for the City’s portion of receiving services for TAP. This is being paid by water SDC’s Revenue.
- IFA #S16021 is for the new water treatment plant. Total drawdown for this fiscal year was \$941,276 bringing the loan to \$1,445,740. No payments will be made until the project is complete. This loan is for a total of \$14,811,865 with \$1,030,000 in principal forgiveness.
- DEQ #R11753 is for the Ashland Canal Piping project. To date, the total drawdown is \$231,697. No payments will be made until the project is complete. The total loan is for \$1,300,000.
- DEQ #R11754 is for the Riparian Restoration and Outfall Relocation project. This loan is for a total of \$4,829,000. To date, \$694,859 has be received as a drawdown.

The City of Ashland has signed agreements in the amount of \$23,426,065 as June 30, 2019. Of that amount, the City drew down a total of \$2,115,628.

Purpose	Activity	Signed Agreements	Balance June 30, 2018	Drawdowns	Balance June 30, 2019
IFA S14005 - Water	Business-type activities	\$ 3,515,200	\$ 2,761,817	\$ 753,383	\$ 3,515,200
IFA S16021 - Water	Business-type activities	13,781,865	504,464	941,276	1,445,740
DEQ R11753 - Water	Business-type activities	1,300,000	80,552	151,145	231,697
DEQ R11754 - Wastewater	Business-type activities	4,829,000	425,035	269,824	694,859
		\$ 23,426,065	\$ 3,771,868	\$ 2,115,628	\$ 5,887,496

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2020	\$ 610,318	\$ 234,909
2021	661,905	182,517
2022	599,180	158,127
2023	551,489	149,725
2024	557,355	143,307
2025-2029	2,575,026	554,674
2030-2034	1,924,641	234,422
2035-2039	676,229	86,687
2040-2044	626,116	54,921
2045-2049	720,252	22,982
	<u>\$ 9,502,512</u>	<u>\$ 1,822,271</u>

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

4. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions and Adjustments	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds payable:					
General obligation	\$ 11,760,000	\$ -	\$ 1,555,000	\$ 10,205,000	\$ 1,590,000
Total bonds payable	11,760,000	-	1,555,000	10,205,000	1,590,000
Notes and contracts	2,591,935	-	280,935	2,311,000	246,000
Claims and judgements	17,247	-	-	17,247	17,247
Government Activities:					
Long-term liabilities	<u>\$ 14,369,182</u>	<u>\$ -</u>	<u>\$ 1,835,935</u>	<u>\$ 12,533,247</u>	<u>\$ 1,853,247</u>
Business-type Activities:					
Bonds Payable:					
General obligation	\$ 9,429,200	\$ -	\$ 1,821,901	\$ 7,607,299	\$ 1,889,287
Revenue	7,555,842	2,115,628	168,959	9,502,511	327,470
Total bonds payable	16,985,042	2,115,628	1,990,860	17,109,810	2,216,757
Business-type Activities:					
Long-term liabilities	<u>\$ 16,985,042</u>	<u>\$ 2,115,628</u>	<u>\$ 1,990,860</u>	<u>\$ 17,109,810</u>	<u>\$ 2,216,757</u>

F. Compensated Absences

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$276,825 of the Internal Service Fund was compensated absences.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within a Year
Governmental Activities:	\$ 1,069,352	\$ 116,319	\$ 22,031	\$ 1,163,640	\$ 290,910
Business-type Activities:	553,820	86,488	3,304	637,004	159,251
Total compensated absences payable	<u>\$ 1,623,172</u>	<u>\$ 202,807</u>	<u>\$ 25,335</u>	<u>\$ 1,800,644</u>	<u>\$ 450,161</u>

IV. OTHER INFORMATION

A. Risk Management

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

The government purchases re-insurance above defined loss levels in each program. Premiums are paid into the Insurance Services internal service fund by all other funds, component units, and potential component units, and are available to pay claims, claim reserves, and administrative costs of the programs. These interfund and agency premiums are used to offset the amount of claims expenditures reported. As of June 30, 2019, such premiums did not exceed paid claims and reserves.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, change in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. Liability claims have a seven year statute of limitations and open claims, not in litigation, are frozen. An excess insurance policy covers claims after an aggregate annual settlement of \$50,000.

The City has not had significant reductions in insurance coverage from prior years.

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

	Year ended June 30, 2019	Year ended June 30, 2018
Unpaid claims, beginning of fiscal year	\$ 17,247	\$ 17,247
Incurred claims (including IBNRs)	-	-
Unpaid claims, end of fiscal year	<u>\$ 17,247</u>	<u>\$ 17,247</u>

B. Other Post-Employment Benefits - Insurance Subsidy

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

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

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

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

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

Annual OPEB Cost and Total OPEB Liability - The City's annual Other Post Employment Benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer and an amount actuarially determined in accordance within the parameters of GASBS 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

Actuarial Methods and Assumptions – The ARC for the current year was determined as part of the July 1, 2018 actuarial valuation, using the present value of projected benefits discounted at the valuation interest rate (6.75 percent). The assumed health costs will increase 7 percent in the first year (July 1, 2018, premiums compared with July 1, 2017, premiums), In future years, the medical and vision cost trend varies from 7.00 percent to 4.75 percent depending upon the timing of the excise tax scheduled to affect health care benefits beginning in 2022. 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.

At June 30, 2019 the City reported deferred inflows and outflows of resources related to OPEB from the following source:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 1,291,335	\$ -
Changes in assumptions	-	(610,761)
Net difference between projected and actual earnings on pension plan investments	-	-
Net changes in proportionate share	-	-
Difference between the City contributions and proportionate share of contributions	<u>-</u>	<u>-</u>
Subtotal - Amortized Deferrals (below)	1,291,335	(610,761)
City Contributions subsequent to measurement date	<u>337,858</u>	<u>-</u>
Net Deferred outflow (inflow) of resources	<u>\$ 1,629,193</u>	<u>\$ (610,761)</u>

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ending June 30,	Amount
2020	\$ 93,445
2021	93,445
2022	93,445
2023	93,445
2024	93,445
Thereafter	143,536
Total	<u>\$ 610,761</u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease 2.50%	Discounted Rate 3.50%	1% Increase 4.50%
City's proportionate share of the total OPEB Liability	\$ 4,211,666	\$ 3,840,269	\$ 3,515,858

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates.

	Healthcare Cost Trend Rates (6.50% - decreasing to 3.50%)	Healthcare Cost Trend Rates (7.50% - decreasing to 4.50%)	Healthcare Cost Trend Rates (8.50% - decreasing to 5.50%)
City's proportionate share of the net OPEB Liability	\$ 3,612,952	\$ 3,840,269	\$ 4,107,792

C. Employee Retirement System and Pension Plan

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-information.aspx>

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

- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. 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.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

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

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2016 actuarial valuation, which became effective July 1, 2018. 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, 2019 were \$3,728,402, excluding amounts to fund employer specific liabilities. In addition approximately \$1,181,047 in employee contributions were paid or picked up by the City in fiscal 2019. At June 30, 2019, the City reported a net pension liability of \$29,084,032 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2019, the City's proportion was .86 percent. Pension expense for the year ended June 30, 2019 was \$4,909,448.

The rates in effect for the year ended June 30, 2019 were:

- (1) Tier 1/Tier 2 – 21.43%
- (2) OPSRP general services – 14.49%
- (3) Tier 1/Tier 2 Police and Fire – 26.39%
- (4) OPSRP Police and Fire – 19.26%

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.

2019 Notes to Basic Financial Statements

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 1,054,092	\$ -
Changes in assumptions	7,204,465	-
Net difference between projected and actual earnings on pension plan investments	-	1,376,007
Net changes in proportionate share	93,485	2,570,785
Difference between the City contributions and proportionate share of contributions	<u>862,792</u>	<u>105,697</u>
Subtotal - Amortized Deferrals (below)	9,214,834	4,052,489
City Contributions subsequent to measurement date	<u>3,728,402</u>	<u>-</u>
Net Deferred outflow (inflow) of resources	<u><u>\$ 12,943,236</u></u>	<u><u>\$ 4,052,489</u></u>

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:

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$ 3,316,661
2021	2,174,722
2022	(682,287)
2023	198,528
2024	154,720
Thereafter	-
Total	<u><u>\$ 5,162,344</u></u>

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, 2016	
Measurement date	June 30, 2018	
Experience Study	2016, published July 26, 2017	
Actuarial cost method	Entry age normal	
Actuarial assumptions:		
Inflation rate	2.50%	
Investment rate of return	7.20%	
Discount rate	7.20%	
Projected salary increases		3.50%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service	

Mortality

Healthy retirees and beneficiaries:
RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.

Active Member:
RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.

Disable retirees:
RP-2014 Disabled Retirees, sex-distinct, generation with Unisex, Social Security Data Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

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%

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%
<i>Assumed Inflation - Mean</i>		2.50%

Discount Rate – The discount rate used to measure the total pension liability was 7.20 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.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	Decrease -6.2%	Rate -7.2%	Increase -8.2%
City's proportionate share of the net pension liability	\$ 51,785,466	\$ 30,987,200	\$ 13,819,934

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.

On June 11, 2019, Senate Bill 1049 was enacted by the People of the State of Oregon. The elements of the bill include a variety of policy and program changes which will affect the City's pension plan. Most prominent are a one time 22-year re-amortization of unamortized actuarial liability for Tier 1 and Tier 2 employees and contributions rate adjustments. In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The city cannot predict weather the petitioners will be successful in whole or in part nor what the impact of a successful challenge will be.

Deferred Compensation Plan

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

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City 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 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:

PERS has a mandatory retirement contribution from employees. However, the City pays six (6) percent of their covered payroll as a money-saving concession that was negotiated in collective bargaining agreements. The City did not make any optional contributions to member's IAP accounts for the year ended June 30, 2019.

Retirement Health Insurance Account

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the City 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 City 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 City's contributions to RHIA for the years ended June 30, 2019 was \$70,163, respectively, which equaled the required contributions each year.

At June 30, 2019, the City's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

E. Fund Balance Constraints

The specific purposes for each of the categories of the fund balance as of June 30, 2019, are as follows:

Fund Balances:	General Fund	Street Fund	Parks	Non Major Funds	Total
Nonspendable:					
Perpetual care	-	-	-	984,914	984,914
Restricted for:					
Asset forfeiture	34,459	-	-	-	34,459
TOT tourism	487,873	-	-	-	487,873
CDBG restriction	-	-	-	36,620	36,620
SDC - Transportation	-	2,641,068	-	-	2,641,068
SDC - Parks	-	-	-	104,546	104,546
Debt commitment	-	-	-	1,035,856	1,035,856
Committed for:					
Parking surcharge	370,085	-	-	-	370,085
Public art	21,392	-	-	-	21,392
Future Downtown parking supply restriction	241,326	-	-	-	241,326
Affordable housing	-	-	-	69,986	69,986
Grubbs Case	22,235	-	-	-	22,235
Street activities	-	2,174,869	-	-	2,174,869
Parks activities	-	-	1,107,370	1,428,986	2,536,356
Airport activities	-	-	-	235,659	235,659
Food and beverage tax	-	-	-	-	-
CIP - Facilities	-	-	-	756,172	756,172
Assigned for:					
N/A					
Unassigned:	3,824,249	-	-	-	3,824,249
Total fund balances:	<u>\$ 5,001,619</u>	<u>\$ 4,815,937</u>	<u>\$ 1,107,370</u>	<u>\$ 3,667,825</u>	<u>\$ 14,592,751</u>

F. Service Concession Agreement

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

G. Tax Abatements

As of June 30, 2019, City of Ashland provides tax abatements through one significant program: Enterprise Zone.

Enterprise Zone (ORS 285C.175):

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

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

For the fiscal year ended June 30, 2019, City of Ashland abated property taxes under these program in FY 18/19 for \$409,199.

H. Contingency

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





REQUIRED SUPPLEMENTARY INFORMATION

2019 Required Supplementary Information

CITY OF ASHLAND, OREGON
Required Supplemental Information
SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB)
LIABILITY AND RELATED RATIOS MEDICAL BENEFIT
For the year ended June 30, 2019

	2019	2018
Total Pension Liability based on measurement date at June 30	\$ 2,928,939	\$ 3,065,279
<u>Changes for the year:</u>		
Service Cost	151,823	161,964
Interest	105,593	88,807
Changes of Benefit Terms	-	-
Differences between expected and actual experience	-	-
Changes of economic/demographic gains	1,471,245	-
Changes of assumptions or other input	(552,532)	(163,128)
Benefit Payments	(264,798)	(223,681)
Net change for the year	911,331	(136,038)
Total Pension Liability at June 30	\$ 3,840,270	\$ 2,929,241
Fiduciary Net Position - Beginning	\$ -	\$ -
Contributions - Employer	-	-
Contributions - Employee	264,798	223,681
Net Investment Income	-	-
Benefit Payments	-	-
Administrative Expense	(264,798)	(223,681)
Net change in Fiduciary Net Position	-	-
Fiduciary Net Position - End of Year	-	-
Total OPEB Liability at End of Year	\$ 3,840,270	\$ 2,929,241
Fiduciary Net Position as a percentage of the total Single Employer OPEB Liability	0%	0%
Covered Payroll	\$ 17,561,324	\$ 16,232,406
Net Single Employer OPEB Plan as a Percentage of Covered Payroll	21.9%	18.0%

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.

REQUIRED SUPPLEMENTARY INFORMATION
For the year ended June 30, 2019

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.2046%	\$ (30,987,200)	\$ 16,232,406	(190.9) %	80.6 %
2018	0.2157%	(29,084,032)	15,950,222	(182.3)	83.1
2017	0.2157%	(34,849,280)	15,571,834	(223.8)	80.5
2016	0.2590%	(14,910,215)	14,948,474	(99.7)	91.9
2015	0.2424%	(5,498,618)	17,016,281	(32.3)	103.6
2014	0.2424%	(12,379,260)	16,753,124	(73.9)	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2019	\$ 3,396,359	\$ 3,396,359	-	\$ 17,561,324	19.3 %
2018	3,162,190	3,162,190	-	16,232,406	19.5
2017	2,774,267	2,774,267	-	15,950,222	17.4
2016	2,805,936	2,805,936	-	15,571,834	18.0
2015	2,389,586	2,389,586	-	14,948,474	16.0
2014	2,604,925	2,604,925	-	17,016,281	15.3

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

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

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the year ended June 30, 2019**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Taxes	\$ 42,958,500	\$ 42,958,500	\$ 21,207,587	\$ 22,145,317	\$ 43,352,904	\$ 394,404
Fees, licenses and permits	1,660,300	1,660,300	838,832	859,045	1,697,877	37,577
Intergovernmental	2,187,589	5,091,754	2,057,644	2,255,466	4,313,110	(778,644)
Charges for services	3,327,000	3,327,000	1,622,468	1,591,398	3,213,866	(113,134)
Fines and forfeitures	857,900	857,900	545,835	588,070	1,133,905	276,005
Interest on investments	75,000	75,000	92,260	123,331	215,591	140,591
Miscellaneous	395,200	395,200	61,739	67,249	128,988	(266,212)
Total revenues	51,461,489	54,365,654	26,426,365	27,629,877	54,056,242	(309,412)
Expenditures:						
General Government:						
Administration	3,006,150	3,006,150	1,288,978	1,265,915	2,554,893	451,257
Administrative Services:						
Band	131,540	131,540	60,433	64,213	124,646	6,895
Parks Services	10,601,400	10,601,400	5,209,500	5,391,900	10,601,400	-
Public Works:						
Cemetery	851,778	851,778	363,418	431,797	795,215	56,563
Community Development:						
Planning	3,458,080	3,291,729	1,533,784	1,565,134	3,098,918	192,811
Building	1,479,935	1,479,935	706,091	717,188	1,423,279	56,656
Social services	267,940	268,001	134,000	134,000	268,000	1
Miscellaneous	38,000	38,000	14,230	4,326	18,556	19,444
Total general government	<u>19,834,823</u>	<u>19,668,533</u>	<u>9,310,434</u>	<u>9,574,472</u>	<u>18,884,906</u>	<u>783,627</u>
Public Safety:						
Police	15,048,125	15,388,125	7,197,266	7,504,873	14,702,139	685,986
Municipal court	944,095	1,039,095	497,785	507,950	1,005,735	33,360
Fire and rescue	17,446,005	20,020,170	9,310,299	10,040,008	19,350,307	669,863
Total public safety	<u>33,438,225</u>	<u>36,447,390</u>	<u>17,005,350</u>	<u>18,052,832</u>	<u>35,058,182</u>	<u>1,389,208</u>
Contingency	800,000	694,939	-	-	-	694,939
Total expenditures	54,073,048	56,810,862	26,315,784	27,627,304	53,943,088	2,867,774
Excess (deficiency) of revenues over (under) expenditures	(2,611,559)	(2,445,208)	110,581	2,573	113,154	2,558,362
Other financing sources (uses):						
Transfers in	513,000	513,000	266,103	273,598	539,701	26,701
Transfers out	(211,000)	(377,351)	(271,851)	(105,500)	(377,351)	-
Total other financing sources (uses)	302,000	135,649	(5,748)	168,098	162,350	26,701
Net change in fund balance	(2,309,559)	(2,309,559)	104,833	170,671	275,504	2,585,063
Fund balance, July 1, 2018	4,412,535	4,412,535	4,687,675	4,792,508	4,687,675	275,140
Fund balance, June 30, 2019	\$ 2,102,976	\$ 2,102,976	\$ 4,792,508	\$ 4,963,179	\$ 4,963,179	\$ 2,860,203
Reconciliation to GAAP fund balance :						
Reserve fund balance:				38,440		
				<u>\$ 5,001,619</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Taxes	\$ 1,236,800	\$ 1,236,800	\$ 767,191	\$ 704,598	\$ 1,471,789	\$ 234,989
Intergovernmental	5,311,945	5,311,945	1,311,390	1,530,941	2,842,331	(2,469,614)
Charges for services	3,195,895	3,195,895	1,698,770	1,772,743	3,471,513	275,618
System development charges (SDC)	150,000	150,000	-	-	-	(150,000)
Assessments	60,000	60,000	17,535	8,924	26,459	(33,541)
Interest on investments	60,000	60,000	74,835	119,788	194,623	134,623
Miscellaneous	168,290	353,304	232,484	71,668	304,152	(49,152)
Total revenues	10,182,930	10,367,944	4,102,205	4,208,662	8,310,867	(2,057,077)
Expenditures:						
Highways and streets:						
Operations and maintenance	19,197,832	19,197,832	2,811,062	3,812,579	6,623,641	12,574,191
Transportation SDCs	2,198,720	2,198,720	44,058	47,422	91,480	2,107,240
Total highways and streets	<u>21,396,552</u>	<u>21,396,552</u>	<u>2,855,120</u>	<u>3,860,001</u>	<u>6,715,121</u>	<u>14,681,431</u>
Debt Services:						
Operations and maintenance Debt	251,710	493,039	367,830	367,830	735,660	(242,621)
Total Debt	<u>251,710</u>	<u>493,039</u>	<u>367,830</u>	<u>367,830</u>	<u>735,660</u>	<u>(242,621)</u>
Contingency	100,000	43,685	-	-	-	43,685
Total expenditures	21,748,262	21,933,276	3,222,950	4,227,831	7,450,781	14,482,495
Excess (deficiency) of revenues over (under) expenditures	(11,565,332)	(11,565,332)	879,255	(19,170)	860,085	12,425,417
Other financing sources (uses):						
Bond proceeds	11,687,162	11,687,162	-	-	-	(11,687,162)
Total other financing sources (uses)	11,687,162	11,687,162	-	-	-	(11,687,162)
Net change in fund balance	121,830	121,830	879,255	(19,170)	860,085	738,255
Fund balance, July 1, 2018	3,977,740	3,977,740	3,955,852	4,835,107	3,955,852	(21,888)
Fund balance, June 30, 2019	\$ 4,099,570	\$ 4,099,570	\$ 4,835,107	\$ 4,815,937	\$ 4,815,937	\$ 716,367

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Intergovernmental	\$ 30,000	\$ 30,000	\$ 750	\$ 500	\$ 1,250	\$ (28,750)
Charges for services - External	2,181,200	2,181,200	868,563	916,636	1,785,199	(396,002)
Charges for services - Internal	10,601,400	10,601,400	5,209,500	5,391,900	10,601,400	-
Interest on investments	14,000	14,000	9,692	20,599	30,291	16,291
Miscellaneous	60,000	60,000	19,883	25,700	45,583	(14,417)
Total revenues	<u>12,886,600</u>	<u>12,886,600</u>	<u>6,108,388</u>	<u>6,355,335</u>	<u>12,463,723</u>	<u>(422,878)</u>
Expenditures:						
Parks and Recreation:						
Operations and maintenance	8,639,215	8,498,851	3,890,304	4,151,758	8,042,062	456,789
Recreation	3,193,871	3,334,235	1,348,844	1,552,403	2,901,247	432,988
Golf Course	1,163,100	1,163,100	502,118	554,750	1,056,868	106,232
Total Parks and Recreation	<u>12,996,186</u>	<u>12,996,186</u>	<u>5,741,266</u>	<u>6,258,910</u> (1)	<u>12,000,176</u>	<u>996,010</u>
Contingency	195,000	195,000	-	-	-	195,000
Total expenditures	<u>13,191,186</u>	<u>13,191,186</u>	<u>5,741,266</u>	<u>6,258,910</u>	<u>12,000,176</u>	<u>1,191,010</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(304,586)</u>	<u>(304,586)</u>	<u>367,122</u>	<u>96,424</u>	<u>463,546</u>	<u>768,132</u>
Other financing sources (uses):						
Transfers in	170,000	170,000	85,000	85,000	170,000	-
Total other financing sources (uses)	<u>170,000</u>	<u>170,000</u>	<u>85,000</u>	<u>85,000</u>	<u>170,000</u>	<u>-</u>
Net change in fund balance	(134,586)	(134,586)	452,122	181,424	633,546	768,132
Fund balance, July 1, 2018	<u>392,641</u>	<u>392,641</u>	<u>209,332</u>	<u>661,454</u>	<u>209,332</u>	<u>(183,309)</u>
Fund balance, June 30, 2019	<u>\$ 258,055</u>	<u>\$ 258,055</u>	<u>\$ 661,454</u>	<u>\$ 842,878</u>	<u>\$ 842,878</u>	<u>\$ 584,823</u>

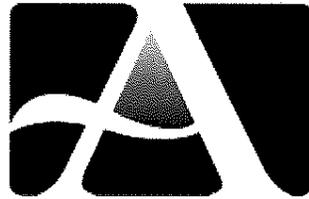
(1) Appropriation level

Reconciliation to GAAP fund balance :

Equipment fund balance:	264,491
Total GAAP fund balance	<u>\$ 1,107,369</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

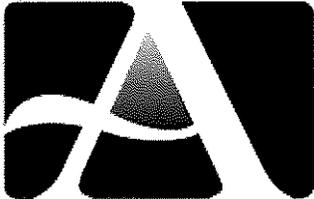
The budgetary basis differs from GAAP when the City has interfund loan transactions. For the budgetary basis, it is considered another financing source; for GAAP it is purely a balance sheet transaction





SUPPLEMENTARY INFORMATION

Combining Individual Fund Statements and
Other Financial Schedules



2019 Supplementary Information

**CITY OF ASHLAND, OREGON
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
For the year ended June 30, 2019**

	Governmental Fund Types						Permanent Fund Type Cemetery Trust Fund	Total Other Governmental (Compilation Only)
	Housing Fund	CDBG Fund	Airport Fund	Capital Improvements Fund	Parks Capital Improvements Fund	Debt Service Fund		
ASSETS								
Cash and cash equivalents	\$ 69,742	\$ 57,008	\$ 212,761	\$ 930,950	\$ 1,434,746	\$ 1,028,592	\$ -	\$ 3,733,800
Receivables (net of allowance for uncollectible)	245	-	52,640	93,381	-	42,575	451	189,292
Cash - restricted	-	-	-	-	-	-	984,463	984,463
Total assets	<u>69,986</u>	<u>57,008</u>	<u>265,402</u>	<u>1,024,331</u>	<u>1,434,746</u>	<u>1,071,168</u>	<u>984,913</u>	<u>4,907,555</u>
LIABILITIES AND FUND BALANCES								
Accounts payable	-	20,388	29,743	80,919	5,760	-	-	136,810
Total liabilities	<u>-</u>	<u>20,388</u>	<u>29,743</u>	<u>80,919</u>	<u>5,760</u>	<u>-</u>	<u>-</u>	<u>136,810</u>
Deferred Inflows of Resources:								
Unavailable revenue - property taxes	-	-	-	-	-	35,312	-	35,312
Unavailable revenue - special assessments	-	-	-	82,693	-	-	-	82,693
	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,693</u>	<u>-</u>	<u>35,312</u>	<u>-</u>	<u>118,005</u>
Fund Balances:								
Restricted for:								
CDBG restriction	-	36,620	-	-	-	-	-	36,620
Systems development charges	-	-	-	104,546	-	-	-	104,546
Debt service	-	-	-	-	-	1,035,856	-	1,035,856
Perpetual care	-	-	-	-	-	-	984,914	984,914
Committed for:								
Housing Fund	69,986	-	-	-	-	-	-	69,986
Special revenue funds	-	-	235,659	-	-	-	-	235,659
Parks activities	-	-	-	-	1,428,986	-	-	1,428,986
Capital projects funds	-	-	-	756,172	-	-	-	756,172
Total fund balances	<u>69,986</u>	<u>36,620</u>	<u>235,659</u>	<u>860,718</u>	<u>1,428,986</u>	<u>1,035,856</u>	<u>984,914</u>	<u>4,652,740</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 69,986</u>	<u>\$ 57,008</u>	<u>\$ 265,402</u>	<u>\$ 1,024,331</u>	<u>\$ 1,434,746</u>	<u>\$ 1,071,168</u>	<u>\$ 984,914</u>	<u>\$ 4,907,555</u>

CITY OF ASHLAND, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the year ended June 30, 2019

	Governmental Fund Types						Permanent Fund Type Cemetery Nonexpendable Trust Fund	Total Other Governmental (Compilation Only)
	Housing Fund	CDBG Fund	Airport Fund	Capital Improvements Fund	Parks Capital Improvements Fund	Debt Service Fund		
Revenues:								
Taxes	\$ 104,751	\$ -	\$ -	\$ -	\$ 803,844	\$ 491,649	\$ -	\$ 1,400,244
Intergovernmental	-	141,551	101,602	-	19,857	-	-	263,010
Charges for services	-	-	152,403	1,205,082	-	1,154,300	14,110	2,525,895
System development charges	-	-	-	75,359	24,077	-	-	99,436
Interest on investments	1,332	-	4,388	28,045	-	17,374	23,598	74,737
Miscellaneous	-	-	4,495	1,284,404	-	160,045	-	1,448,944
Total revenues	106,083	141,551	262,888	2,592,891	847,779	1,823,368	37,708	5,812,268
Expenditures:								
General government	300,000	138,735	190,710	2,295,122	315,619	-	-	3,240,186
Debt service	-	-	38,536	-	-	2,029,809	-	2,068,345
Total expenditures	300,000	138,735	229,246	2,295,122	315,619	2,029,809	-	5,308,531
Excess (deficiency) of revenues over (under) expenditures	(193,917)	2,816	33,642	297,768	532,160	(206,441)	37,708	503,737
Other financing sources (uses):								
Transfers in	-	-	-	-	-	215,000	500	215,500
Transfers out	-	-	-	(577,000)	(85,000)	-	(23,598)	(685,598)
Total other financing sources (uses)	-	-	-	(577,000)	(85,000)	215,000	(23,098)	(470,098)
Net change in fund balance	(193,917)	2,816	33,642	(279,232)	447,160	8,559	14,610	33,639
Fund balance, July 1, 2018	263,903	33,804	202,017	1,139,950	981,826	1,027,297	970,304	4,619,101
Fund balance, June 30, 2019	\$ 69,986	\$ 36,620	\$ 235,659	\$ 860,718	\$ 1,428,986	\$ 1,035,856	\$ 984,914	\$ 4,652,740

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING FUND
For the year ended June 30, 2019**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Taxes	\$ -	\$ 200,000	\$ 95,249	\$ 104,751	\$ 200,000	\$ -
Interest on investments	-	-	2,303	1,332	3,635	3,635
Total revenues	-	200,000	97,552	106,083	203,635	3,635
Expenditures:						
General government:						
Materials and services	-	366,351	-	300,000	300,000	66,351
Total general government	-	366,351	-	300,000	300,000	66,351
Total expenditures	-	366,351	-	300,000	300,000	66,351
Other financing sources (uses):						
Transfers In	-	166,351	166,351	-	166,351	-
Total other financing sources (uses)	-	166,351	166,351	-	166,351	-
Net change in fund balance	-	-	263,903	(193,917)	69,986	69,986
Fund balance, July 1, 2018	-	-	-	263,903	-	-
Fund balance, June 30, 2019	\$ -	\$ -	\$ 263,903	\$ 69,986	\$ 69,986	\$ 69,986

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
For the year ended June 30, 2019

	BN 2017-2019		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Biennium Budget Amounts Original	Final				
Revenues:						
Intergovernmental	\$ 453,785	\$ 453,785	\$ 113,981	\$ 141,551	\$ 255,532	\$ (198,253)
Total revenues	<u>453,785</u>	<u>453,785</u>	<u>113,981</u>	<u>141,551</u>	<u>255,532</u>	<u>(198,253)</u>
Expenditures:						
General government:						
Personal services	62,880	62,880	30,690	32,190	62,880	0
Material and services	390,905	390,905	83,291	106,545	189,836	201,069
Total general government	<u>453,785</u>	<u>453,785</u>	<u>113,981</u>	<u>138,735</u>	<u>252,716</u>	<u>201,069</u>
Total expenditures	<u>453,785</u>	<u>453,785</u>	<u>113,981</u>	<u>138,735</u>	<u>252,716</u>	<u>201,069</u>
Net change in fund balance	-	-	-	2,816	2,816	2,816
Fund balance, July 1, 2018	<u>1</u>	<u>1</u>	<u>33,804</u>	<u>33,804</u>	<u>33,804</u>	<u>33,803</u>
Fund balance, June 30, 2019	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 33,804</u>	<u>\$ 36,620</u>	<u>\$ 36,620</u>	<u>\$ 36,619</u>

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AIRPORT FUND
For the year ended June 30, 2019**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Intergovernmental	\$ 536,800	\$ 536,800	\$ 191,186	\$ 101,602	\$ 292,788	\$ (244,012)
Charges for services	270,000	270,000	145,523	152,403	297,926	27,926
Interest on investments	1,000	1,000	2,123	4,388	6,511	5,511
Miscellaneous	-	-	-	4,495	4,495	4,495
Total revenues	807,800	807,800	338,832	262,888	601,720	(206,080)
Expenditures:						
General government:						
Materials and services	425,380	425,380	233,897	129,636	363,533	61,847
Capital outlay	312,000	312,000	37,609	61,074	98,683	213,317
Total general government	<u>737,380</u>	<u>737,380</u>	<u>271,506</u>	<u>190,710</u>	<u>462,216</u>	<u>275,164</u>
Debt service	77,075	77,075	38,536	38,536	77,072	3
Contingency	10,000	10,000	-	-	-	10,000
Total expenditures	824,455	824,455	310,042	229,246	539,288	285,167
Net change in fund balance	(16,655)	(16,655)	28,790	33,642	62,432	79,087
Fund balance, July 1, 2018	118,677	118,677	173,227	202,017	173,227	54,550
Fund balance, June 30, 2019	\$ 102,022	\$ 102,022	\$ 202,017	\$ 235,659	\$ 235,659	\$ 133,637

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
For the year ended June 30, 2019**

	BN 2017-2019		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Biennium Budget Amounts					
	Original	Final				
Revenues:						
Charges for services	\$ 2,074,940	\$ 2,295,940	\$ 1,043,695	\$ 1,205,082	\$ 2,248,777	\$ (47,163)
System development charges	101,500	101,500	64,254	75,359	139,613	38,113
Interest on investments	26,000	26,000	36,037	28,045	64,082	38,082
Miscellaneous	20,000	20,000	562,714	1,284,404	1,847,118	1,827,118
Total revenues	2,222,440	2,443,440	1,706,700	2,592,891	4,299,591	1,856,151
Expenditures:						
General government:						
Public works - facilities	2,458,100	2,569,100	1,244,218	1,283,549	2,527,767	41,333
Admin services - parks SDC	394,640	394,640	350,000	-	350,000	44,640
Admin services - parks open space	1,500,000	1,500,000	87,768	1,011,573	1,099,341	400,659
Capital outlay	-	-	-	-	-	-
Total cost of service	4,352,740	4,463,740 (1)	1,681,986	2,295,122 (1)	3,977,108	486,632
Contingency	60,000	60,000	-	-	-	60,000
Total expenditures	4,412,740	4,523,740	1,681,986	2,295,122	3,977,108	546,632
Excess (Deficiency) of revenues over (under) expenditures	(2,190,300)	(2,080,300)	24,714	297,768	322,482	2,402,782
Other financing sources (uses):						
Bond proceeds	1,500,000	1,500,000	-	-	-	(1,500,000)
Transfers Out	(1,667,000)	(1,777,000)	(1,200,000)	(577,000)	(1,777,000)	-
Total other financing sources (uses):	(167,000)	(277,000)	(1,200,000)	(577,000)	(1,777,000)	(1,500,000)
Net change in fund balance	(2,357,300)	(2,357,300)	(1,175,286)	(279,232)	(1,454,518)	902,782
Fund balance, July 1, 2018	2,522,222	2,522,222	2,315,236	1,139,950	2,315,236	(206,986)
Fund balance, June 30, 2019	\$ 164,922	\$ 164,922	\$ 1,139,950	\$ 860,718	\$ 860,718	\$ 695,796

(1) Appropriation level

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS CAPITAL IMPROVEMENTS FUND
For the year ended June 30, 2019**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Taxes	\$ 1,484,690	\$ 1,484,690	\$ 758,101	\$ 803,844	\$ 1,561,945	\$ 77,255
Intergovernmental	900,000	900,000	4,695	19,857	24,552	(875,448)
Interest on investments	20,000	20,000	13,978	24,077	38,055	18,055
Total revenues	2,404,690	2,404,690	776,774	847,779	1,624,553	(780,137)
Expenditures:						
General government:						
Material and Services	-	150,000	-	30,999	30,999	119,001
Capital outlay	5,095,000	4,812,157	562,355	284,620	846,975	3,965,182
Total cost of service	5,095,000	4,962,157	562,355	315,619	877,974	4,084,183
Total expenditures	5,095,000	4,962,157	562,355	315,619	877,974	4,084,183
Excess (Deficiency) of revenues over (under) expenditures	(2,690,310)	(2,557,467)	214,419	532,160	746,579	3,304,046
Other financing sources (uses):						
Other Financing Sources	3,250,000	3,250,000	-	-	-	(3,250,000)
Transfers Out	(440,440)	(573,283)	(85,000)	(85,000)	(170,000)	403,283
Total other financing sources (uses):	2,809,560	2,676,717	(85,000)	(85,000)	(170,000)	(2,846,717)
Net change in fund balance	119,250	119,250	129,419	447,160	576,579	457,329
Fund balance, July 1, 2018	341,235	341,235	852,407	981,826	852,407	511,172
Fund balance, June 30, 2019	\$ 460,485	\$ 460,485	\$ 981,826	\$ 1,428,986	\$ 1,428,986	\$ 968,501

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Taxes	\$ 973,540	\$ 973,540	\$ 492,170	\$ 491,649	\$ 983,819	\$ 10,279
Charges for services	2,308,600	2,308,600	1,154,300	1,154,300	2,308,600	-
Interest on investments	8,000	10,000	11,503	17,374	28,877	18,877
Miscellaneous	-	-	160,395	160,045	320,440	320,440
Total revenues	<u>3,290,140</u>	<u>3,292,140</u>	<u>1,818,368</u>	<u>1,823,368</u>	<u>3,641,736</u>	<u>349,596</u>
Expenditures:						
Debt service:						
Bancroft	3,740,387	3,902,387	1,774,547	1,771,944	3,546,491	355,896
General obligation	-	-	97,614	257,865	355,479	(355,479)
Total expenditures	<u>3,740,387</u>	<u>3,902,387</u>	<u>1,872,161</u> (1)	<u>2,029,809</u> (1)	<u>3,901,970</u> (1)	<u>417</u>
Excess (deficiency) of revenues over (under) expenditures	(450,247)	(610,247)	(53,793)	(206,441)	(260,234)	350,013
Other financing sources (uses):						
Transfers in	480,440	640,440	105,000	215,000	320,000	(320,440)
Total other financing sources (uses):	<u>480,440</u>	<u>640,440</u>	<u>105,000</u>	<u>215,000</u>	<u>320,000</u>	<u>(320,440)</u>
Net change in fund balance	30,193	30,193	51,207	8,559	59,766	29,573
Fund balance, July 1, 2018	<u>1,193,610</u>	<u>1,193,610</u>	<u>976,090</u>	<u>1,027,297</u>	<u>976,090</u>	<u>(217,520)</u>
Fund balance, June 30, 2019	<u>\$ 1,223,803</u>	<u>\$ 1,223,803</u>	<u>\$ 1,027,297</u>	<u>\$ 1,035,856</u>	<u>\$ 1,035,856</u>	<u>\$ (187,947)</u>

(1) Appropriation level

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CEMETERY TRUST FUND
For the year ended June 30, 2019**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Charges for services	\$ 50,000	\$ 50,000	\$ 14,447	\$ 14,110	\$ 28,557	\$ (21,443)
Interest on investments	13,000	63,000	16,103	23,598	39,701	(23,299)
Total revenues	63,000	113,000	30,550	37,708	68,258	(44,742)
Other financing sources (uses):						
Transfers In	1,000	1,000	500	500	1,000	-
Transfers Out	(13,000)	(63,000)	(16,103)	(23,598)	(39,701)	23,299
Total other financing sources (uses):	(12,000)	(62,000)	(15,603)	(23,098)	(38,701)	23,299
Net change in fund balance	51,000	51,000	14,947	14,610	29,557	(21,443)
Fund balance, July 1, 2018	958,770	958,770	955,357	970,304	955,357	(3,413)
Fund balance, June 30, 2019	\$ 1,009,770	\$ 1,009,770	\$ 970,304	\$ 984,914	\$ 984,914	\$ (24,856)

**CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RESERVE FUND
For the year ended June 30, 2019**

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Interest on investments	\$ 700	\$ 700	\$ 9,356	\$ 916	\$ 10,272	\$ 9,572
Total revenues	<u>700</u>	<u>700</u>	<u>9,356</u>	<u>916</u>	<u>10,272</u>	<u>9,572</u>
Excess (deficiency) of revenues over (under) expenditures	700	700	9,356	916	10,272	9,572
Other financing sources (uses):						
Interfund loan	1,050,000	1,050,000	-	-	-	(1,050,000)
Interfund loan	(1,050,000)	(1,050,000)	-	-	-	1,050,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	700	700	9,356	916	10,272	9,572
Fund balance, July 1, 2018	<u>24,735</u>	<u>24,735</u>	<u>28,168</u>	<u>37,524</u>	<u>28,168</u>	<u>3,433</u>
Fund balance, June 30, 2019	<u>\$ 25,435</u>	<u>\$ 25,435</u>	<u>\$ 37,524</u>	<u>\$ 38,440</u>	<u>\$ 38,440</u>	<u>\$ 13,005</u>
Reconciliation to GAAP fund balance Reserve fund to the General Fund				\$ (38,440)		
				<u>\$ -</u>		

2019 Supplementary Information

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

For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Charges for services	\$ 15,874,482	\$ 15,874,482	\$ 7,814,892	\$ 8,189,900	\$ 16,004,792	\$ 130,310
System developments charges	200,000	200,000	294,968	346,254	641,222	441,222
Interest on investments	64,000	64,000	139,859	228,124	367,983	303,983
Miscellaneous	50,000	50,000	40,443	26,996	67,439	17,439
Total revenues	16,188,482	16,188,482	8,290,162	8,791,274	17,081,436	892,954
Expenditures:						
Cost of services:						
Administration: Water conservation	738,888	738,888	273,715	208,400	482,115	256,773
Public works water supply	2,751,150	2,751,150	700,420	1,588,963	2,289,383	461,767
Public works water treatment	24,383,636	24,383,636	1,794,785	2,114,176	3,908,961	20,474,675
Public works water distribution	10,807,452	9,807,452	3,551,638	5,492,900	9,044,538	762,914
Public works improvements SDCs	4,056,350	4,181,350	200,425	252,663	453,088	3,728,262
Total Cost of Service	42,737,476	41,862,476	6,520,983	9,657,102	16,178,085	25,684,391
Debt service	1,941,405	1,941,405	614,234	617,627	1,231,861	709,544
Contingency	810,000	685,000	-	-	-	685,000
Total expenditures	45,488,881	44,488,881	7,135,217	10,274,729	17,409,946	27,078,935
Excess (Deficiency) of revenues over (under) expenditures	(29,300,399)	(28,300,399)	1,154,945	(1,483,455)	(328,510)	(27,971,889)
Other financing sources (uses):						
Loan proceeds	29,749,150	29,749,150	732,215	2,795,804	3,528,019	(26,221,131)
Interfund Loan	-	(1,000,000)	-	-	-	1,000,000
Transfer Out	(500,000)	(500,000)	(250,000)	(250,000)	(500,000)	-
Total other financing sources (uses)	29,249,150	28,249,150	482,215	2,545,804	3,028,019	(25,221,131)
Net change in fund balance	(51,249)	(51,249)	1,637,160	1,062,350	2,699,510	2,750,759
Fund balance, July 1, 2018	8,697,716	8,697,716	7,795,562	9,432,722	7,795,562	(902,154)
Fund balance, June 30, 2019	\$ 8,646,467	\$ 8,646,467	\$ 9,432,722	\$ 10,495,072	\$ 10,495,072	\$ 1,848,605
Reconciliation to Net Position:						
Deferred Outflow - Pension				\$ 735,913		
Deferred Outflow - OPEB				103,132		
Capital assets, net				24,835,487		
Compensated absences				(108,796)		
OPEB implicit rate liability				(238,471)		
Net Pension liability				(1,761,838)		
Deferred Inflow - Pension				(230,412)		
Deferred Inflow- OPEB				(37,085)		
Accrued interest				(98,384)		
GO bonds payable				(2,617,109)		
Revenue bonds payable				(7,150,093)		
Rounding				4		
Total Net Position				<u>\$ 23,927,419</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WASTEWATER FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Taxes	\$ 3,209,200	\$ 3,209,200	\$ 1,628,413	\$ 1,626,299	\$ 3,254,712	\$ 45,512
Charges for services	11,852,000	11,852,000	5,802,830	5,886,757	11,689,587	(162,413)
System developments charges	200,000	200,000	223,107	269,372	492,479	292,479
Interest on investments	50,000	50,000	138,548	193,213	331,761	281,761
Miscellaneous	-	-	-	480,200	480,200	480,200
Total revenues	15,311,200	15,311,200	7,792,898	8,455,841	16,248,739	937,539
Expenditures:						
Cost of services:						
Public works wastewater collection	6,088,930	6,088,930	2,517,736	2,490,322	5,008,058	1,080,872
Public works wastewater treatment	10,279,543	10,279,543	4,031,623	3,129,249	7,160,872	3,118,672
Public works reimbursement SDC's	4,060,025	383,381	-	-	-	383,381
Public works improvements SDC's	-	3,676,644	7,308	91,602	98,910	3,577,734
Total cost of service	20,428,498	20,428,498	6,556,667	5,711,173	12,267,840	8,160,658
Debt service	3,875,280	3,875,280	1,681,228	1,824,648	3,505,876	369,404
Contingency	325,000	325,000	-	-	-	325,000
Total expenditures	24,628,778	24,628,778	8,237,895	7,535,821	15,773,716	8,855,062
Excess (deficiency) of revenues over (under) expenditures	(9,317,578)	(9,317,578)	(444,997)	920,020	475,023	9,792,601
Other financing sources (uses):						
Loan proceeds	9,900,000	9,900,000	239,627	269,824	509,451	(9,390,549)
Total other financing sources (uses)	9,900,000	9,900,000	239,627	269,824	509,451	(9,390,549)
Net change in fund balance	582,422	582,422	(205,370)	1,189,844	984,474	402,052
Fund balance, July 1, 2018	6,751,916	6,751,916	7,842,215	7,636,845	7,842,215	1,090,299
Fund balance, June 30, 2019	\$ 7,334,338	\$ 7,334,338	\$ 7,636,845	\$ 8,826,689	\$ 8,826,689	\$ 1,492,351
Reconciliation to Net Position:						
Deferred Outflow - Pension				\$ 554,388		
Deferred Outflow - OPEB				77,693		
Capital assets, net				32,481,323		
Compensated absences				(69,012)		
OPEB implicit rate liability				(179,648)		
Net Pension liability				(1,327,251)		
Deferred Inflow - Pension				(173,577)		
Deferred Inflow - OPEB				(27,937)		
Accrued interest				(39,211)		
GO bonds payable				(4,895,190)		
Revenue bonds payable				(2,287,277)		
Rounding				3		
Total Net Position				<u>\$ 32,940,993</u>		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
STORMWATER FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Charges for services	\$ 1,390,000	\$ 1,390,000	\$ 698,110	\$ 708,474	\$ 1,406,584	\$ 16,584
System developments charges	80,000	80,000	33,163	30,439	63,602	(16,398)
Interest on investments	19,000	19,000	24,834	42,640	67,474	48,474
Miscellaneous	-	-	-	2,619	2,619	2,619
Total revenues	1,489,000	1,489,000	756,107	784,172	1,540,279	51,279
Expenditures:						
Cost of services:						
Public works stormwater operations	1,459,713	1,459,713	590,844	650,218	1,241,062	218,651
Public works stormwater SDC's	250,000	250,000	91,507	24,259	115,766	134,234
Total cost of service	1,709,713	1,709,713	682,351	674,477	1,356,828	352,885
Debt service	24,500	24,500	12,349	12,149	24,498	2
Contingency	30,000	30,000	-	-	-	30,000
Total expenditures	1,764,213	1,764,213	694,700	686,626	1,381,326	382,887
Excess (deficiency) of revenues over (under) expenditures	(275,213)	(275,213)	61,407	97,546	158,953	434,166
Net change in fund balance	(275,213)	(275,213)	61,407	97,546	158,953	434,166
Fund balance, July 1, 2018	1,697,095	1,697,095	1,707,584	1,768,991	1,707,584	10,489
Fund balance, June 30, 2019	\$ 1,421,882	\$ 1,421,882	\$ 1,768,991	\$ 1,866,537	\$ 1,866,537	\$ 444,655
Reconciliation to Net Position:						
Deferred Outflow - Pension				\$ 139,823		
Deferred Outflow - OPEB				19,595		
Capital assets, net				712,961		
Compensated absences				(12,773)		
OPEB implicit rate liability				(45,310)		
Net Pension liability				(334,749)		
Deferred Inflow - Pension				(43,778)		
Deferred Inflow - OPEB				(7,046)		
Accrued interest				(505)		
GO bonds payable				(95,000)		
Rounding						
Total Net Position				\$ 2,199,755		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
ELECTRIC FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Intergovernmental	\$ 420,000	\$ 420,000	\$ 259,094	\$ 80,914	\$ 340,008	\$ (79,992)
Charges for services	32,502,240	32,502,240	15,917,213	16,182,698	32,099,911	(402,329)
Interest on investments	22,100	22,100	27,709	54,681	82,390	60,290
Miscellaneous	195,060	195,060	100,464	122,555	223,019	27,959
Total revenues	33,139,400	33,139,400	16,304,480	16,440,849	32,745,329	(394,071)
Expenditures:						
Cost of Services:						
Administration - Conservation	1,486,890	1,586,890	856,037	662,589	1,518,626	68,264
Electric - supply	14,981,925	14,981,925	7,257,773	7,217,533	14,475,306	506,619
Electric distribution	13,390,730	15,573,330	6,834,292	7,830,101	14,664,393	908,937
Electric transmission	2,531,435	2,431,435	891,251	927,429	1,818,680	612,755
Total cost of service	32,390,980	34,573,580	15,839,353	16,637,652	32,477,005	2,096,575
Debt service	1,128,202	45,602	22,936	22,664	45,600	2
Contingency	225,000	-	-	-	-	-
Total expenditures	33,744,182	34,619,182	15,862,289	16,660,316	32,522,605	2,096,577
Net change in fund balance	(604,782)	(1,479,782)	442,191	(219,468)	222,723	1,702,505
Fund balance, July 1, 2018	1,533,657	2,408,657	2,026,665	2,468,856	2,026,665	(381,992)
Fund balance, June 30, 2019	\$ 928,875	\$ 928,875	\$ 2,468,856	\$ 2,249,388	\$ 2,249,388	\$ 1,320,513
Reconciliation to Net Position:						
Deferred Outflow - Pension				\$ 834,035		
Deferred Outflow - OPEB				116,883		
Capital assets, net				7,159,834		
Compensated absences				(147,440)		
OPEB implicit rate liability				(270,267)		
Net Pension liability				(1,996,749)		
Deferred Inflow - Pension				(261,134)		
Deferred Inflow - OPEB				(42,030)		
Accrued interest				(22)		
Revenue bonds payable				(65,143)		
Deferred revenue				121,413		
Rounding				(3)		
Total Net Position				<u>\$ 7,698,765</u>		

2019 Supplementary Information

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
TELECOMMUNICATIONS FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Charges for services	\$ 4,335,155	\$ 4,335,155	\$ 2,252,527	\$ 2,379,809	\$ 4,632,336	\$ 297,181
Interest on investments	4,000	4,000	8,042	15,939	23,981	19,981
Miscellaneous	-	-	945	-	945	945
Total revenues	<u>4,339,155</u>	<u>4,339,155</u>	<u>2,261,514</u>	<u>2,395,748</u>	<u>4,657,262</u>	<u>318,107</u>
Expenditures:						
Cost of services:						
Personal services	1,448,575	1,448,575	638,033	691,265	1,329,298	119,277
Materials and services	2,717,520	2,827,520	1,366,195	1,391,760	2,757,955	69,565
Capital outlay	150,000	40,000	22,595	11,523	34,118	5,882
Total cost of service	<u>4,316,095</u>	<u>4,316,095</u>	<u>2,026,823</u>	<u>2,094,547</u>	<u>4,121,370</u>	<u>194,725</u>
Contingency	105,000	105,000	-	-	-	105,000
Total expenditures	<u>4,421,095</u>	<u>4,421,095</u>	<u>2,026,823</u>	<u>2,094,547</u>	<u>4,121,370</u>	<u>299,725</u>
Excess (deficiency) of revenues over (under) expenditures	(81,940)	(81,940)	234,691	301,200	535,891	617,831
Net change in fund balance	(81,940)	(81,940)	234,691	301,200	535,891	617,831
Fund balance, July 1, 2018	<u>309,449</u>	<u>309,449</u>	<u>599,420</u>	<u>834,111</u>	<u>599,420</u>	<u>289,971</u>
Fund balance, June 30, 2019	<u>\$ 227,509</u>	<u>\$ 227,509</u>	<u>\$ 834,111</u>	<u>\$ 1,135,311</u>	<u>\$ 1,135,311</u>	<u>\$ 907,802</u>
Reconciliation to net position:						
Deferred Outflow - Pension				\$ 294,365		
Deferred Outflow - OPEB				41,253		
Capital assets, net				490,599		
Compensated absences				(22,158)		
OPEB implicit rate liability				(95,388)		
Net pension liability				(704,735)		
Deferred Inflow - Pension				(92,165)		
Deferred Inflow - OPEB				(14,834)		
Rounding				(4)		
Total Net Position				<u>\$ 1,032,244</u>		

CITY OF ASHLAND, OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
For the year ended June 30, 2019

	Central Services Fund	Insurance Services Fund	Health Benefits Fund	Equipment Fund	Totals
ASSETS					
Current assets:					
Cash and investments	\$ 1,002,742	\$ 445,246	\$ 842,405	\$ 3,906,494	\$ 6,196,887
Interest and accounts receivable, net	53,918	25,330	91,795	11,250	182,294
Notes receivable	-	20,914	-	-	20,914
Prepays	-	79,116	-	-	79,116
Inventories	13,082	-	-	13,782	26,864
Total current assets	1,069,743	570,606	934,200	3,931,526	6,506,074
Non-Current assets:					
Non-Current capital assets	1,699,445	-	-	14,846,129	16,545,574
Accumulated depreciation	(631,688)	-	-	(10,940,012)	(11,571,700)
Capital assets, net	1,067,757	-	-	3,906,117	4,973,874
Total Assets	2,137,499	570,606	934,200	7,837,643	11,479,948
Deferred Outflows of Resources:					
Deferred Outflows - Pension	2,698,347	-	-	318,896	3,017,243
Deferred Outflows - OPEB	378,151	-	-	44,691	422,842
Total deferred outflows of resources	3,076,498	-	-	363,587	3,440,085
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
Current liabilities:					
Accounts payable	90,644	186,807	1,825	589,358	868,634
Accrued salaries, vacation and payroll taxes	396,215	-	-	33,699	429,914
Total current liabilities	486,859	186,807	1,825	623,057	1,298,548
Long-term liabilities:					
OPEB Liabilities	874,394	-	-	103,338	977,732
Proportionate Share of Net Pension Liability	6,460,071	-	-	763,463	7,223,534
Accrued claims	-	160,093	-	-	160,093
Total long-term liabilities	7,334,465	160,093	-	866,801	8,361,359
Total liabilities	7,821,324	346,900	1,825	1,489,858	9,659,907
Deferred Inflows of Resources:					
Deferred inflows - pensions	844,845	-	-	99,845	944,690
Deferred inflows - OPEB	135,978	-	-	16,070	152,048
	980,823	-	-	115,915	1,096,738
Net Position:					
Net Investment in Capital Assets	1,067,757	-	-	3,906,117	4,973,874
Unrestricted	(4,655,906)	223,705	932,375	2,689,339	(810,487)
Total net position:	(3,588,149)	223,705	932,375	6,595,456	4,163,387
Total liabilities, deferred inflows and net position	\$ 5,213,998	\$ 570,605	\$ 934,200	\$ 8,201,229	\$ 14,920,032

CITY OF ASHLAND, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the year ended June 30, 2019

	Central Service Fund	Insurance Service Fund	Health Benefits Fund	Equipment Fund	Totals
Operating revenues:					
Service charges and fees	\$ 7,016,772	\$ 693,867	\$ 6,347,864	\$ 3,365,351	\$ 17,423,853
Miscellaneous	12,001	54,024	70,862	100,773	237,660
Total revenues	<u>7,028,773</u>	<u>747,891</u>	<u>6,418,726</u>	<u>3,466,124</u>	<u>17,661,513</u>
Operating expenses:					
Cost of service	8,084,664	(2,604,959)	5,505,680	1,919,578	12,904,962
Depreciation	13,985	-	-	596,558	610,543
Total operating expenses	<u>8,098,649</u>	<u>(2,604,959)</u>	<u>5,505,680</u>	<u>2,516,136</u>	<u>13,515,505</u>
Operating income (loss)	<u>(1,069,876)</u>	<u>3,352,850</u>	<u>913,046</u>	<u>949,988</u>	<u>4,146,008</u>
Nonoperating income (expense):					
Taxes	64,308	-	-	-	64,308
Intergovernmental	-	1,700	-	-	1,700
Interest income	28,485	9,095	14,634	80,284	132,498
Transfers In	467,000	-	-	-	467,000
Total nonoperating income (expense)	<u>559,793</u>	<u>10,795</u>	<u>14,634</u>	<u>80,284</u>	<u>665,506</u>
Change in Net Position	(510,083)	3,363,645	927,680	1,030,272	4,811,514
Total Net Position - beginning	<u>(3,078,066)</u>	<u>(3,139,940)</u>	<u>4,695</u>	<u>5,565,184</u>	<u>(648,127)</u>
Total Net Position - ending	<u>\$ (3,588,149)</u>	<u>\$ 223,705</u>	<u>\$ 932,375</u>	<u>\$ 6,595,456</u>	<u>\$ 4,163,387</u>

CITY OF ASHLAND, OREGON
COMBINING INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
For the year ended June 30, 2019

	Central Service Fund	Insurance Service Fund	Health Benefits Fund	Equipment Fund	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 6,975,262	\$ 651,933	\$ 6,595,028	\$ 3,462,576	\$ 17,684,800
Payments to suppliers	(1,822,670)	(998,795)	(6,315,557)	(756,761)	(9,893,783)
Payments to employees	(6,006,981)	(162,708)	-	(597,246)	(6,766,936)
Net cash from operating activities	<u>(854,389)</u>	<u>(509,570)</u>	<u>279,471</u>	<u>2,108,569</u>	<u>1,024,081</u>
Cash flows from noncapital financing activities:					
Transfers in	467,000	-	-	-	467,000
Taxes collected	64,308	-	-	-	64,308
Net cash from noncapital financing activities	<u>531,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531,308</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(190,323)	-	-	(1,940,238)	(2,130,561)
Net cash from capital and related financing activities	<u>(190,323)</u>	<u>-</u>	<u>-</u>	<u>(1,940,238)</u>	<u>(2,130,561)</u>
Cash flows from investing activities:					
Interest from investments and other income	28,485	10,796	14,633	80,283	134,197
Net increase (decrease) in cash and investments	<u>(484,919)</u>	<u>(498,774)</u>	<u>294,104</u>	<u>248,614</u>	<u>(440,975)</u>
Cash and investments, beginning of year	<u>1,487,662</u>	<u>944,020</u>	<u>548,301</u>	<u>3,657,880</u>	<u>6,637,862</u>
Cash and investments, end of year	<u>1,002,743</u>	<u>445,246</u>	<u>842,405</u>	<u>3,906,494</u>	<u>6,196,887</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	(1,069,876)	3,352,850	913,046	949,988	4,146,008
Depreciation and amortization	13,985	-	-	596,558	610,543
Change in assets and liabilities:					
(Increase) decrease in:					
Receivables	(53,511)	(95,958)	176,302	(3,548)	23,285
Net pension/OPEB liability, Outflows/Inflows	402,598	(3,641,000)	-	59,762	(3,178,640)
Inventories	17,955	7,151	-	1,437	26,543
Increase (decrease) in:					
Accounts payable and accrued liabilities	(205,148)	131,865	(107,825)	501,121	320,013
Other liabilities	39,608	(264,478)	(702,052)	3,251	(923,671)
Net cash from operating activities	<u>\$ (854,389)</u>	<u>\$ (509,570)</u>	<u>\$ 279,471</u>	<u>\$ 2,108,569</u>	<u>\$ 1,024,081</u>

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
CENTRAL SERVICES FUND
For the year ended June 30, 2019

	BN 2017-2019		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Biennium Budget Amounts					
	Original	Final				
Revenues:						
Taxes	\$ 160,775	\$ 160,775	\$ 60,648	\$ 64,308	\$ 124,956	\$ (35,819)
Charges for services	14,235,500	14,329,000	7,011,567	7,016,772	14,028,339	(300,661)
Interest on investments	17,600	17,600	15,415	28,485	43,900	26,300
Miscellaneous	-	-	6,696	12,001	18,697	18,697
Total revenues	14,413,875	14,507,375	7,094,326	7,121,566	14,215,892	(291,483)
Expenditures:						
Cost of services:						
Administration department	3,775,160	3,775,160	1,698,305	1,650,210	3,348,515	426,645
IT - Information Services	2,811,275	2,811,275	1,301,904	1,304,149	2,606,053	205,222
Administrative Services department	5,212,449	5,377,449	2,526,409	2,718,367	5,244,776	132,673
City Recorder department	384,450	409,032	196,861	182,042	378,903	30,129
Public Works department	3,644,262	3,747,762	1,759,968	1,986,517	3,746,485	1,277
Contingency	235,000	35,418	-	-	-	35,418
Total expenditures	16,062,596	16,156,096	7,483,447	7,841,285	15,324,732	831,364
Other financing sources (uses):						
Transfers In	1,667,000	1,667,000	1,200,000	467,000	1,667,000	0
Total other financing sources (uses)	1,667,000	1,667,000	1,200,000	467,000	1,667,000	0
Net change in fund balance	18,279	18,279	810,879	(252,719)	558,160	539,881
Fund balance, July 1, 2018	242,081	242,081	281,575	1,092,454	281,575	39,494
Fund balance, June 30, 2019	\$ 260,360	\$ 260,360	\$ 1,092,454	\$ 839,735	\$ 839,735	\$ 579,375
Reconciliation to Net Position:						
Deferred Outflow - Pension				\$ 2,698,347		
Deferred Outflow - OPEB				378,151		
Capital assets, net				1,067,757		
Accrued compensated absences				(256,850)		
OPEB implicit rate liability				(874,394)		
Net Pension liability				(6,460,071)		
Deferred Inflow - Pension				(844,845)		
Deferred Inflow - OPEB				(135,978)		
Rounding						
Total Net Position				\$ (3,588,149)		

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
INSURANCE SERVICES FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,700	\$ 1,700	\$ 1,700
Charges for services	1,560,000	1,560,000	693,492	693,867	1,387,359	(172,641)
Interest on investments	14,000	14,000	14,987	9,095	24,082	10,082
Miscellaneous	80,000	80,000	10,723	54,024	64,747	(15,253)
Total revenues	1,654,000	1,654,000	719,202	758,686	1,477,888	(176,112)
Expenditures:						
Cost of services:						
Personal services	233,160	293,160	113,530	162,708	276,238	16,922
Materials and services	1,854,790	1,854,790	872,328	982,067	1,854,395	395
Capital Outlay	480,000	420,000	200,950	155,744	356,694	63,306
Total cost of services	2,567,950	2,567,950	1,186,808	1,300,519	2,487,327	80,623
Contingency	38,500	38,500	-	-	-	38,500
Total expenditures	2,606,450	2,606,450	1,186,808	1,300,519	2,487,327	119,123
Net change in fund balance	(952,450)	(952,450)	(467,606)	(541,833)	(1,009,439)	(56,989)
Fund balance, July 1, 2018	1,117,444	1,117,444	1,017,579	549,973	1,017,579	(99,865)
Fund balance, June 30, 2019	\$ 164,994	\$ 164,994	\$ 549,973	\$ 8,140	\$ 8,140	\$ (156,854)
Reconciliation to net position:						
Accrued claims and judgments				\$ (160,093)		
Deferred Revenues				375,658		
Total Net Position				<u>\$ 223,705</u>		

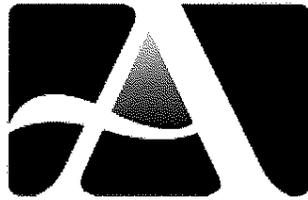
CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
HEALTH BENEFITS FUND
For the year ended June 30, 2019

	BN 2017-2019		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Charges for services	\$ 11,852,537	\$ 11,852,537	\$ 5,713,697	\$ 6,347,864	\$ 12,061,561	\$ 209,024
Interest on investments	13,000	13,000	7,337	14,634	21,971	8,971
Miscellaneous	-	-	426,833	70,862	497,695	497,695
Total revenues	11,865,537	11,865,537	6,147,867	6,433,359	12,581,226	715,689
Expenditures:						
Cost of services:						
Materials and services	11,557,301	12,607,301	6,539,590	5,505,680	12,045,270	562,031
Total cost of services	11,557,301	12,607,301	6,539,590	5,505,680	12,045,270	562,031
Contingency	500,000	500,000	-	-	-	500,000
Total expenditures	12,057,301	13,107,301	6,539,590	5,505,680	12,045,270	1,062,031
Other financing sources (uses):						
Interfund loan	1,050,000	1,050,000	-	-	-	(1,050,000)
Interfund loan	(1,050,000)	-	-	-	-	-
Total other financing sources (uses)	-	1,050,000	-	-	-	(1,050,000)
Net change in fund balance	(191,764)	(191,764)	(391,723)	927,680	535,957	727,721
Fund balance, July 1, 2018	521,456	521,456	396,418	4,695	396,418	(125,038)
Fund balance, June 30, 2019	\$ 329,692	\$ 329,692	\$ 4,695	\$ 932,375	\$ 932,375	\$ 602,683

CITY OF ASHLAND, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
EQUIPMENT FUND
For the year ended June 30, 2019

	BN 2017-2019 Biennium Budget Amounts		First Year Actual FY 2017-18	Second Year Actual FY 2018-19	Total Actual for budget period	Variance with Final Budget Over/Under
	Original	Final				
Revenues:						
Charges for services	\$ 4,288,460	\$ 4,288,460	\$ 2,176,891	\$ 3,365,351	\$ 5,542,242	\$ 1,253,782
Interest on investments	35,000	35,000	60,806	80,284	141,090	106,090
Miscellaneous	150,000	150,000	64,254	100,773	165,027	15,027
Total revenues	4,473,460	4,473,460	2,301,951	3,546,408	5,848,359	1,374,899
Expenditures:						
Cost of services:						
Public works maintenance	3,176,472	3,616,472	1,441,747	1,726,087	3,167,834	448,638
Total cost of service	3,176,472	3,616,472	1,441,747	1,726,087	3,167,834	448,638
Capital outlay	2,849,000	2,849,000	685,668	2,071,379	2,757,047	91,953
Contingency	100,000	100,000	-	-	-	100,000
Total expenditures	6,125,472	6,565,472	2,127,415	3,797,466	5,924,881	640,591
Net change in fund balance	(1,652,012)	(2,092,012)	174,536	(251,058)	(76,522)	2,015,490
Fund balance, July 1, 2018	3,343,135	3,743,135	3,404,966	3,579,502	3,404,966	(338,169)
Fund balance, June 30, 2019	\$ 1,691,123	\$ 1,651,123	\$ 3,579,502	\$ 3,328,444	\$ 3,328,444	\$ 1,677,321
Reconciliation to Net Position:						
Deferred Outflow - Pension				\$ 318,896		
Deferred Outflow - OPEB				44,691		
Capital assets, net				3,906,117		
Accrued compensated absences				(19,975)		
OPEB implicit rate liability				(103,338)		
Net Pension liability				(763,463)		
Deferred Inflow - Pension				(99,845)		
Deferred Inflow - OPEB				(16,070)		
Total Net Position				<u>\$ 6,595,456</u>		





OTHER INFORMATION

**CITY OF ASHLAND, OREGON
CAPITAL ASSETS USED
IN THE OPERATION OF GOVERNMENTAL FUNDS
BY SOURCE
For the year ended June 30, 2019**

Governmental funds capital assets:	
Land	\$ 15,239,669
Buildings and improvements	44,142,257
Improvements other than buildings	55,850,800
Machinery and equipment	7,132,446
Construction in progress	1,788,712
Total capital assets	<u>124,153,884</u>
Investments in governmental funds capital assets by source:	
General and capital projects funds	61,693,343
Special revenue funds	47,895,794
Leased to other agencies	14,564,747
Total investments in governmental funds capital assets	<u>\$ 124,153,884</u>

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

**CITY OF ASHLAND, OREGON
SCHEDULE OF ASSETS USED
IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY
For the year ended June 30, 2019**

Function and Activity	Land	Buildings	Machinery and Equipment	Improvements other than Buildings	Construction in Progress	Total
General government:						
Community development	\$ 985,235	\$ 1,120,947	\$ 378,138	\$ -	\$ -	\$ 2,484,320
Public buildings	1,971,601	1,971,174	270,067	554,773	20,088	4,787,703
Leased to other agencies	253,000	8,744,018	1,609,780	3,957,949	-	14,564,747
Other - unclassified	2,660,200	2,809,244	553,922	1,425,556	-	7,448,922
Total general government	5,870,036	14,645,383	2,811,907	5,938,278	20,088	29,285,692
Public safety:						
Police	80,000	694,565	620,634	1,515,652	-	2,910,851
Fire	998,400	6,173,371	369,125	300,000	-	7,840,896
Total public safety	1,078,400	6,867,936	989,759	1,815,652	-	10,751,747
Highway and streets:						
Public thoroughfares	589,276	647,984	651,726	39,196,355	1,415,124	42,500,465
Total highways and streets	589,276	647,984	651,726	39,196,355	1,415,124	42,500,465
Airports	176,566	1,029,780	15,740	4,173,243	-	5,395,329
Culture and recreation	7,525,391	20,951,174	2,663,314	4,727,272	353,500	36,220,651
Total governmental funds capital assets	\$ 15,239,669	\$ 44,142,257	\$ 7,132,446	\$ 55,850,800	\$ 1,788,712	\$ 124,153,884

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

**CITY OF ASHLAND, OREGON
SCHEDULE OF BOND PRINCIPAL
AND BOND INTEREST TRANSACTIONS
For the year ended June 30, 2019**

	Original Issue	Bond Principal Transactions	
		Outstanding June 30, 2018	Issued
General Obligation Bonds			
**Re-funding Bonds, issued December 1, 2005 - Fire Station #1 interest variable	2,560,000	510,000	-
Water and Wastewater, Series 2009, issued May 15, 2009 interest at 4.95%	1,000,000	489,201	-
Wastewater, issued October 13, 2010 interest at 2.00% to 4.00%	15,440,000	5,765,000	-
**Fire Station #2, issued November 1, 2011 interest at 2.00% to 4.00%	2,960,000	2,085,000	-
**Ashland Fiber Network Bonds, (Refinanced 2004) issued March 7, 2013 interest at 2.00% to 2.80%	11,675,000	8,100,000	-
Water debt (Refinanced 2003), issued March 7, 2013 interest at 2.00%	1,580,000	900,000	-
New Construction for Street, CIP, Water and Wastewater, issued March 7, 2013 interest at 2.00% to 2.50%	4,765,000	3,340,000	-
Revenue Bonds			
Electric, Series 2008, issued June 20, 2008 interest at 3.8% to 6.01%	304,000	86,857	-
Water, DEQ loan interest at 1.00%	979,630	2,761,817	753,383
Wastewater, DEQ Loan interest at 1.00%	1,645,280	1,645,280	-
Medford Water Commission - Duff Treatment Plant - Issued 3/26/2014 interest at 3.42%	-	2,051,838	-
Water, DEQ loan interest at 1.00%	-	504,464	941,276
Water, IFA #R11754 interest at 1.00%	-	80,552	151,145
Wastewater, DEQ loan interest at 1.00%	-	425,035	269,824
	\$ 42,908,910	\$ 28,745,044	\$ 904,528

** Paid by Property Taxes

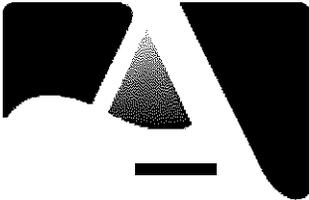
**CITY OF ASHLAND, OREGON
SCHEDULE OF BOND PRINCIPAL
AND BOND INTEREST TRANSACTIONS
For the year ended June 30, 2019 (continued)**

Bond Principal Transactions			Interest Transactions			
Matured	Paid	Outstanding June 30, 2019	Outstanding June 30, 2018	Matured	Paid	Outstanding June 30, 2019
\$ 250,000	\$ 250,000	\$ 260,000	\$ -	\$ 25,500	\$ 25,500	\$ -
71,902	71,902	417,299	-	23,337	23,337	-
1,370,000	1,370,000	4,395,000	-	230,600	230,600	-
130,000	130,000	1,955,000	-	70,888	70,888	-
1,080,000	1,080,000	7,020,000	-	177,510	177,510	-
175,000	175,000	725,000	-	19,700	19,700	-
300,000	300,000	3,040,000	-	16,250	16,250	-
21,714	21,714	65,143	-	950	950	-
-	-	3,515,200	-	-	-	-
52,862	52,862	1,592,418	-	90,986	90,986	-
94,383	94,383	1,957,456	-	69,373	69,373	-
-	-	1,445,740	-	-	-	-
-	-	231,697	-	-	-	-
-	-	694,859	-	-	-	-
<u>\$ 3,545,861</u>	<u>\$ 3,545,861</u>	<u>\$ 27,314,811</u>	<u>\$ -</u>	<u>\$ 725,093</u>	<u>\$ 725,093</u>	<u>\$ -</u>

CITY OF ASHLAND, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS
For the year ended June 30, 2019

	Cash Balance July 1, 2018	Receipts	Turnovers to			Cash Balance June 30, 2019
			Treasurer	State	Other	
City Recorder	\$ 40,483,316	\$ 314,456,565	\$ -	\$ -	\$ 311,782,100	\$ 43,157,781
Judge	-	401,967	335,132	66,835	-	-
	<u>\$ 40,483,316</u>	<u>\$ 314,858,532</u>	<u>\$ 335,132</u>	<u>\$ 66,835</u>	<u>\$ 311,782,100</u>	<u>\$ 43,157,781</u>





STATISTICAL SECTION



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

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

Financial Trends	Page
These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	131-148
Revenue Capacity	
These tables contain information that may assist the reader in assessing the viability of the City's revenue sources.	149-158
Debt Capacity	
These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	159-167
Economic and Demographic Information	
These tables offer economic and demographic indicators that are commonly used for financial analysis that can help the reader understand the City's present and ongoing financial status.	168-169
Operating Information	
These tables contain service and infrastructure indicators that can help the reader understand how the information in the City's financial statements relate to the services the City provides and the activities it performs.	170-174

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

ASSETS	2019	2018	2017	2016
Assets:				
Cash and cash equivalents	\$ 42,173,319	\$ 39,515,544	\$ 36,235,307	\$ 34,302,519
Receivables (net of allowance for uncollectible)	8,253,374	8,135,704	7,314,031	6,875,708
Inventories	1,259,272	1,275,359	1,302,116	1,181,124
Deferred charges	-	-	68,734	178,703
Internal balances	-	-	-	-
Restricted assets:				
Cash and cash equivalents	984,463	967,771	954,262	943,355
Proportional Share of Net Pension Assets	-	-	-	-
Capital assets:				
Land	18,445,364	17,445,364	14,733,964	14,373,273
Buildings and improvements	66,560,431	65,362,359	61,939,633	58,071,284
Machinery and equipment	23,311,261	20,929,013	20,275,179	19,404,748
Infrastructure	149,530,462	148,657,284	146,223,864	140,152,030
Construction in progress	10,467,215	5,648,364	5,049,759	8,810,424
Accumulated depreciation	(137,184,134)	(131,265,122)	(125,204,692)	(119,389,812)
Total assets	\$ 183,801,026	\$ 176,671,640	\$ 168,892,157	\$ 164,903,356
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	12,943,236	11,329,398	18,799,685	3,903,782
Deferred outflows - pensions GASB 73	-	75,818	107,279	-
Deferred outflows - OPEB GASB 75	1,629,190	264,798	-	-
Liabilities:				
Accounts payable and other current liabilities	\$ 7,403,730	\$ 7,114,423	\$ 6,002,038	\$ 9,384,143
Accrued interest payable	218,523	230,728	180,176	204,769
Noncurrent liabilities:				
Proportional Share of Net Pension Liability	31,643,235	29,786,911	34,849,281	14,910,215
Total OPEB Liability	3,840,269	2,929,241	1,857,483	1,751,480
Medical Stipend	-	4,037,004	3,934,756	-
Claims	160,093	17,247	17,247	17,247
Bonds: Due within one year	4,527,757	3,773,933	3,548,507	3,706,477
Bonds: Due in more than one year	25,098,055	27,563,046	28,725,935	31,644,402
Total liabilities	72,891,662	75,452,533	79,115,423	61,618,733
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	4,052,489	2,431,258	1,744,314	3,463,962
Deferred inflows - pensions GASB 73	-	264,478	374,221	-
Deferred inflows - OPEB GASB 75	610,761	144,694	-	-
Net position:				
Net investment in capital assets	101,504,787	95,440,283	90,743,265	86,071,068
Perpetual care: nonexpendable	1,035,856	970,304	955,356	895,931
Restricted for:				
Asset forfeiture	34,459	23,972	32,313	25,784
TOT tourism	487,873	425,141	338,658	129,763
Library Levy	-	-	-	-
System development	6,348,034	6,089,130	6,194,373	7,086,198
Debt service	36,620	1,027,297	976,090	1,028,912
CDBG restriction	1,955,218	33,804	33,801	33,804
Unrestricted	9,415,693	6,038,760	7,291,307	8,452,983
Total net position	\$ 120,818,540	\$ 110,048,691	\$ 106,565,163	\$ 103,724,443

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

2015	2014	2013	2012	2011	2010
\$ 30,706,665	\$ 30,294,891	\$ 27,318,469	\$ 24,217,823	\$ 19,512,941	\$ 18,791,296
6,952,616	6,965,083	8,944,226	6,007,813	6,493,381	4,955,608
1,241,570	1,097,205	955,594	960,976	795,017	765,146
288,672	488,135	607,054	725,973	844,892	966,228
-	-	-	-	-	-
855,545	1,149,616	1,140,881	976,265	802,870	755,885
5,498,618	-	-	-	-	-
14,373,273	14,346,985	14,346,985	14,142,444	14,281,247	14,281,247
57,939,461	57,828,552	44,478,937	41,652,492	41,652,492	41,652,492
18,388,604	17,823,317	14,229,072	13,784,934	14,559,643	14,154,358
139,206,796	137,340,186	139,493,296	137,079,527	132,399,171	132,109,061
7,403,156	4,689,277	7,574,458	6,145,626	6,846,006	3,022,766
(113,263,213)	(106,839,820)	(102,158,683)	(95,803,201)	(90,617,885)	(84,508,309)
<u>\$ 169,591,763</u>	<u>\$ 165,183,427</u>	<u>\$ 156,930,289</u>	<u>\$ 149,890,672</u>	<u>\$ 147,569,775</u>	<u>\$ 146,945,778</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 9,674,563	\$ 9,981,681	\$ 7,948,346	\$ 6,218,719	\$ 7,307,355	\$ 4,960,298
222,149	253,863	238,254	488,516	506,888	538,253
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
122,107	-	-	-	-	-
2,562,893	3,441,773	3,296,002	2,737,562	2,825,112	3,011,903
34,633,001	34,142,648	34,937,044	32,990,512	32,602,528	36,984,843
<u>47,214,713</u>	<u>47,819,965</u>	<u>46,419,646</u>	<u>42,435,309</u>	<u>43,241,883</u>	<u>45,495,297</u>
8,220,518	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
86,852,183	87,604,076	79,731,019	81,273,748	83,693,034	80,714,869
922,667	896,572	874,045	861,244	831,603	807,797
29,678	28,897	14,579	224,361	187,864	129,510
99,108	116,131	-	102,786	105,063	-
56,587	142,497	-	-	-	-
6,760,284	6,710,884	6,441,906	6,385,161	5,741,175	6,116,616
1,737,051	1,670,185	1,661,313	1,858,140	875,490	1,637,689
33,797	33,801	33,801	33,798	34,424	-
17,665,177	20,160,419	21,753,980	16,716,125	12,859,239	12,044,000
<u>\$ 114,156,532</u>	<u>\$ 117,363,462</u>	<u>\$ 110,510,643</u>	<u>\$ 107,455,363</u>	<u>\$ 104,327,892</u>	<u>\$ 101,450,481</u>

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

ASSETS	2019	2018	2017	2016
Assets:				
Cash and cash equivalents	\$ 20,041,451	\$ 20,136,422	\$ 21,109,299	\$ 21,839,880
Receivables (net of allowance for uncollectible)	4,149,741	4,150,698	3,955,520	3,338,266
Inventories	126,413	53,407	60,258	65,010
Internal balances	(3,022,208)	(736,580)	(690,424)	(113,519)
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	984,463	967,771	954,262	943,355
Proportional Share of Net Pension Assets	-	-	-	-
Capital assets:				
Land	15,338,439	14,338,439	12,827,039	12,466,348
Buildings and improvements	44,460,767	43,262,695	39,839,969	35,982,031
Machinery and equipment	21,930,382	19,548,134	18,901,908	18,115,158
Infrastructure	56,295,205	56,217,158	56,008,878	55,745,615
Construction in progress	2,674,665	2,401,188	3,126,490	1,390,232
Accumulated depreciation	(75,249,062)	(71,921,238)	(69,116,513)	(65,662,055)
Total assets	\$ 87,730,256	\$ 88,418,094	\$ 86,976,686	\$ 84,110,321
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	10,384,712	9,089,887	14,873,379	3,088,480
Deferred outflows - pensions GASB 73	-	75,818	107,279	-
Deferred outflows - OPEB GASB 75	1,270,634	264,798	-	-
Liabilities:				
Accounts payable and other current liabilities	\$ 4,369,603	\$ 4,460,514	\$ 4,038,455	\$ 6,921,351
Accrued interest payable	80,400	91,799	109,425	121,564
Noncurrent liabilities:				
Proportional Share of Net Pension Liability	25,517,913	24,037,793	27,571,024	11,796,223
Total OPEB Liability	3,011,185	2,246,442	1,361,013	1,276,128
Medical Stipend	-	4,037,004	3,934,756	-
Claims and judgment - Due within one year	160,093	17,247	17,247	17,247
Bonds: Due within one year	2,311,000	1,835,936	1,682,087	730,000
Bonds: Due in more than one year	10,205,000	12,516,000	12,817,735	15,401,707
Total liabilities	45,655,194	49,242,735	51,531,742	36,264,220
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	3,251,423	1,950,665	1,380,015	2,740,515
Deferred inflows - pensions GASB 73	-	264,478	374,221	-
Deferred inflows - OPEB GASB 75	481,829	144,694	-	-
Net position:				
Net investment in capital assets	52,934,396	49,494,440	47,087,949	41,905,622
Perpetual care: nonexpendable	1,035,856	970,304	955,356	895,931
Restricted for:				
Asset forfeiture	34,459	23,972	32,313	25,784
TOT tourism	487,873	425,141	338,658	129,763
Library Levy	-	-	-	-
System development	2,745,614	2,540,793	2,746,404	3,226,398
Debt service	36,620	1,027,297	976,090	1,028,912
CDBG restriction	1,955,218	33,804	33,801	33,804
Unrestricted	(9,232,880)	(8,269,726)	(3,499,205)	947,852
Total net position	\$ 49,997,156	\$ 46,246,025	\$ 48,671,366	\$ 48,194,066

**CITY OF ASHLAND, OREGON
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
Last ten years
For the year ended June 30 (continued)**

	2015	2014	2013	2012	2011	2010
\$	20,251,175	\$ 19,534,572	\$ 17,585,953	\$ 18,062,202	\$ 12,769,637	\$ 11,832,259
	4,167,775	3,471,767	3,688,713	3,462,383	4,085,185	2,647,744
	187,511	73,094	74,943	61,605	54,579	32,325
	(1,945,133)	(1,392,782)	(1,122,695)	(690,129)	(354,295)	(534,984)
	855,545	1,149,616	1,140,881	976,265	802,870	755,885
	4,350,234	-	-	-	-	-
	12,466,348	12,466,348	12,466,348	12,261,807	12,400,610	12,400,610
	35,850,207	35,739,298	22,389,683	19,563,238	19,563,238	19,563,238
	17,116,629	16,653,654	13,169,274	12,890,582	13,487,439	13,278,430
	54,917,223	53,668,418	49,724,924	48,193,897	44,589,519	44,299,409
	1,614,351	1,620,133	3,541,161	2,692,359	3,510,539	484,590
	(61,946,174)	(58,028,592)	(48,437,198)	(46,093,174)	(44,589,333)	(42,260,637)
\$	87,885,691	\$ 84,955,526	\$ 74,221,987	\$ 71,381,035	\$ 66,319,988	\$ 62,498,869
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	7,163,036	\$ 7,116,594	\$ 5,271,651	\$ 4,811,345	\$ 5,715,843	\$ 3,190,369
	130,429	155,091	130,897	382,895	393,592	417,042
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	122,107	-	-	-	-	-
	793,836	1,555,932	1,452,982	1,127,229	1,067,338	1,276,871
	16,009,707	16,925,776	18,337,270	17,779,689	15,781,372	17,330,191
	24,219,115	25,753,393	25,192,800	24,101,158	22,958,145	22,214,473
	6,503,667	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	43,215,041	43,637,551	33,063,940	30,601,791	32,113,302	29,449,210
	922,667	896,572	874,045	861,244	831,603	807,797
	29,678	28,897	14,579	224,361	187,864	129,510
	99,108	116,131	-	102,786	105,063	-
	56,587	142,497	-	-	-	-
	3,036,906	2,924,188	2,835,567	2,763,714	2,345,201	2,469,667
	861,561	794,695	785,823	982,650	-	762,199
	33,797	33,801	33,801	33,798	34,424	-
	8,907,564	10,627,801	11,421,432	11,709,533	7,744,386	6,666,013
\$	57,162,909	\$ 59,202,133	\$ 49,029,187	\$ 47,279,877	\$ 43,361,843	\$ 40,284,396

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

ASSETS	2019	2018	2017	2016
Assets:				
Cash and cash equivalents	\$ 22,131,868	\$ 19,379,122	\$ 15,126,008	\$ 12,462,639
Receivables (net of allowance for uncollectible)	4,103,633	3,985,006	3,358,511	3,537,442
Inventories	1,132,859	1,221,952	1,241,858	1,116,114
Deferred charges	-	-	68,734	178,703
Internal balances	3,022,208	736,580	690,424	113,519
Restricted assets:				
Proportional Share of Net Pension Assets	-	-	-	-
Capital assets:				
Land	3,106,925	3,106,925	1,906,925	1,906,925
Buildings and improvements	22,099,664	22,099,664	22,099,664	22,089,253
Machinery and equipment	1,380,879	1,380,879	1,373,271	1,289,590
Infrastructure	93,235,257	92,440,126	90,214,986	84,406,415
Construction in progress	7,792,550	3,247,176	1,923,269	7,420,192
Accumulated depreciation	(61,935,072)	(59,343,884)	(56,088,179)	(53,727,757)
Total assets	\$ 96,070,771	\$ 88,253,546	\$ 81,915,471	\$ 80,793,035
Deferred Outflows of Resources:				
Deferred outflows - pensions GASB 68	2,558,524	2,239,511	3,926,306	815,302
Deferred outflows - pensions GASB 73	358,556	-	-	-
Liabilities:				
Accounts payable and other current liabilities	\$ 3,034,127	\$ 2,653,909	\$ 1,963,580	\$ 2,938,144
Accrued interest payable	138,123	138,929	70,754	83,205
Noncurrent liabilities:				
Proportional Share of Net Pension Liability	6,125,322	5,749,118	7,278,257	3,113,992
Total OPEB Liability	829,084	682,799	496,470	-
Bonds: Due within one year	2,216,757	1,937,997	1,866,420	2,976,477
Bonds: Due in more than one year	14,893,055	15,047,046	15,908,200	16,242,695
Total liabilities	27,236,468	26,209,798	27,583,681	25,354,513
Deferred Inflows of Resources:				
Deferred inflows - pensions GASB 68	801,066	480,593	364,299	723,447
Deferred inflows - pensions GASB 73	128,932	-	-	-
Net position:				
Net investment in capital assets	48,570,391	45,945,843	43,655,316	44,165,446
Restricted for:				
System development	3,602,420	3,548,337	3,447,969	3,859,800
Debt service	-	-	-	-
Unrestricted	18,648,573	14,308,486	10,790,512	7,505,131
Total net position	\$ 70,821,384	\$ 63,802,666	\$ 57,893,797	\$ 55,530,377

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

2015	2014	2013	2012	2011	2010
\$ 10,455,490	\$ 10,760,319	\$ 9,732,516	\$ 6,155,621	\$ 6,743,304	\$ 6,959,037
2,780,841	3,493,316	5,255,513	2,545,430	2,408,196	2,307,864
1,054,059	1,024,111	880,651	899,374	740,438	732,821
288,672	488,135	607,054	725,973	844,892	966,228
1,949,133	1,392,782	1,122,695	690,129	354,295	534,984
1,148,384	-	-	-	-	-
1,906,925	1,880,637	1,880,637	1,880,637	1,880,637	1,880,637
22,089,254	22,089,254	22,089,254	22,089,254	22,089,254	22,089,254
1,271,975	1,169,663	1,059,798	894,352	1,072,204	875,928
84,289,573	83,671,768	89,768,372	88,885,630	87,809,652	87,809,652
5,788,805	3,069,144	4,033,297	3,453,267	3,335,467	2,538,176
(51,317,039)	(48,811,228)	(53,721,485)	(49,710,027)	(46,028,522)	(42,247,672)
<u>\$ 81,706,072</u>	<u>\$ 80,227,901</u>	<u>\$ 82,708,302</u>	<u>\$ 78,509,640</u>	<u>\$ 81,249,817</u>	<u>\$ 84,446,909</u>
-	-	-	-	-	-
-	-	-	-	-	-
\$ 2,511,527	\$ 2,865,087	\$ 2,798,666	\$ 1,407,377	\$ 1,591,542	\$ 1,769,929
91,720	98,772	107,357	105,621	113,296	121,211
-	-	-	-	-	-
-	-	-	-	-	-
1,769,057	1,885,841	1,843,020	1,610,333	1,757,774	1,735,032
18,623,294	17,216,872	16,477,803	15,210,823	16,821,156	19,654,652
<u>22,995,598</u>	<u>22,066,572</u>	<u>21,226,846</u>	<u>18,334,154</u>	<u>20,283,768</u>	<u>23,280,824</u>
1,716,851	-	-	-	-	-
-	-	-	-	-	-
43,637,142	43,966,525	46,789,050	50,671,957	51,579,762	51,556,291
3,723,378	3,786,696	3,606,339	3,621,447	3,395,974	3,646,949
875,490	875,490	875,490	875,490	875,490	875,490
8,757,613	9,532,618	10,210,577	5,006,592	5,114,823	5,087,355
<u>\$ 56,993,623</u>	<u>\$ 58,161,329</u>	<u>\$ 61,481,456</u>	<u>\$ 60,175,486</u>	<u>\$ 60,966,049</u>	<u>\$ 61,166,085</u>

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

	2019	2018	2017	2016
Program Revenues:				
Governmental Activities				
General government:				
Charges for services	\$ 1,756,664	\$ 391,169	\$ 910,241	\$ 1,041,323
Operating grants and contributions	262,489	129,380	129,380	162,143
Capital grants and contributions	-	-	-	-
Public safety:				
Charges for services	2,548,153	1,606,504	1,688,843	1,563,986
Operating grants and contributions	1,623,913	104,913	582,508	438,074
Capital grants and contributions	-	-	-	-
Highways and streets:				
Charges for services	3,249,260	2,023,624	2,944,784	2,845,870
Operating grants and contributions	1,511,605	-	-	-
Capital grants and contributions	-	-	-	-
Parks and Recreation :				
Charges for Services	1,144,135	1,096,063	1,139,709	1,153,455
Operating Grants and Contributions	5,412,257	7,086,738	-	92
Total Governmental Activities Program Expenses	<u>17,508,476</u>	<u>12,438,391</u>	<u>7,395,465</u>	<u>7,204,943</u>
Business-Type Activities				
Water:				
Charges for services	\$ 8,536,154	\$ 8,109,860	\$ 7,639,625	\$ 6,937,651
Capital grants and contributions	-	-	-	14,898
Capital system development charges	-	-	-	277,247
Wastewater:				
Charges for services	6,156,129	6,025,937	5,606,470	5,093,609
Capital system development charges	-	-	-	107,655
Stormwater:				
Charges for services	738,913	731,273	-	-
Electric:				
Charges for services	16,182,698	15,917,213	14,913,883	14,600,751
Operating grants and contributions	80,914	259,094	126,497	395,149
Telecommunications:				
Charges for services	2,379,809	2,252,527	2,094,810	2,010,444
Total Business-Type Program Revenues	<u>34,074,617</u>	<u>33,295,904</u>	<u>30,381,285</u>	<u>29,437,404</u>
Total Program Revenues	<u>51,583,093</u>	<u>45,734,295</u>	<u>37,776,750</u>	<u>36,642,347</u>
Program Expenses:				
Governmental Activities				
General government	5,131,091	7,543,912	5,496,540	6,914,541
Public safety	17,929,057	19,412,731	16,623,123	19,474,413
Highways and streets	5,448,730	4,404,007	5,783,911	5,490,894
Parks and Recreation	6,674,183	6,260,320	6,957,300	8,802,091
Interest on long-term debt	527,965	657,711	262,979	293,944
Total Governmental Activities Program Expenses	<u>35,711,026</u>	<u>38,278,681</u>	<u>35,123,853</u>	<u>40,975,883</u>
Business-Type Activities				
Water	5,683,108	6,171,718	6,308,939	7,271,424
Wastewater	6,425,838	6,426,131	6,550,650	6,838,563
Stormwater	703,372	243,016	-	-
Electric	14,788,411	15,878,525	15,324,892	16,708,504
Telecommunications	2,018,513	1,837,333	2,158,040	2,557,101
Total Business-Type Program Expenses	<u>29,619,242</u>	<u>30,556,723</u>	<u>30,342,521</u>	<u>33,375,592</u>
Total Program Expenses	<u>65,330,268</u>	<u>68,835,404</u>	<u>65,466,374</u>	<u>74,351,475</u>
Net (Expense) Revenue:				
Governmental Activities	(18,202,550)	(25,840,290)	(27,728,388)	(33,770,940)
Business-Type Activities	4,455,374	2,739,181	38,764	(3,938,188)
	<u>(13,747,176)</u>	<u>(23,101,109)</u>	<u>(27,689,624)</u>	<u>(37,709,128)</u>
General Revenues:				
Property taxes	11,772,192	11,373,320	10,907,541	10,452,785
Utility users tax	5,661,545	5,179,602	4,871,486	4,763,832
Users taxes	5,005,132	5,479,524	5,708,277	5,603,646
Unrestricted interest earnings	1,341,448	708,809	346,860	187,447
Miscellaneous	736,708	5,241,962	7,615,593	5,919,329
OSF Donated Capital	-	-	3,440,453	-
Transfers:				
Total general revenues and transfers	<u>24,517,025</u>	<u>27,983,217</u>	<u>32,890,210</u>	<u>27,277,039</u>
Change in net position	10,769,849	4,882,108	5,200,586	(10,432,089)
Net position - beginning, restated	110,048,691	105,166,583	101,364,577	114,156,532
Recognition of prior infrastructure	-	-	-	-
Net position - ending	<u>\$ 120,818,540</u>	<u>\$ 110,048,691</u>	<u>\$ 106,565,163</u>	<u>\$ 103,724,443</u>

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

	2015	2014	2013	2012	2011	2010
\$	1,777,397	\$ 2,022,814	\$ 6,054,232	\$ 6,915,050	\$ 6,969,111	\$ 6,320,493
	611,864	252,742	199,701	290,097	19,793	18,890
	-	-	-	99,591	1,428,253	196,058
	1,805,092	1,412,785	1,722,410	1,525,061	1,551,370	1,551,370
	132,061	180,422	77,257	37,537	189,248	95,570
	-	-	-	3,060,434	-	-
	2,248,027	2,093,705	2,090,907	3,024,262	2,006,385	1,951,015
	25,712	-	620,913	-	-	-
	-	-	-	868,543	-	-
	1,149,154	1,578,123	-	-	-	-
	320,539	-	-	-	-	-
	<u>8,069,846</u>	<u>7,540,591</u>	<u>10,765,420</u>	<u>15,820,575</u>	<u>12,164,160</u>	<u>10,133,396</u>
\$	6,163,924	\$ 5,913,633	\$ 5,547,560	\$ 4,891,233	\$ 4,250,255	\$ 4,146,730
	70,473	89,747	1,969,979	461,964	344,396	99,928
	328,414	269,029	266,196	491,612	180,604	151,864
	4,651,836	4,171,230	3,928,342	3,601,900	3,385,748	3,148,850
	112,989	80,570	95,132	81,998	68,956	55,945
	-	-	-	-	-	-
	13,817,822	13,671,443	12,938,039	12,402,857	12,238,716	12,144,279
	157,698	178,002	148,642	125,123	187,436	267,850
	1,960,462	1,929,101	1,896,106	1,931,126	1,944,758	1,818,789
	<u>27,263,618</u>	<u>26,302,755</u>	<u>26,789,996</u>	<u>23,987,813</u>	<u>22,600,869</u>	<u>21,834,235</u>
	<u>35,333,464</u>	<u>33,843,346</u>	<u>37,555,416</u>	<u>39,808,388</u>	<u>34,765,029</u>	<u>31,967,631</u>
	4,010,499	4,921,674	7,269,820	6,086,034	5,963,977	4,813,802
	11,271,574	14,677,285	10,352,003	13,893,641	10,457,134	11,410,483
	4,536,755	5,420,004	3,080,513	3,923,526	3,650,817	2,893,462
	5,452,550	5,881,480	-	-	-	-
	322,330	435,790	1,618,065	966,063	976,011	1,033,451
	<u>25,593,708</u>	<u>31,336,233</u>	<u>22,320,401</u>	<u>24,869,264</u>	<u>21,047,939</u>	<u>20,151,198</u>
	7,832,250	6,852,085	7,581,708	5,256,110	5,260,907	4,599,205
	5,359,115	7,475,207	3,846,640	5,035,171	4,300,986	5,223,619
	-	-	-	-	-	-
	13,521,819	15,825,968	13,613,715	13,673,739	12,516,992	12,585,218
	1,945,375	2,240,951	3,233,961	3,308,448	3,535,592	2,931,512
	<u>28,658,559</u>	<u>32,394,211</u>	<u>28,276,024</u>	<u>27,273,468</u>	<u>25,614,477</u>	<u>25,339,554</u>
	<u>54,252,267</u>	<u>63,730,444</u>	<u>50,596,425</u>	<u>52,142,732</u>	<u>46,662,416</u>	<u>45,490,752</u>
	(17,523,862)	(23,795,642)	(11,554,981)	(9,048,689)	(8,883,779)	(10,017,802)
	(1,394,941)	(6,091,456)	(1,486,028)	(3,285,655)	(3,013,608)	(3,505,319)
	<u>(18,918,803)</u>	<u>(29,887,098)</u>	<u>(13,041,009)</u>	<u>(12,334,344)</u>	<u>(11,897,387)</u>	<u>(13,523,121)</u>
	10,203,218	10,216,080	5,783,168	5,416,909	5,093,848	4,821,809
	4,607,586	4,572,352	4,306,761	4,209,696	4,170,896	3,989,351
	4,628,130	4,676,572	4,528,236	4,254,933	3,908,851	3,860,261
	192,577	342,638	346,084	329,126	224,016	248,408
	5,854,694	5,600,322	1,132,040	1,251,148	1,377,187	688,170
	-	-	-	-	-	-
	-	(90,000)	-	-	-	-
	<u>25,486,205</u>	<u>25,317,964</u>	<u>16,096,289</u>	<u>15,461,812</u>	<u>14,774,798</u>	<u>13,607,999</u>
	6,567,402	(4,569,134)	3,055,280	3,127,468	2,877,411	84,878
	107,589,130	121,932,596	107,455,363	104,327,895	101,450,481	101,365,603
	-	-	-	-	-	-
\$	<u>114,156,532</u>	<u>117,363,462</u>	<u>110,510,643</u>	<u>107,455,363</u>	<u>104,327,892</u>	<u>101,450,481</u>

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

Program Revenues:	2019	2018	2017	2016
General government:				
Charges for services	\$ 1,756,664	\$ 391,169	\$ 910,241	\$ 1,041,323
Operating grants and contributions	262,489	129,380	129,380	162,143
Capital grants and contributions	-	-	-	-
Capital system development charges	-	-	-	-
Public safety:				
Charges for services	2,548,153	1,606,504	1,688,843	1,563,986
Operating grants and contributions	1,623,913	104,913	58,208	438,074
Capital grants and contributions	-	-	-	-
Highways and streets:				
Charges for services	3,249,260	2,023,624	2,944,784	2,845,870
Operating grants and contributions	1,511,605	-	-	-
Capital grants and contributions	-	-	-	-
Capital system development charges	-	-	-	-
Parks and Recreation :				
Charges for Services	1,144,135	1,096,063	1,139,709	1,153,455
Operating Grants and Contributions	5,412,257	7,086,738	-	92
Capital Grants and Contributions	-	-	-	-
Capital System Development Charges	-	-	-	-
	<u>17,508,476</u>	<u>12,438,391</u>	<u>6,871,165</u>	<u>7,204,943</u>
Program Expenses:				
General government	5,131,091	7,543,912	5,496,540	6,914,541
Public safety	17,929,057	19,412,731	16,623,123	19,474,413
Highways and streets	5,448,730	4,404,007	5,783,911	5,490,894
Parks and Recreation	6,674,183	6,260,320	6,957,300	8,802,091
Interest on long-term debt	527,965	657,711	262,979	293,944
	<u>35,711,026</u>	<u>38,278,681</u>	<u>35,123,853</u>	<u>40,975,883</u>
Net (Expense) Revenue:				
General government	(3,111,938)	(7,023,363)	(4,456,919)	(5,711,075)
Public safety	(13,756,991)	(17,701,314)	(14,351,772)	(17,472,353)
Highways and streets	(687,865)	(2,380,383)	(2,839,127)	(2,645,024)
Parks and Recreation	(117,791)	1,922,481	(5,817,591)	(7,648,544)
Interest on long-term debt	(527,965)	(657,711)	(262,979)	(293,944)
	<u>(18,202,550)</u>	<u>(25,840,290)</u>	<u>(27,728,388)</u>	<u>(33,770,940)</u>
General Revenues:				
Property taxes	11,772,192	11,373,320	10,907,541	10,452,785
Utility users tax	5,661,545	5,179,602	4,871,486	4,763,832
Users taxes	3,378,833	3,851,111	3,702,721	3,343,859
Unrestricted interest earnings	806,851	369,819	188,869	110,363
Miscellaneous	84,260	5,104,961	7,454,484	5,781,258
Gain (loss) on disposal of assets	-	-	-	-
OSF Donated Capital	-	-	3,440,453	-
Transfers:	250,000	-	-	350,000
Total general revenues and transfers	<u>21,953,681</u>	<u>25,878,813</u>	<u>30,565,554</u>	<u>24,802,097</u>
Change in net position	3,751,131	38,523	2,837,166	(8,968,843)
Net position - beginning, restated	46,246,025	46,207,502	45,834,200	57,162,909
Recognition of prior infrastructure	-	-	-	-
Net position - ending	<u>\$ 49,997,156</u>	<u>\$ 46,246,025</u>	<u>\$ 48,671,366</u>	<u>\$ 48,194,066</u>

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

	2015	2014	2013	2012	2011	2010
\$	1,777,397	\$ 2,022,814	\$ 6,054,232	\$ 6,915,050	\$ 6,946,410	\$ 6,336,870
	611,864	252,742	199,701	290,097	19,793	18,890
	-	-	-	99,591	1,428,253	196,058
	-	-	-	-	22,701	16,377
	1,805,092	1,412,785	1,722,410	1,525,601	1,551,370	1,551,370
	132,061	180,422	77,257	37,537	189,248	95,570
	-	-	-	3,060,434	-	-
	2,248,027	2,093,705	2,090,907	3,024,262	2,006,385	2,027,116
	25,712	-	620,913	-	-	-
	-	-	-	868,543	-	-
	-	-	-	-	-	76,101
	1,149,154	1,578,123	-	-	-	-
	320,539	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>8,069,846</u>	<u>7,540,591</u>	<u>10,765,420</u>	<u>15,821,115</u>	<u>12,164,160</u>	<u>10,318,352</u>
	4,010,499	4,921,674	7,269,820	6,086,034	5,963,977	4,813,802
	11,271,574	14,677,285	10,352,003	13,893,641	10,457,134	11,410,483
	4,536,755	5,420,004	3,080,513	3,923,526	3,650,817	2,893,462
	5,452,550	5,881,480	-	-	-	-
	322,330	435,790	1,618,065	966,063	976,011	1,033,451
	<u>25,593,708</u>	<u>31,336,233</u>	<u>22,320,401</u>	<u>24,869,264</u>	<u>21,047,939</u>	<u>20,151,198</u>
	(1,621,238)	(2,646,118)	(1,015,887)	1,218,704	2,453,180	1,721,639
	(9,334,421)	(13,084,078)	(8,552,336)	(9,270,609)	(8,716,516)	(9,763,543)
	(2,263,016)	(3,326,299)	(368,693)	(30,721)	(1,644,432)	(942,447)
	(3,982,857)	(4,303,357)	-	-	-	-
	(322,330)	(435,790)	(1,618,065)	(966,063)	(976,011)	(1,033,451)
	<u>(17,523,862)</u>	<u>(23,795,642)</u>	<u>(11,554,981)</u>	<u>(9,048,689)</u>	<u>(8,883,779)</u>	<u>(10,017,802)</u>
	10,203,218	10,216,080	5,783,168	5,416,909	5,093,848	4,821,809
	4,607,586	4,572,352	4,306,761	4,209,696	4,170,896	3,989,351
	2,547,514	2,784,842	2,688,525	2,547,854	2,315,909	2,276,353
	137,558	186,146	179,794	173,648	117,112	134,142
	5,721,728	4,877,216	346,043	618,616	263,461	293,971
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	(90,000)	-	-	-	-
	<u>23,217,604</u>	<u>22,546,636</u>	<u>13,304,291</u>	<u>12,966,723</u>	<u>11,961,226</u>	<u>11,515,626</u>
	5,693,742	(1,249,006)	1,749,310	3,918,034	3,077,447	1,497,824
	51,469,167	60,451,139	47,279,877	43,361,843	40,284,396	38,786,572
	-	-	-	-	-	-
\$	<u>57,162,909</u>	<u>59,202,133</u>	<u>49,029,187</u>	<u>47,279,877</u>	<u>43,361,843</u>	<u>40,284,396</u>

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

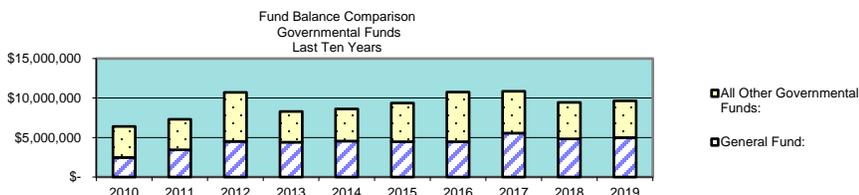
Program Revenues:	2019	2018	2017	2016
Water:				
Charges for services	\$ 8,536,154	\$ 8,109,860	\$ 7,639,625	\$ 7,214,898
Capital grants and contributions	-	-	-	14,898
Capital system development charges	-	-	-	277,247
Wastewater:				
Charges for services	6,156,129	6,025,937	5,606,470	5,201,264
Capital system development charges	-	-	-	107,655
Stormwater:				
Charges for services	738,913	731,273		
Electric:				
Charges for services	16,182,698	15,917,213	14,913,883	14,600,751
Operating grants and contributions	80,914	259,094	126,497	395,149
Telecommunications:				
Charges for services	2,379,809	2,252,527	2,094,810	2,010,444
	<u>34,074,617</u>	<u>33,295,904</u>	<u>30,381,285</u>	<u>29,822,306</u>
Program Expenses:				
Water	5,683,108	6,171,718	6,308,939	7,271,424
Wastewater	6,425,838	6,426,131	6,550,650	6,838,563
Stormwater	703,372	243,016	-	-
Electric	14,788,411	15,878,525	15,324,892	16,708,504
Telecommunications	2,018,513	1,837,333	2,158,040	2,557,101
	<u>29,619,242</u>	<u>30,556,723</u>	<u>30,342,521</u>	<u>33,375,592</u>
Net (Expense) Revenue:				
Water	2,853,046	1,938,142	1,330,686	235,619
Wastewater	(269,709)	(400,194)	(944,180)	(1,529,644)
Stormwater	35,541	488,257	-	-
Electric	1,475,201	297,782	(284,512)	(1,712,604)
Telecommunications	361,296	415,194	(63,230)	(546,657)
	<u>4,455,375</u>	<u>2,739,181</u>	<u>38,764</u>	<u>(3,553,286)</u>
General Revenues:				
Property taxes	-	-	-	-
Users taxes	1,626,299	1,628,413	2,005,556	2,259,787
Unrestricted interest earnings	534,597	338,990	157,991	77,084
Capital assets transfers	-	-	-	-
Miscellaneous	652,448	137,001	161,109	138,071
Gain (loss) on disposal of assets	-	-	-	-
Transfers:	(250,000)	-	-	-
Total general revenues and transfers	<u>2,563,344</u>	<u>2,104,404</u>	<u>2,324,656</u>	<u>2,474,942</u>
Change in net position	7,018,719	4,843,585	2,363,420	(1,463,246)
Net position - beginning, Restated	<u>63,802,666</u>	<u>58,959,081</u>	<u>55,530,377</u>	<u>56,993,623</u>
Net position - ending	<u>\$ 70,821,385</u>	<u>\$ 63,802,666</u>	<u>\$ 57,893,797</u>	<u>\$ 55,530,377</u>

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

	2015		2014		2013		2012		2011		2010
\$	6,163,924	\$	5,913,633	\$	5,547,560	\$	4,891,233	\$	4,250,255	\$	4,146,730
	70,473		89,747		1,969,979		461,964		344,396		99,928
	328,414		269,029		266,196		491,612		180,604		151,864
	4,651,836		4,171,230		3,928,342		3,601,900		3,385,748		3,148,850
	112,989		80,570		95,132		81,998		68,956		55,945
	13,817,822		13,671,443		12,938,039		12,402,857		12,238,716		12,144,279
	157,698		178,002		148,642		125,123		187,436		267,850
	1,960,462		1,929,101		1,896,106		1,931,126		1,944,758		1,818,789
	<u>27,263,618</u>		<u>26,302,755</u>		<u>26,789,996</u>		<u>23,987,813</u>		<u>22,600,869</u>		<u>21,834,235</u>
	7,832,250		6,852,085		7,581,708		5,256,110		5,260,907		4,599,205
	5,359,115		7,475,207		3,846,640		5,035,171		4,300,986		5,223,619
	-		-		-		-		-		-
	13,521,819		15,825,968		13,613,715		13,673,739		12,516,992		12,585,218
	1,945,375		2,240,951		3,233,961		3,308,448		3,535,592		2,931,512
	<u>28,658,559</u>		<u>32,394,211</u>		<u>28,276,024</u>		<u>27,273,468</u>		<u>25,614,477</u>		<u>25,339,554</u>
	(1,269,439)		(579,676)		202,027		588,699		(485,652)		(200,683)
	(594,290)		(3,223,407)		176,834		(1,351,273)		(846,282)		(2,018,824)
	-		-		-		-		-		-
	453,701		(1,976,523)		(527,034)		(1,145,759)		(90,840)		(173,089)
	15,087		(311,850)		(1,337,855)		(1,377,322)		(1,590,834)		(1,112,723)
	<u>(1,394,941)</u>		<u>(6,091,456)</u>		<u>(1,486,028)</u>		<u>(3,285,655)</u>		<u>(3,013,608)</u>		<u>(3,505,319)</u>
	-		-		-		-		-		-
	2,080,616		1,891,730		1,839,710		1,707,079		1,592,942		1,583,908
	55,019		156,492		166,290		155,478		106,904		114,266
	-		-		-		-		-		-
	132,966		723,106		785,997		632,532		1,113,726		394,199
	-		-		-		-		-		-
	-		-		-		-		-		-
	<u>2,268,601</u>		<u>2,771,328</u>		<u>2,791,997</u>		<u>2,495,089</u>		<u>2,813,572</u>		<u>2,092,373</u>
	873,660		(3,320,128)		1,305,969		(790,566)		(200,036)		(1,412,946)
	56,119,963		61,481,457		60,175,486		60,966,052		61,166,085		62,579,031
\$	<u>56,993,623</u>	\$	<u>58,161,329</u>	\$	<u>61,481,456</u>	\$	<u>60,175,486</u>	\$	<u>60,966,049</u>	\$	<u>61,166,085</u>

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

General Fund:	2019	2018	2017	2016
Restricted for:				
Asset forfeiture	\$ 34,459	\$ 23,972	\$ 32,313	\$ 25,784
Transient Occupancy Tax - tourism	487,873	425,141	338,658	129,763
Library services	-	-	-	-
Committed for:				
Parking surcharge	370,085	370,085	370,085	370,085
Public art	21,392	19,919	99,324	109,938
Future Downtown Parking supply	241,326			
Affordable housing	-	-	166,351	166,351
Grubbs case	22,235	22,235	22,235	22,235
Unassigned, reported in:				
General fund	3,824,249	3,968,680	4,527,421	3,636,527
Total general fund	5,001,619	4,830,032	5,556,387	4,460,683
Street Fund:				
Restricted for:				
System development charges	2,641,068	2,511,605	2,431,470	2,619,729
Committed reported in:				
Special revenue funds	2,174,869	2,323,501	3,231,966	2,795,238
Total street fund	4,815,937	4,835,106	5,663,436	5,414,967
Parks Fund:				
Committed reported in:				
Parks Activities	1,107,369	788,308	386,186	313,140
Total parks fund	1,107,369	788,308	386,186	313,140
All Other Governmental Funds:				
Nonspendable: Cemetery perpetual care	984,914	970,304	955,357	944,552
Restricted for:				
System development charges	104,546	29,187	314,934	606,669
Community Development Grant Block funding	36,620	33,804	33,801	33,804
Restricted for debt service	1,035,856	1,027,297	976,090	1,028,912
Committed for:				
Committed for parks activities	1,428,986	981,826	852,407	1,536,623
Committed for airport activities	235,659	202,017	-	138,905
Committed for affordable housing	69,986			
Committed for food and beverage	-	-	-	
Committed for facilities	756,172	1,110,763	2,000,302	2,004,725
Special revenue funds	-	263,903	173,227	
Total all other governmental funds	3,667,825	3,648,797	4,350,761	5,349,638
Total governmental funds	\$ 14,592,750	\$ 14,102,243	\$ 15,956,770	\$ 15,538,428



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

2015	2014	2013	2012	2011	2010
\$ 29,678	\$ 28,897	\$ 14,579	\$ 224,361	\$ 187,864	\$ 129,510
99,108	116,131	-	102,786	100,563	-
56,587	142,497	-	-	-	-
334,949	287,725	273,965	247,725	232,497	-
85,667	78,154	82,849	73,011	28,113	-
166,351	148,426	148,426	148,426	23,367	-
22,235	22,230	22,230	21,230	-	-
3,671,969	3,731,916	3,863,212	3,692,190	2,875,653	2,345,060
4,466,544	4,555,976	4,405,261	4,509,729	3,448,057	2,474,570
2,479,609	2,415,789	2,376,109	2,352,315	1,980,292	2,115,971
2,798,621	2,321,834	2,041,013	690,977	256,008	704,546
5,278,230	4,737,623	4,417,122	3,043,292	2,236,300	2,820,517
503,626	583,394	-	-	-	-
503,626	583,394	-	-	-	-
922,667	896,572	874,045	861,244	831,603	807,796
557,297	508,399	459,458	411,399	364,909	353,696
33,797	33,801	33,801	33,798	34,424	-
861,560	794,695	785,823	982,650	809,249	762,199
209,302	332,482				
117,516	80,488	97,697	83,711	60,083	-
524,663	470,422	365,466	365,466	526,148	-
1,667,528	944,553	1,268,783	3,463,420	1,241,604	1,969,977
-	-	-	-	-	32,160
3,971,663	3,164,840	3,011,028	5,340,444	3,036,417	3,118,032
\$ 14,220,063	\$ 13,041,833	\$ 7,416,289	\$ 9,850,173	\$ 6,484,474	\$ 5,592,602

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

Revenues:	2019	2018	2017	2016
Taxes	\$ 24,250,159	\$ 23,320,298	\$ 21,503,597	\$ 20,473,799
Fees, licenses and permits	859,045	838,832	1,306,346	835,278
Intergovernmental	4,049,917	3,679,646	2,493,399	2,394,661
Special assessments	12,426,073	17,535	101,006	32,831
Charges for services	99,436	11,984,766	13,030,993	13,548,958
System development charges	8,924	78,232	232,171	232,752
Fines and forfeitures	588,070	545,835	365,365	180,638
Interest on investments	344,270	257,293	188,869	110,363
Miscellaneous	1,659,892	1,062,344	292,318	208,355
Total revenues	44,285,786	41,784,781	39,514,064	38,017,635
Expenditures:				
General government	12,499,041	11,377,907	10,760,734	10,488,718
Public safety	18,052,832	17,005,350	15,305,740	14,846,892
Highways and streets	3,462,082	2,577,597	3,338,576	3,067,591
Parks and recreation	6,574,529	6,303,621	7,150,182	6,214,551
Capital outlay	906,840	951,063	872,683	1,434,986
Debt service	2,068,345	1,910,697	1,907,003	1,844,645
Principal	1,835,935	1,537,000	1,631,885	1,541,836
Interest	232,410	373,697	275,118	302,016
Total expenditures	43,563,669	40,126,235	39,334,918	37,897,383
Excess (deficiency) of revenues over expenditures	722,118	1,658,546	179,146	120,252
Other financing sources (uses):				
Proceeds from debt issuance	-	-	-	870,000
Interfund loans	-	-	-	-
Interfund loans forgiveness	-	(840,544)	-	-
Transfers in	574,098	622,954	396,205	612,162
Transfers out	(791,098)	(1,572,954)	(146,205)	(262,162)
Total other financing sources (uses)	(217,000)	(1,790,544)	250,000	1,220,000
Net change in fund balance	\$ 505,118	\$ (131,998)	\$ 429,146	\$ 1,340,252
Non-capital expenditures:				
Total expenditures (Debt excluded)	\$ 43,563,669	\$ 40,126,235	\$ 39,334,918	\$ 37,897,383
Less: capital assets expenditures	(2,288,414)	(5,269,130)	(5,822,754)	(1,139,673)
Non-capital expenditures:	\$ 41,275,255	\$ 34,857,105	\$ 33,512,164	\$ 36,757,710
Ratio of debt service to noncapital expenditures	5.01%	5.48%	5.69%	5.02%

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

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

2015	2014	2013	2012	2011	2010
\$ 19,210,392	\$ 18,850,869	\$ 13,661,986	\$ 13,270,221	\$ 12,978,142	\$ 12,636,896
1,205,381	667,416	583,679	1,340,102	482,275	474,379
2,774,500	2,847,336	2,500,297	2,878,726	3,642,108	2,103,165
67,508	59,483	41,048	43,542	17,867	3,292
12,358,624	10,835,737	6,319,508	6,520,263	6,315,976	5,799,929
-	-	-	-	-	-
178,455	183,732	196,535	168,305	183,239	183,266
79,835	86,025	72,312	87,553	62,062	102,302
221,293	410,589	559,195	262,858	272,814	190,732
<u>36,095,988</u>	<u>33,941,187</u>	<u>23,934,560</u>	<u>24,571,570</u>	<u>23,954,483</u>	<u>21,493,961</u>
9,346,850	9,381,555	4,820,740	4,631,724	4,300,262	4,278,859
13,328,400	13,102,433	11,868,980	11,411,045	10,914,166	10,896,098
2,762,562	1,974,219	2,529,333	2,422,483	3,778,610	2,361,523
6,591,385	6,854,314				
959,542	1,636,407	4,984,031	2,374,574	1,859,097	479,600
1,902,924	1,842,374	2,754,188	2,172,846	2,562,886	2,229,718
1,454,442	1,320,000	1,732,744	1,196,086	1,563,425	1,183,203
447,689	522,374	1,021,444	976,760	999,461	1,046,515
<u>34,891,663</u>	<u>34,791,302</u>	<u>26,957,272</u>	<u>23,012,672</u>	<u>23,415,021</u>	<u>20,245,798</u>
1,204,325	(850,115)	(3,022,712)	1,558,898	539,462	1,248,163
-	-	1,767,459	-	-	-
-	-	208,000	-	(208,000)	-
-	-	-	-	-	-
556,515	750,927	41,461	203,105	997,349	469,360
(556,515)	(840,927)	(41,461)	(203,105)	(997,349)	(469,360)
-	(90,000)	1,975,459	-	(208,000)	-
<u>\$ 1,204,325</u>	<u>\$ (940,115)</u>	<u>\$ (1,047,253)</u>	<u>\$ 1,558,898</u>	<u>\$ 331,462</u>	<u>\$ 1,248,163</u>
\$ 34,891,663	\$ 34,791,302	\$ 26,957,272	\$ 23,012,672	\$ 23,415,021	\$ 20,245,798
(959,542)	(1,636,407)	(4,984,031)	(2,374,574)	(1,859,097)	(479,600)
<u>\$ 33,932,121</u>	<u>\$ 33,154,895</u>	<u>\$ 21,973,241</u>	<u>\$ 20,638,098</u>	<u>\$ 21,555,924</u>	<u>\$ 19,766,198</u>
5.61%	5.56%	12.53%	10.53%	11.89%	11.28%

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

Fund Balances	2019 Adopted	2018 Adopted	2017 Adopted	2016 Adopted
City Component				
General Fund	\$ 2,464,474	\$ 2,464,474	\$ 252,360	\$ 1,646,957
Housing Fund	-	-	-	-
Community Development Block Grant Fund	1	1	1	1
Reserve Fund	25,085	25,085	38,580	221,580
Street Fund	3,959,022	3,959,022	2,022,280	3,694,376
Airport Fund	143,947	143,947	70,236	71,735
Capital Improvements Fund	1,705,906	1,705,906	1,536,953	1,363,411
Debt Service Fund	1,208,002	1,208,002	849,354	803,151
Water Fund	8,954,820	8,954,820	2,072,024	4,711,984
Wastewater Fund	6,872,543	6,872,543	2,193,032	2,803,471
Stormwater Fund	1,544,630	1,544,630	-	-
Electric Fund	819,118	819,118	368,237	537,900
Telecommunications Fund	200,299	200,299	327,302	172,269
Central Services Fund	490,440	490,440	16,549	232,353
Insurance Services Fund	623,899	623,899	136,638	318,938
Health Benefits Fund	84,755	84,755	33,370	(291,630)
Equipment Fund	2,385,539	2,385,539	1,968,694	1,657,459
Cemetery Trust Fund	984,270	984,270	974,046	948,546
Total city component	32,466,750	32,466,750	12,859,656	18,892,501
Parks Component				
Parks and Recreation Fund	(24,876)	(24,876)	4,014	184,915
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	(743,870)	(743,870)	308,617	(674,924)
Parks Equipment Fund	164,364	164,364	40,000	192,000
Total parks component	(604,382)	(604,382)	352,631	(298,009)
Total budget	\$ 31,862,368	\$ 31,862,368	\$ 13,212,287	\$ 18,594,492

Fund Balances	2019 Actual	2018 Actual	2017 Actual	2016 Actual
City Component				
General Fund	\$ 4,963,179	\$ 4,792,507	\$ 4,687,675	\$ 3,603,674
Housing Fund	69,986	263,903	-	-
Community Development Block Grant Fund	36,620	33,801	33,801	33,804
Reserve Fund	38,440	37,524	28,168	166,465
Street Fund	4,815,937	4,835,107	5,663,436	5,414,967
Airport Fund	235,659	202,016	173,227	138,905
Capital Improvements Fund	860,718	1,139,950	2,315,236	2,802,016
Debt Service Fund	1,035,856	1,027,296	976,090	1,028,912
Water Fund	10,495,072	9,432,724	7,795,562	6,081,537
Wastewater Fund	8,826,689	7,636,846	7,842,215	6,499,438
Stormwater Fund	1,866,537	1,768,991	-	-
Electric Fund	2,249,388	2,468,855	2,026,665	1,863,131
Telecommunications Fund	1,135,311	834,108	599,420	365,637
Central Services Fund	839,735	1,092,453	281,575	579,888
Insurance Services Fund	8,140	586,216	1,017,579	1,160,957
Health Benefits Fund	932,375	4,695	396,418	140,764
Equipment Fund	3,328,444	3,579,502	3,404,966	3,134,593
Cemetery Trust Fund	984,914	970,305	955,357	944,553
Total city component	42,723,000	40,706,799	38,197,390	33,959,241
Parks Component				
Parks and Recreation Fund	842,878	661,453	209,332	254,306
Youth Activities Levy Fund	-	-	-	-
Parks Capital Improvements Fund	1,428,986	981,825	852,407	1,346,001
Parks Equipment Fund	264,491	126,854	176,854	58,834
Total parks component	2,536,355	1,770,132	1,238,593	1,659,141
Total actual	\$ 45,259,355	\$ 42,476,931	\$ 39,435,983	\$ 35,618,382

**CITY OF ASHLAND, OREGON
FUND BALANCE COMPARISON
Last ten years**

For the year ended June 30 (continued)

2015 Adopted	2014 Adopted	2013 Adopted	2012 Adopted	2011 Adopted	2010 Adopted
\$ 777,434	\$ 2,594,256	\$ 1,563,870	\$ 1,729,188	\$ 1,484,490	\$ 1,332,508
-	-	-	-	-	-
-	-	(34,424)	-	-	-
454,910	336,910	1,018,502	869,172	151,500	215,000
1,059,860	1,403,337	1,669,993	2,205,420	2,199,998	1,447,363
64,468	34,564	99,276	44,387	10,804	9,024
1,890,308	1,858,486	545,638	1,828,450	1,493,676	2,137,061
606,593	637,043	949,626	1,020,546	790,646	1,149,113
3,559,316	3,575,115	2,383,044	1,121,531	4,302,000	836,814
2,305,611	2,415,670	2,235,859	233,204	2,328,958	3,020,769
-	-	-	-	-	-
590,117	1,012,411	1,077,114	1,091,591	1,387,036	649,494
30,968	210,594	153,998	339,464	281,732	325,135
392,031	754,268	32,508	10,026	70,593	12,531
429,287	622,602	477,568	646,302	394,466	543,266
86,718	348,359	-	-	-	-
1,280,781	1,233,835	2,553,013	1,124,500	88,202	1,322,161
937,744	912,244	892,603	852,797	826,753	812,948
14,466,146	17,949,694	15,618,188	13,116,578	15,810,854	13,813,187
666,289	583,396	1,290,439	1,703,840	1,409,225	1,450,910
-	-	-	-	-	10,591
302,132	270,032	242,067	193,504	195,991	287,239
-	-	-	-	-	-
968,421	853,428	1,532,506	1,897,344	1,605,216	1,748,740
\$ 15,434,567	\$ 18,803,122	\$ 17,150,694	\$ 15,013,922	\$ 17,416,070	\$ 15,561,927

2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual	2010 Actual
\$ 3,620,264	\$ 3,719,809	\$ 3,385,681	\$ 3,495,819	\$ 2,938,556	\$ 2,474,570
-	-	-	-	-	-
33,797	33,801	33,801	33,798	34,424	37,424
196,279	336,167	1,019,580	1,013,910	509,502	148,072
5,278,231	4,737,624	4,417,121	3,043,292	2,236,300	2,820,517
117,516	80,488	116,697	83,710	60,083	32,160
2,749,488	1,923,374	2,094,707	4,449,285	2,132,661	2,138,176
861,560	1,159,490	1,150,618	982,649	809,248	762,199
5,208,592	6,273,413	6,437,576	2,708,910	2,212,401	1,851,885
5,095,342	4,271,386	4,290,774	2,794,806	3,250,111	3,496,009
-	-	-	-	-	-
900,609	1,899,104	2,327,540	2,418,099	2,476,294	2,054,733
305,058	479,997	587,624	586,943	517,916	953,315
870,190	870,190	853,280	-	491,546	266,820
1,766,284	1,584,721	848,857	761,552	605,943	640,110
473,726	169,366	-	-	-	-
2,937,105	2,540,413	3,357,663	2,479,905	1,858,969	1,760,305
922,667	896,572	874,045	861,243	831,602	870,797
31,336,708	30,975,915	31,795,564	25,713,921	20,965,556	20,307,092
503,628	583,396	1,783,433	2,242,227	2,214,031	1,787,781
-	-	-	20,326	9,899	22,534
209,302	332,482	387,632	449,131	432,866	252,864
-	-	-	-	-	-
712,930	915,878	2,171,065	2,711,684	2,656,796	2,063,179
\$ 32,049,638	\$ 31,891,793	\$ 33,966,629	\$ 28,425,605	\$ 23,622,352	\$ 22,370,271

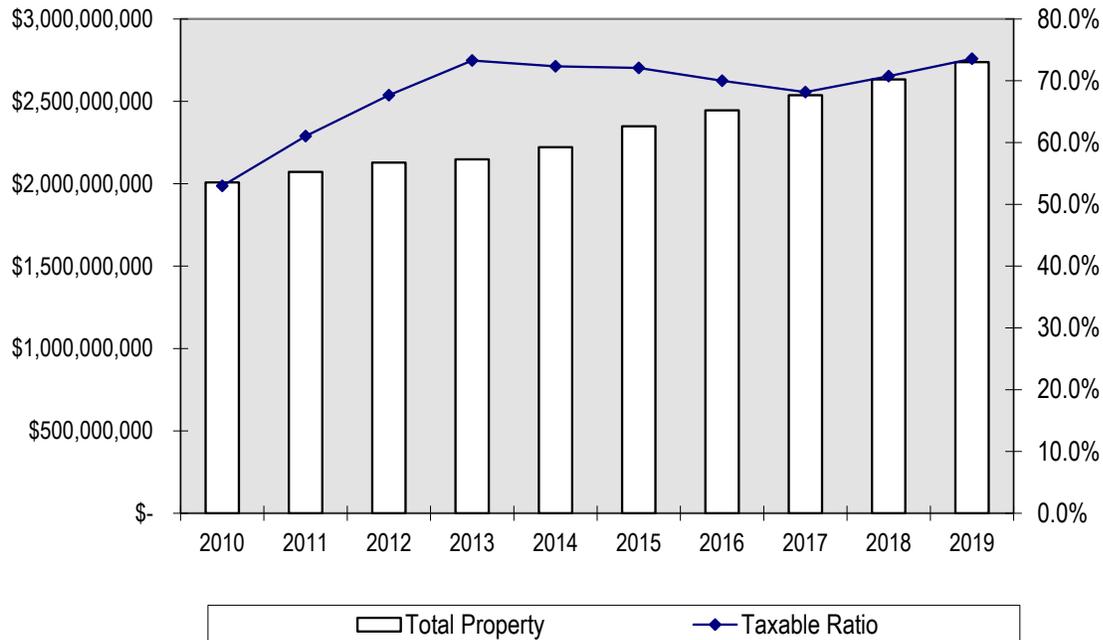
**CITY OF ASHLAND, OREGON
 ASSESSED AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 Last ten years - Unaudited**

Fiscal Year Ended June 30,	Real Property	Mobile Home	Personal	Utilities	Total	Property Tax Rate	Taxable ratio (True Cash Value to Assessed)
2019	\$ 2,648,762,575	\$ 7,176,174	\$ 40,011,240	\$ 42,200,100	\$ 2,738,150,089	\$ 4.43	73.6%
2018	2,550,677,170	6,701,376	37,518,450	38,356,118	2,633,253,114	4.44	70.7%
2017	2,458,564,994	6,700,924	37,949,290	34,169,600	2,537,384,808	4.40	68.2%
2016	2,367,355,356	6,526,881	40,417,280	31,573,600	2,445,873,117	4.41	70.0%
2015	2,274,534,883	6,445,605	38,438,560	29,027,740	2,348,446,788	4.61	72.1%
2014	2,154,231,164	6,060,576	36,756,490	24,858,300	2,221,906,530	4.61	72.3%
2013	2,079,286,927	6,060,300	36,739,550	26,166,700	2,148,253,477	4.63	73.3%
2012	2,055,111,118	6,318,010	40,939,090	26,290,929	2,128,659,147	4.71	67.7%
2011	2,000,563,826	5,956,110	41,057,580	24,422,710	2,072,000,226	4.60	61.0%
2010	1,937,303,620	5,881,825	40,133,110	24,860,300	2,008,178,855	4.59	53.0%

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

Source: Jackson County Assessor tax roll property values

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

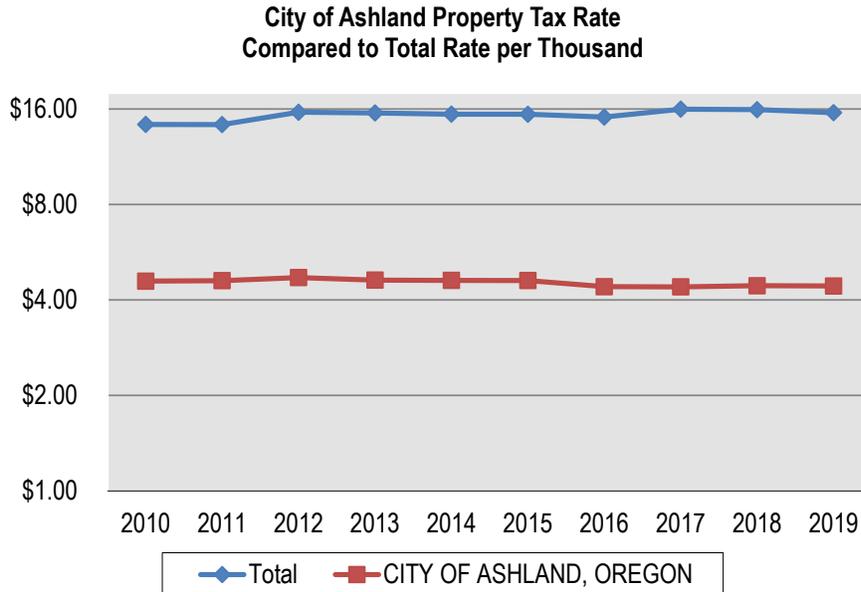


**CITY OF ASHLAND, OREGON
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Assessed Valuation)
Last ten years - Unaudited**

Fiscal Year Ended June 30,	City of Ashland Permanent rate	City of Ashland Local Option Levies	City of Ashland Bonded Debt	City of Ashland Component Unit	City of Ashland Total Tax Rate	Net Jackson Co Tax Rate	Net General Government Tax Rate	Net School Support Tax Rate	Total
2019	\$ 4.24	\$ -	\$ 0.19	\$ -	\$ 4.43	\$ 3.10	\$ 7.53	\$ 8.06	\$ 15.58
2018	4.24	-	0.20	-	4.44	3.12	7.55	8.38	15.93
2017	4.20	-	0.20	-	4.40	3.14	7.54	8.45	15.98
2016	4.20	-	0.21	-	4.41	2.28	6.69	8.41	15.10
2015	4.20	0.19	0.22	-	4.61	2.47	7.08	8.33	15.41
2014	4.20	0.19	0.22	-	4.61	2.47	7.08	8.34	15.41
2013	2.10	0.19	0.24	2.09	4.62	2.55	7.17	8.38	15.55
2012	2.10	0.19	0.32	2.09	4.71	2.55	7.26	8.38	15.64
2011	2.12	0.19	0.20	2.09	4.60	2.55	7.15	7.14	14.29
2010	2.10	0.19	0.20	2.09	4.59	2.58	7.17	7.14	14.31

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

Source: Jackson County Assessor and Tax Collector

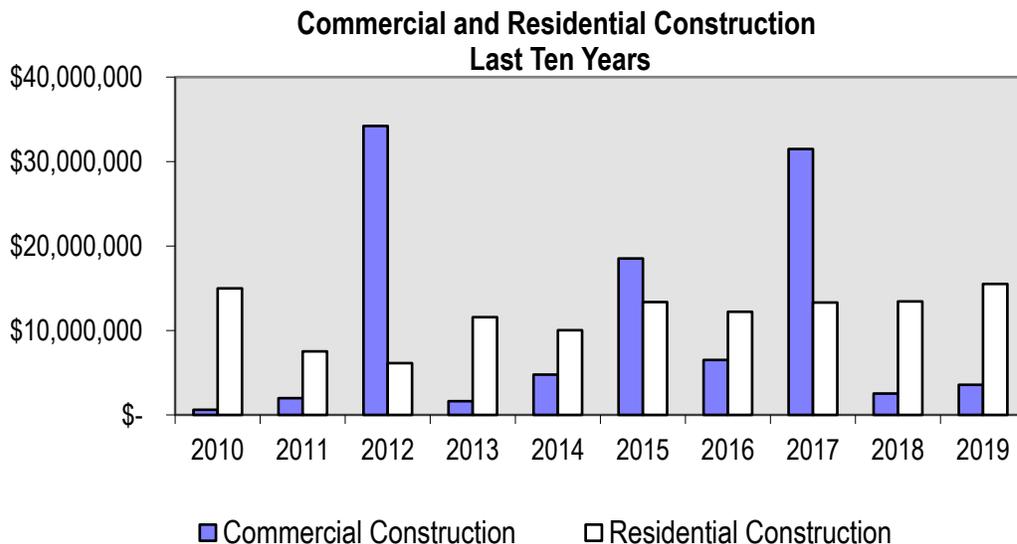


**CITY OF ASHLAND, OREGON
PROPERTY VALUE AND NEW CONSTRUCTION HISTORY
Last ten years - Unaudited**

Fiscal Year Ended June 30,	Property Value (1)	Commercial Construction		Residential Construction	
		Number of Units	Value	Number of Units	Value
2019	2,738,150,089	3	\$ 3,576,094	94	\$ 15,513,154
2018	2,633,253,114	6	2,525,849	80	13,441,485
2017	2,537,384,808	7	31,479,266	70	13,313,136
2016	2,445,873,117	6	6,513,734	57	12,204,836
2015	2,348,446,788	8	18,530,998	62	13,371,460
2014	2,262,503,440	9	4,770,334	50	10,032,795
2013	2,079,286,927	8	1,632,075	56	11,568,784
2012	2,128,659,147	10	34,221,808	33	6,123,270
2011	2,072,000,226	11	1,989,421	47	7,531,926
2010	1,937,303,620	4	611,406	89	14,985,434

(1) Property value is assessed valuation

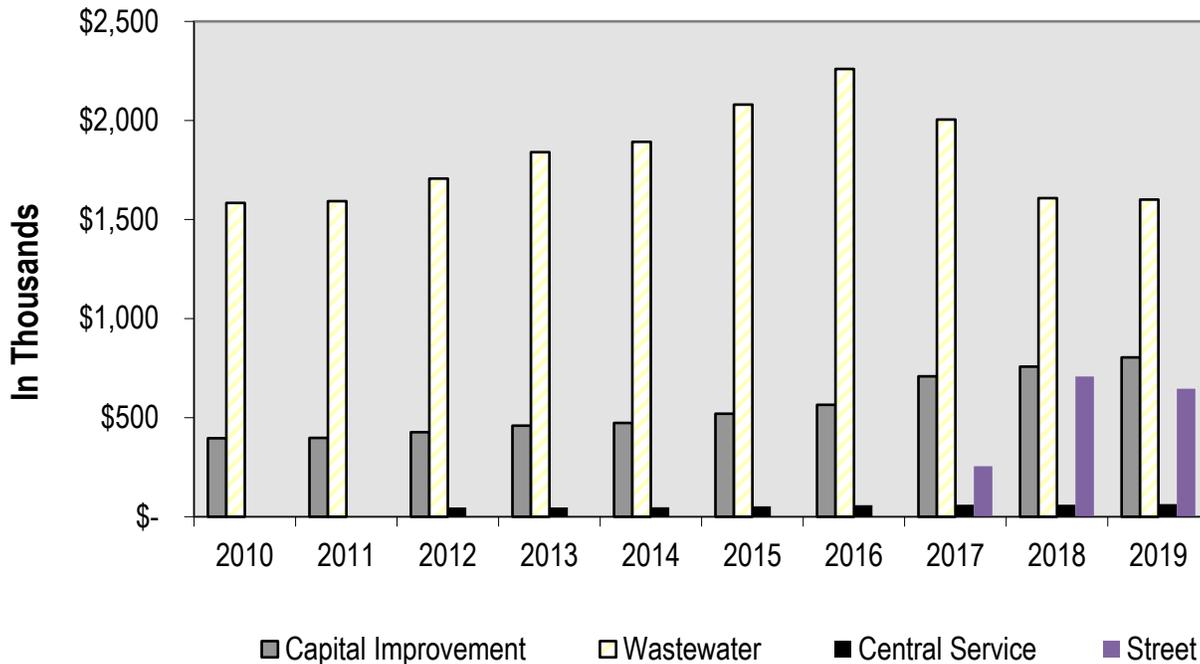
Source: City of Ashland, Community Development Department
Jackson County Assessor



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

Fiscal Year Ended June 30,	Street Fund	Capital Improvement	Wastewater	Central Service	Total	Cumulative
2019	\$ 646	\$ 804	\$ 1,601	\$ 64	\$ 3,115	\$ 50,350
2018	708	758	1,608	61	3,135	47,235
2017	255	709	2,005	61	3,030	44,100
2016	-	565	2,260	58	2,883	41,070
2015	-	520	2,080	53	2,653	38,187
2014	-	473	1,892	48	2,413	35,534
2013	-	460	1,840	47	2,347	33,121
2012	-	427	1,707	47	2,181	30,774
2011	-	398	1,593	31	2,022	28,593
2010	-	396	1,584	-	1,980	26,571

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



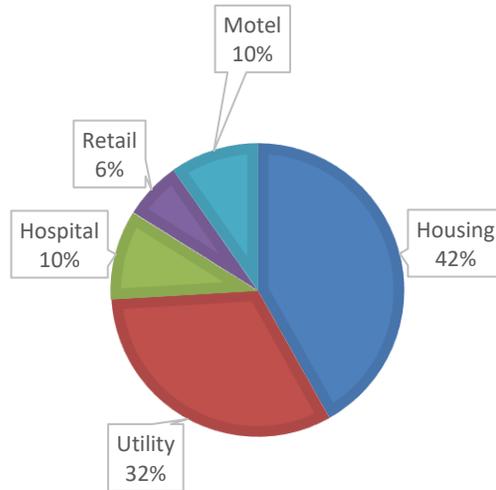
**CITY OF ASHLAND, OREGON
PRINCIPAL PROPERTY TAXPAYERS
Current and ten years ago**

Taxpayers	Type of Business	2019 Assessed Valuation	Percentage of Total Assessed Valuation
Avista Corp	Utility	\$ 14,176,200	0.52%
Deluca Ronald L Trustee ET AL	Housing	13,588,100	0.50%
Deluca Ronald L Trustee	Housing	12,433,350	0.45%
Centurylink Property	Utility	10,320,000	0.38%
Ashland Community Hopsital	Hospital	10,135,340	0.37%
Ashland Hills Hotel LLC	Motel	10,038,820	0.37%
Deluca Revocable Trust ET AL	Housing	9,221,111	0.34%
Charter Communications	Utility	8,682,900	0.32%
Ashlander Ashland LLC	Housing	7,881,990	0.29%
Ashland Shopping Center LLC	Retail	6,545,210	0.24%
All other		2,635,127,068	96.24%
Total		\$ 2,738,150,089	100.00%

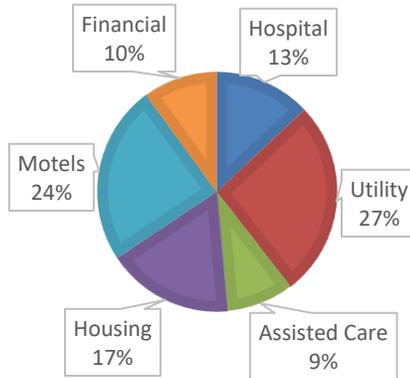
Taxpayers	Type of Business	2010 Assessed Valuation	Percentage of Total Assessed Valuation
Ronald L. Deluca	Housing	\$ 9,530,380	0.47%
Qwest Corporation	Utility	8,645,200	0.43%
Ashland Community Hospital	Hospital	7,777,390	0.39%
Avista Corp.	Utility	7,298,900	0.36%
Pacific Financial, Inc.	Financial	6,041,050	0.30%
Windmill Inns of America, Inc	Motels	5,481,740	0.27%
Charter Communications	Retail	5,417,800	0.27%
Michael D & Beverly Rydbom	Retail	5,016,450	0.25%
Skylark Assisted Living	Assisted Care	4,930,810	0.25%
Barclay Square Condominium	Housing	4,790,150	0.24%
All other		1,943,248,985	96.77%
Total		\$ 2,008,178,855	100.00%

Source: Jackson County Assessor

2019 PRINCIPAL PROPERTY TAX PAYERS



2010 PRINCIPAL PROPERTY TAX PAYERS



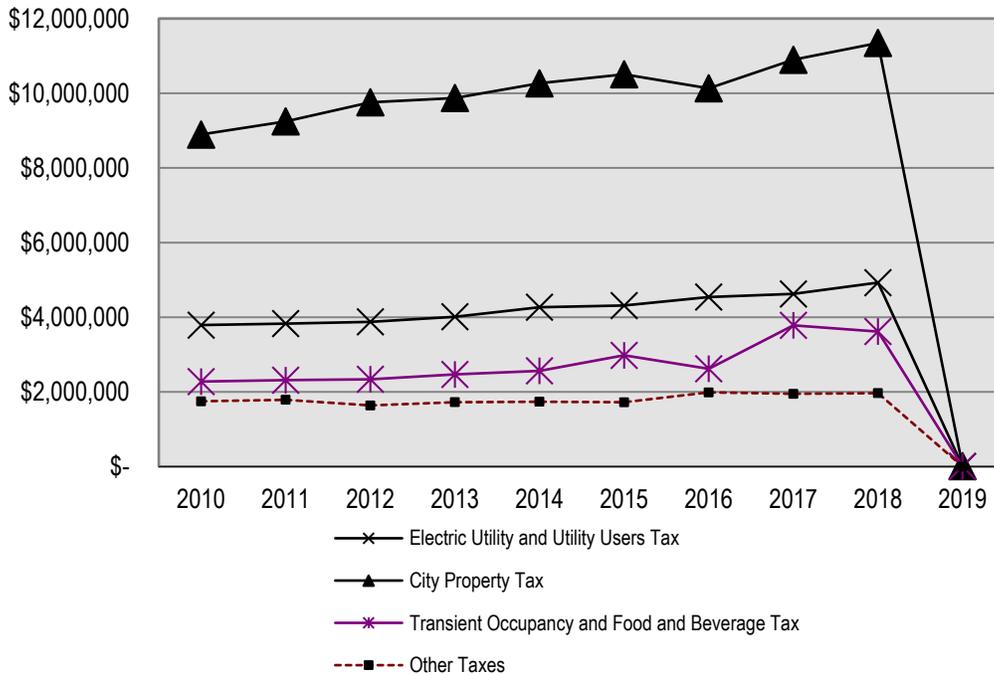
**CITY OF ASHLAND, OREGON
GENERAL GOVERNMENTAL TAX REVENUES
BY SOURCE
(amounts expressed in thousands)
Last ten years - Unaudited**

Fiscal Year Ended June 30,	Combined Property Taxes	Electric Utility Franchise (1)	Utility Users Tax (1)	Other Franchise and Privilege Taxes	Transient Occupancy Tax	Food and Beverage Tax (2)	Business License Tax	Total
2019	\$ 11,776	\$ 1,630	\$ 3,379	\$ 2,047	\$ 3,134	\$ 1,450	\$ 234	\$ 23,650
2018	11,347	1,598	3,330	1,967	2,910	1,466	234	22,852
2017	10,898	1,496	3,130	1,949	2,819	964	248	21,504
2016	10,508	1,466	3,077	1,604	2,055	565	237	19,512
2015	10,133	1,390	2,923	1,513	2,460	520	209	19,148
2014	10,268	1,373	2,895	1,530	2,091	473	208	18,838
2013	9,874	1,311	2,704	1,518	2,009	460	208	18,084
2012	9,759	1,251	2,627	1,436	1,911	427	202	17,613
2011	9,246	1,228	2,603	1,591	1,918	398	197	17,181
2010	8,896	1,232	2,557	1,552	1,880	396	197	16,710

(1) Derived from city-owned electric utility operations

(2) Tax enacted July 1, 1993

**GENERAL GOVERNMENTAL TAX REVENUES
BY SOURCE**



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

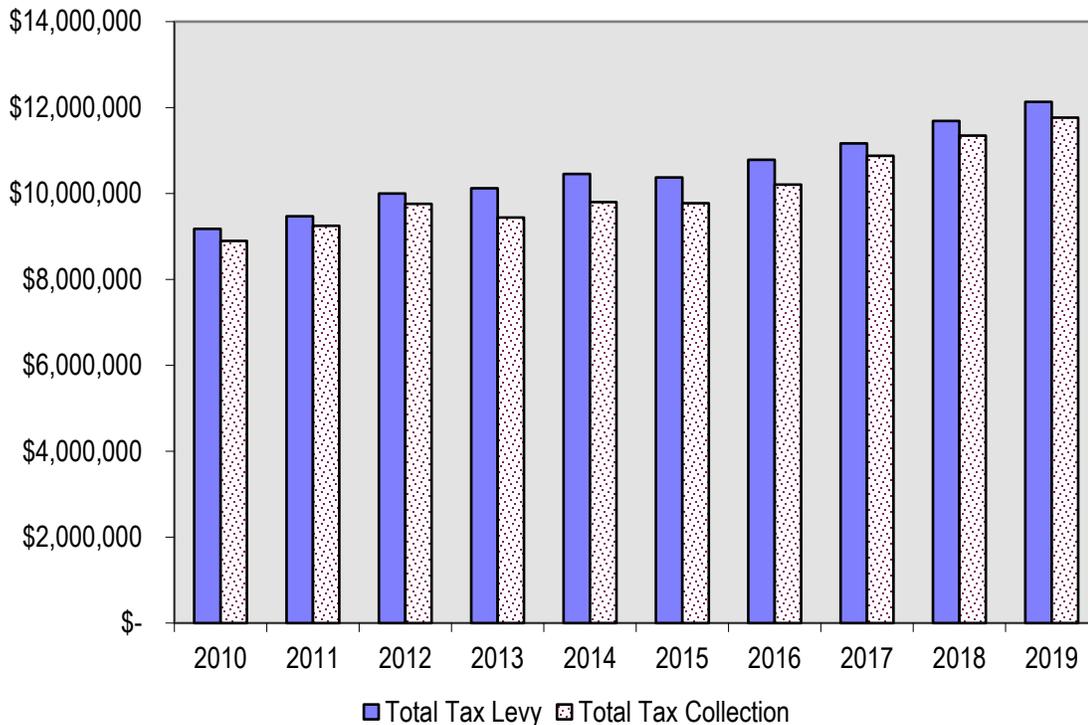
Fiscal Year Ended June 30,	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collections (2)(3)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2019	\$ 12,133,433	\$ 11,465,438	94.49%	\$ 300,603	\$ 11,766,041	96.97%	\$ 741,442	6%
2018	11,686,504	11,077,325	94.79%	270,018	11,347,343	97.10%	744,932	6%
2017	11,165,588	10,584,077	94.79%	292,706	10,876,783	97.41%	718,956	6%
2016	10,782,252	10,204,495	94.64%	303,781	10,508,276	97.46%	698,038	6%
2015	10,374,563	9,774,296	94.21%	358,851	10,133,147	97.67%	768,885	7%
2014	10,453,597	9,799,116	93.74%	468,669	10,267,785	98.22%	704,806	7%
2013	10,119,532	9,440,360	93.29%	394,679	9,835,039	97.19%	785,377	8%
2012	9,997,229	9,322,678	93.25%	436,198	9,758,876	97.62%	755,098	8%
2011	9,470,164	8,885,987	93.83%	359,767	9,245,754	97.63%	773,714	8%
2010	9,176,778	8,511,729	92.75%	384,362	8,896,091	96.94%	699,122	8%

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

(2) Includes adjustments, rounding and discounts

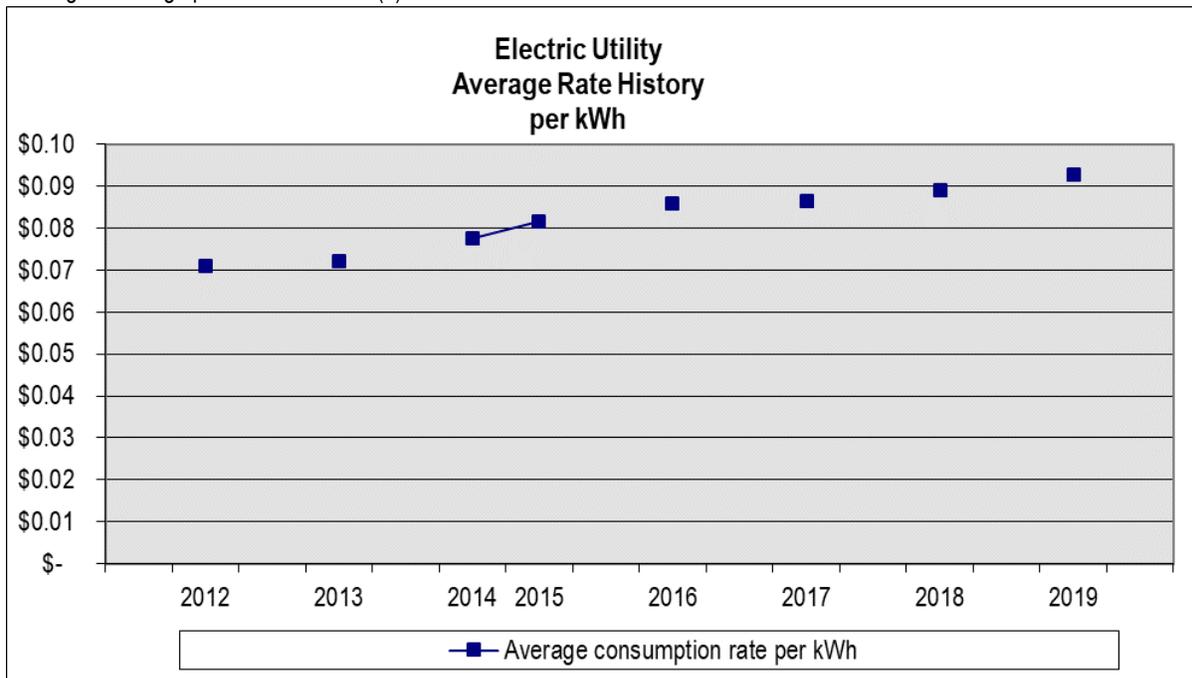
(3) Delinquent taxes collected represent accumulative amounts for the specific fiscal year

PROPERTY TAX LEVIES AND COLLECTIONS



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

	2019	2018	2017	2016
Electric:				
Commercial	52,595,231	56,199,380	54,212,204	55,434,978
Governmental	25,722,896	20,663,724	16,881,982	17,084,620
Municipal	10,801,152	7,642,747	6,489,407	7,607,560
Residential	88,361,322	89,213,217	89,500,760	86,749,323
Electric usage total	177,480,601	173,719,068	167,084,353	166,876,481
Total electric revenue	\$ 16,440,849	\$ 15,486,694	\$ 14,465,963	\$ 14,338,555
Average consumption rate per kWh	\$ 0.093	\$ 0.089	\$ 0.087	\$ 0.086
Average surcharge per consumed kWh (1)	NA	NA	NA	NA

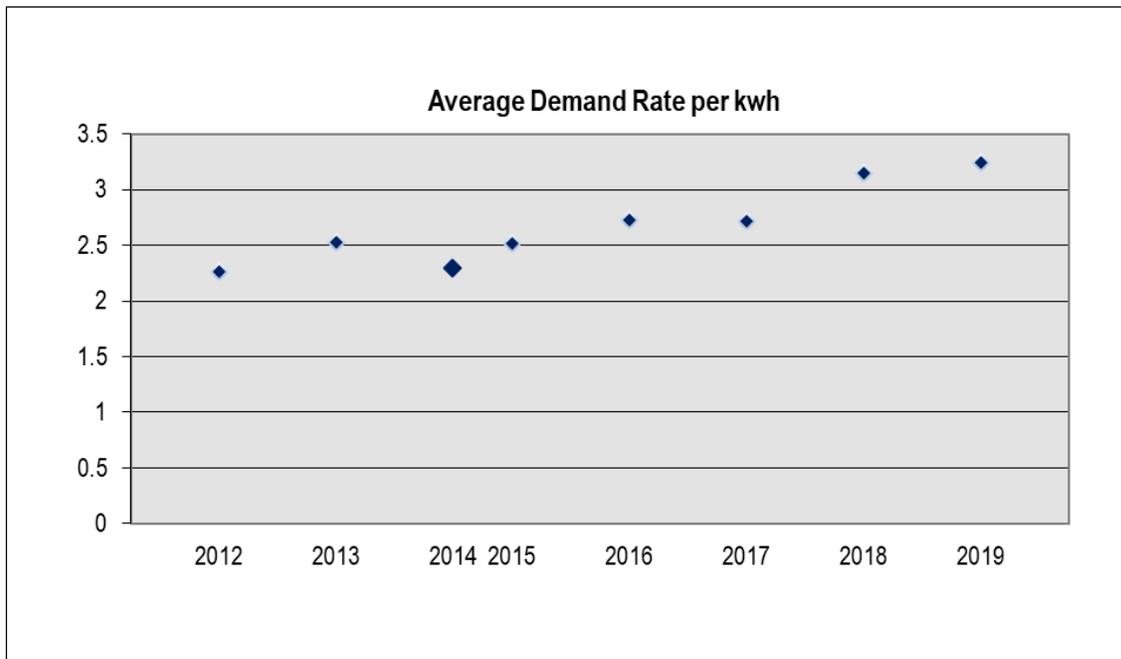


(1) Council implemented the surcharge due to increasing costs and changes in the wholesale power industry in FY 2002

	2019	2018	2017	2016
Demand:				
Commercial	138,373	157,991	152,791	159,344
Governmental/Municipal	87,101	67,663	67,095	67,850
Demand usage total	225,474	225,654	219,886	227,194
Total demand revenue	\$ 731,766	\$ 709,540	\$ 597,188	\$ 620,772
Average demand rate per kWh	\$ 3.245	\$ 3.144	\$ 2.716	\$ 2.732

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

2015	2014	2013	2012	2011	2010
57,241,622	57,351,533	58,984,152	55,628,874	55,617,369	56,996,490
18,894,191	19,552,546	19,934,831	20,136,246	20,539,286	19,467,344
6,439,200	6,410,372	5,978,193	6,164,885	6,107,945	6,407,172
85,448,299	91,309,827	89,637,162	91,550,691	94,402,343	93,634,626
168,023,312	174,624,278	174,534,338	173,480,696	176,666,943	176,505,632
\$ 13,700,057	\$ 13,536,923	\$ 12,575,449	\$ 12,305,176	\$ 12,126,401	\$ 11,931,379
\$ 0.082	\$ 0.078	\$ 0.072	\$ 0.071	\$ 0.069	\$ 0.068
NA	NA	NA	NA	NA	NA



2015	2014	2013	2012	2011	2010
209,020	158,829	175,675	164,566	162,175	151,072
66,037	67,481	67,388	71,111	68,480	63,445
275,057	226,310	243,063	235,677	230,655	214,517
\$ 691,225	\$ 519,458	\$ 614,862	\$ 533,947	\$ 515,481	\$ 475,273
\$ 2.513	\$ 2.295	\$ 2.530	\$ 2.266	\$ 2.235	\$ 2.216

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

Fiscal Year Ended June 30,	Population (1)	Percentage Change	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Fund Monies Available
2019	20,815	0.56%	\$ 2,738,150,089	\$ 10,205,000	\$ 1,028,592
2018	20,700	0.39%	2,633,253,114	11,760,000	1,025,376
2017	20,620	1.05%	2,537,384,808	13,395,000	973,878
2016	20,405	0.32%	2,445,873,117	14,880,000	855,545
2015	20,340	0.22%	2,348,446,788	37,195,894	861,561
2014	20,295	-0.15%	2,262,503,440	37,462,187	794,695
2013	20,325	-5.29%	2,186,388,026	38,111,076	785,823
2012	21,460	6.79%	2,128,659,147	35,728,075	976,265
2011	20,095	-6.56%	2,072,000,226	35,331,935	804,633
2010	21,505	0.09%	2,008,178,855	39,708,269	762,199

Source:

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

(2) Jackson County Assessor tax roll property value records

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

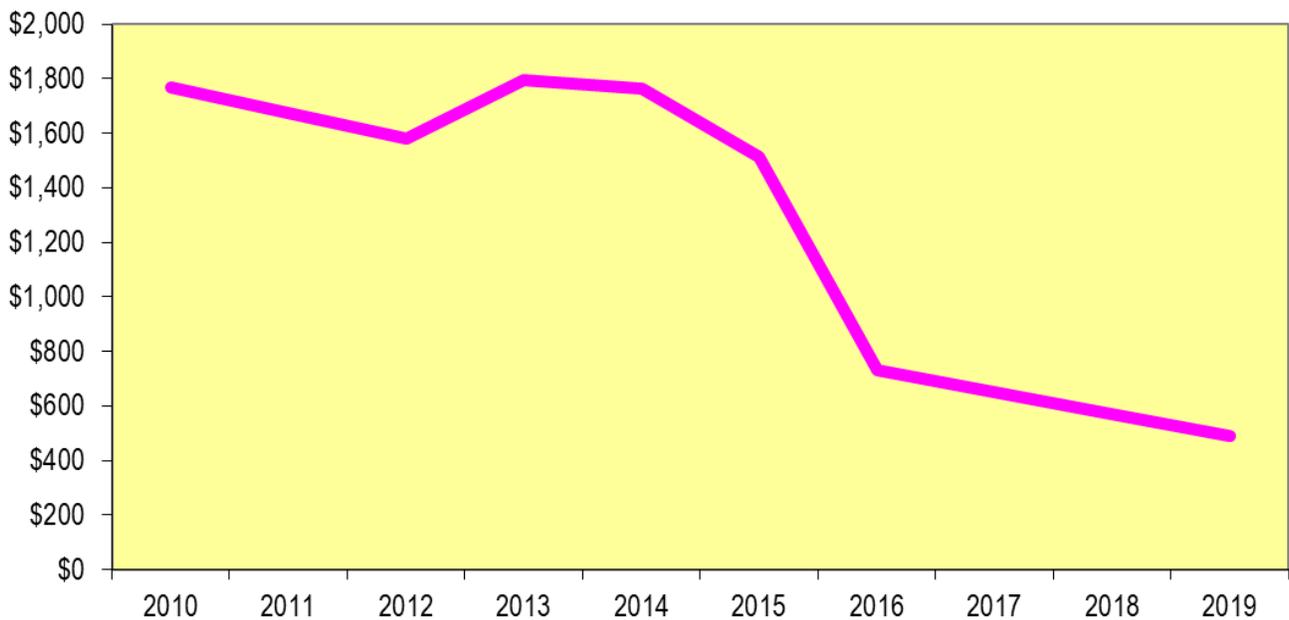
(4) Includes general obligation debt paid from Hospital Enterprise Fund operations, Utility Services Revenue, fund operations, and special assessment payments from benefited property owners.

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

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

Enterprise Fund Monies Available	Debt Payable for Enterprise Revenues (4)	Net General Obligation Bonded Debt (5)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
\$ 875,490	\$ 17,109,812	10,205,000	0.37%	\$ 490.27
875,490	16,985,043	11,760,000	0.45%	568.12
875,490	17,774,620	13,395,000	0.53%	649.61
875,490	19,219,172	14,880,000	0.61%	729.23
875,490	20,392,351	30,764,962	1.31%	1,512.53
875,490	19,102,713	35,792,002	1.58%	1,763.59
875,490	18,320,823	36,449,763	1.67%	1,793.35
875,490	16,821,156	33,876,320	1.59%	1,578.58
875,490	18,578,931	33,651,812	1.62%	1,674.64
875,490	21,389,684	38,070,580	1.90%	1,770.31

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

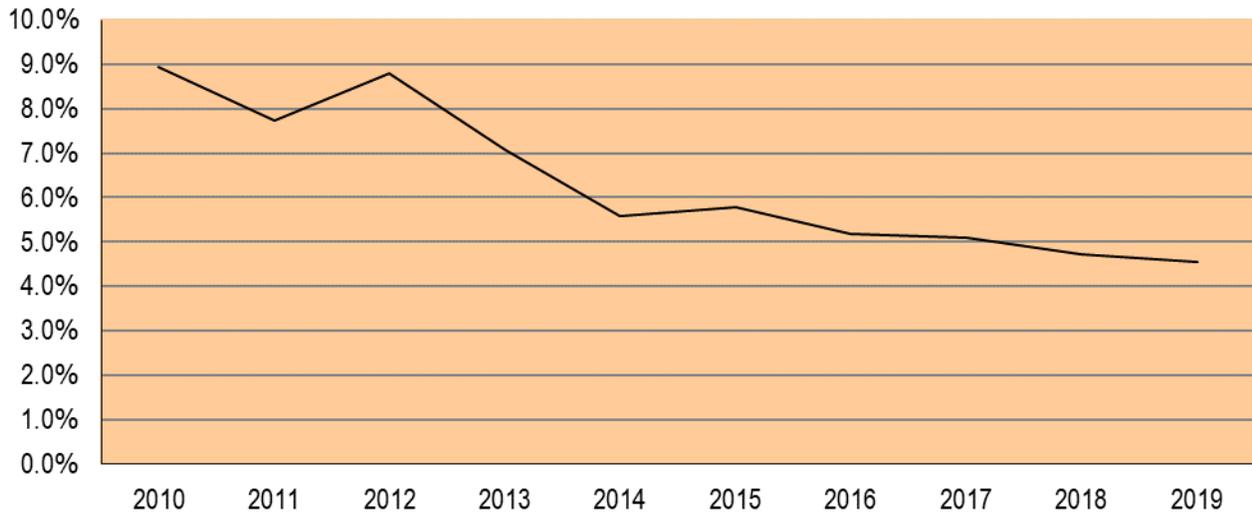


**CITY OF ASHLAND, OREGON
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
Last ten years - Unaudited**

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service (1)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2019	\$ 1,555,000	\$ 295,651	\$ 1,850,651	\$ 40,588,484	4.6%
2018	1,455,000	318,747	1,773,747	37,564,475	4.7%
2017	1,485,000	375,091	1,860,091	36,555,232	5.1%
2016	1,445,000	418,422	1,863,422	36,033,961	5.2%
2015	1,495,000	415,879	1,902,924	32,988,739	5.8%
2014	1,320,000	522,374	1,842,374	32,948,928	5.6%
2013	1,000,000	906,689	1,906,689	26,957,272	7.1%
2012	1,105,000	916,434	2,021,434	23,012,672	8.8%
2011	905,000	904,149	1,809,149	23,415,021	7.7%
2010	865,000	943,917	1,808,917	20,245,798	8.9%

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

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



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

Fiscal Year Ended June 30,	Gross Revenues (1)	Operating Expenses (2)	Fund Balance	Net Revenues Available for Debt Service	Debt Service Requirements (3)			Coverage
					Principal	Interest	Total	
2019	\$ 8,791,274	\$ 9,657,102	\$ 9,432,722	\$ 8,566,894	\$ 479,713	\$ 137,914	\$ 617,627	13.87
2018	8,290,162	6,520,984	-	1,769,178	464,164	150,069	614,233	2.88
2017	7,756,012	4,706,339	-	3,049,673	453,835	161,855	615,690	4.95
2016	7,289,715	4,225,107	-	3,064,608	443,717	173,330	617,046	4.97
2015	6,604,339	4,256,299	-	2,348,040	899,952	147,300	1,047,251	2.24
2014	6,322,142	4,244,890	-	2,077,252	584,414	129,093	713,507	2.91
2013	8,280,514	5,776,098	-	2,504,416	412,533	82,471	495,004	5.06
2012	5,745,624	3,597,970	-	2,147,654	580,742	127,436	708,178	3.03
2011	4,806,603	3,597,701	-	1,208,902	394,036	135,574	529,610	2.28
2010	4,455,767	3,439,267	-	1,016,500	345,000	112,206	457,206	2.22

(1) Total Operating Revenues, including System Development Charges

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

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

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

Governmental Activities			Notes and Contracts		
Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value	Promissory Notes	OECD (1) Loans	Per Capita (2)
2019	\$ 10,205,000	0.37%	\$ 2,311,000	\$ -	\$ 601.30
2018	11,760,000	0.45%	2,591,936	-	693.33
2017	13,395,000	0.53%	1,104,821	-	703.19
2016	14,880,000	0.61%	1,251,707	-	790.58
2015	16,325,000	0.70%	478,543	-	812.39
2014	17,820,000	0.79%	539,474	-	901.48
2013	19,140,000	0.88%	650,253	-	973.69
2012	17,550,000	0.82%	681,780	675,138	853.51
2011	15,695,000	0.76%	354,502	703,502	833.69
2010	16,600,000	0.83%	488,197	1,230,388	851.83

Business - Type Activities					
Fiscal Year Ended June 30,	General Obligation Bonds	Percent of Assessed Value	Revenue Bonds and Notes	DEQ (3) Loan	Per Capita (2)
2019	\$ 7,607,299	0.28%	\$ 6,983,538	\$ 2,518,974	\$ 821.99
2018	9,429,200	0.36%	5,406,100	2,149,744	820.53
2017	11,077,669	0.44%	4,634,074	2,062,878	932.06
2016	12,777,871	0.52%	4,628,555	1,812,747	941.89
2015	14,439,962	0.61%	4,193,067	1,759,323	985.90
2014	16,054,089	0.71%	3,048,624	-	937.97
2013	17,490,395	0.80%	830,429	-	901.39
2012	14,034,014	0.66%	2,787,143	-	783.84
2011	15,400,074	0.74%	3,178,857	-	924.55
2010	1,298,697	0.06%	3,560,571	16,530,415	994.64

Total Outstanding Debt				
Fiscal Year Ended June 30,	Total Outstanding Debt	Personal Income (4)	Debt as a Percentage of Personal Income	
2019	\$ 31,336,980	unavailable	NA	
2018	32,274,442	unavailable	NA	
2017	35,350,879	unavailable	NA	
2016	37,195,894	unavailable	NA	
2015	37,462,187	unavailable	NA	
2014	38,111,077	unavailable	NA	
2013	35,728,075	unavailable	NA	
2012	35,331,935	unavailable	NA	
2011	39,708,269	unavailable	NA	

(1) OECD - Oregon Economic and Community Development Department

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

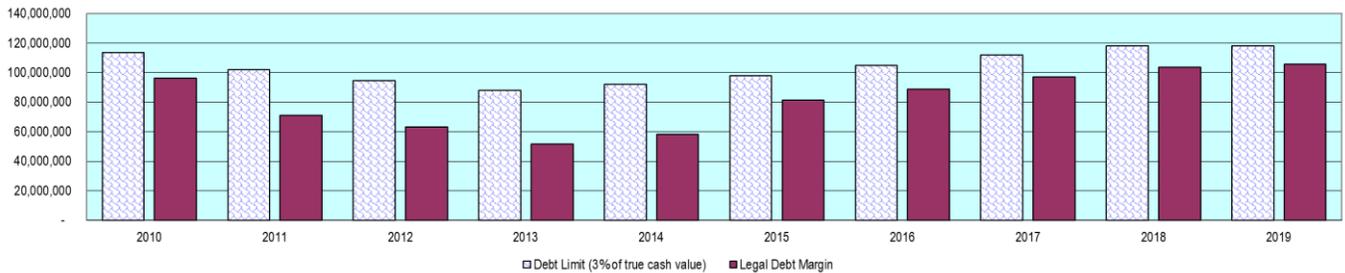
(3) DEQ - Oregon Department of Environmental Quality

(4) Oregon Department of Revenue Personal Income Tax Statistics

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

	2019	2018	2017	2016
True Cash Value	\$ 3,937,719,581	\$ 3,937,719,581	\$ 3,722,306,182	\$ 3,493,732,448
Legal Debt Margin				
Debt limit (3% of true cash value)	118,131,587	118,131,587	111,669,185	104,811,973
Net Bonded Debt:				
Gross bonded debt	12,516,000	14,351,936	14,499,821	16,131,707
Less amounts exempted:				
Water	-	-	-	-
Special assessment	-	-	-	-
Re-funding	-	-	-	-
Water re-funding	-	-	-	-
Total debt applicable to margin	12,516,000	14,351,936	14,499,821	16,131,707
Legal Debt Margin	\$ 105,615,587	\$ 103,779,652	\$ 97,169,364	\$ 88,680,267

Legal Debt Margin
Compared to Debt Limit
Last Ten Years



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

	2015	2014	2013	2012	2011	2010
\$	3,258,618,439	\$ 3,072,079,759	\$ 2,931,862,235	\$ 3,145,655,451	\$ 3,394,416,254	\$ 3,790,236,802
	97,758,553	92,162,393	87,955,867	94,369,664	101,832,488	113,707,104
	16,325,000	34,295,413	36,630,395	31,584,014	31,095,074	17,898,697
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	(250,000)	(375,000)	(370,000)	(360,000)	(345,000)
	16,325,000	34,045,413	36,255,395	31,214,014	30,735,074	17,553,697
\$	81,433,553	\$ 58,116,980	\$ 51,700,472	\$ 63,155,650	\$ 71,097,414	\$ 96,153,407

**CITY OF ASHLAND, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2019 - Unaudited**

True cash value	\$	3,937,719,581	
3% of true cash value		<u>0.03</u>	
			\$ 118,131,587
NET BONDED DEBT:			
Gross bonded debt		12,516,000	
Less amounts exempted:			
Water			
Water re-funding		<u>-</u>	
Total debt applicable to margin			<u>12,516,000</u>
LEGAL DEBT MARGIN			<u><u>\$ 105,615,587</u></u>

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

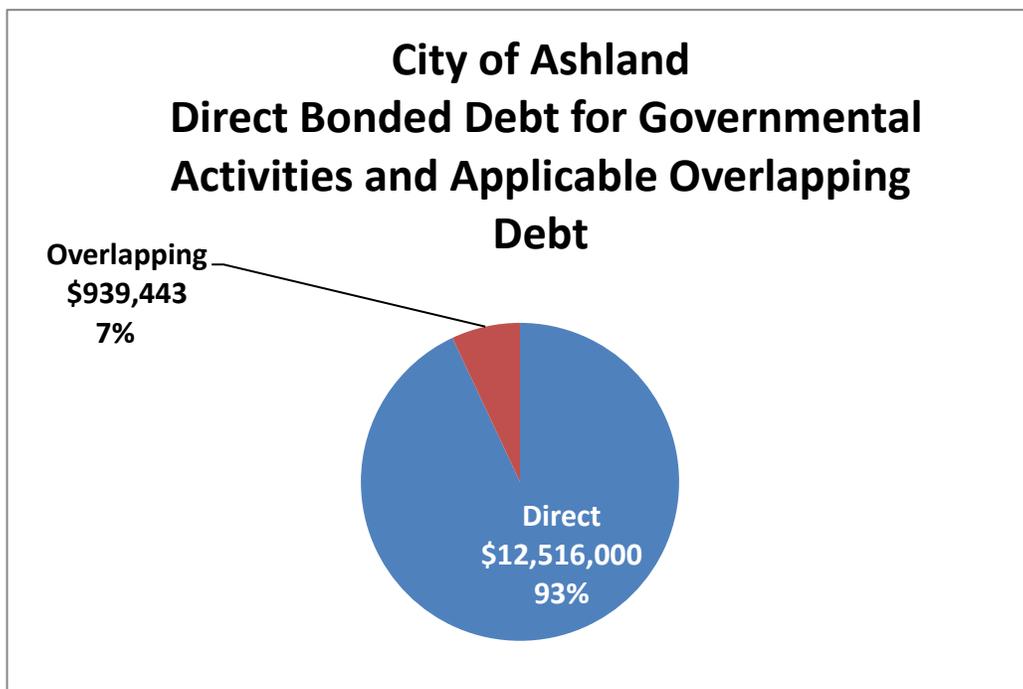
Source: Jackson County Assessor's Office
Audited Financial Statements
Oregon Revised Statutes (ORS) 287.004

**CITY OF ASHLAND, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
June 30, 2019 - Unaudited**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct:			
City of Ashland - Governmental Activities only	\$ 12,516,000	100.00%	\$ 12,516,000
Overlapping:			
Jackson County	424,228	14.41%	61,131
School District No. 5	-	80.80%	-
Rogue Community College	5,210,292	14.41%	750,803
Jackson County Housing Authority	756,303	14.41%	108,983
Rogue Valley Transit District	96,738	19.15%	18,525
	<u>\$ 6,487,561</u>		<u>\$ 939,443</u>
	<u>\$ 19,003,561</u>		<u>\$ 13,455,443</u>

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

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



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

Employer	<u>2019</u>	Employees
Southern Oregon University		1,130
Oregon Shakespeare Festival		575
Ashland Public Schools		400
Asante Ashland Community Hospital		224
City of Ashland**		222
		<hr/>
	Total	<u><u>2,551</u></u>

Employer	<u>2010</u>	Employees
Southern Oregon University		775
Ashland Shakespeare Festival		500
Ashland Community Hospital		402
Ashland Public Schools		300
City of Ashland**		264
Ashland Food Cooperative		150
Pathway Enterprises		95
Prestige Care (dba Linda Vista)		92
Darex Corporation		56
		<hr/>
	Total	<u><u>2,634</u></u>

** Excludes Ashland Parks Commission

Source: Ashland Chamber of Commerce

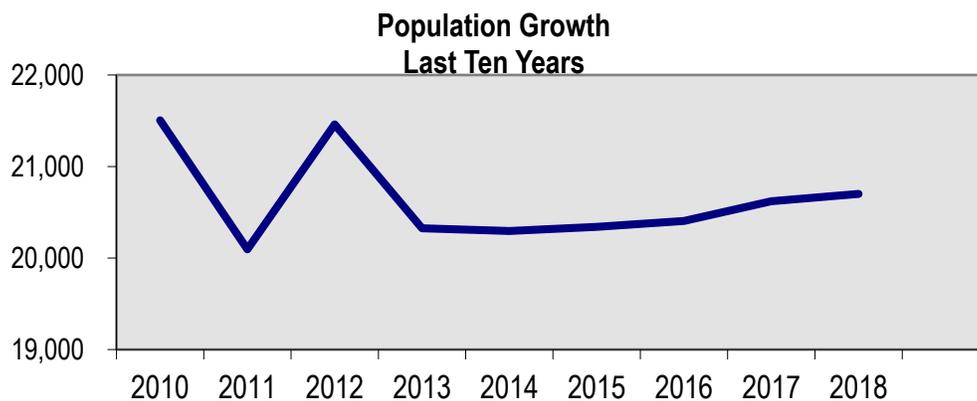
Note: Ashland Chamber of Commerce has changed their reporting method and now only tracks the top five employers in the city

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

Fiscal Year Ended June 30, 2019	Population (1)	Percentage Change	Per Capita Income	Total Personal Income (2)	School Enrollment (3)	Jackson County Unemployment Rate (4)
2019	20,815	0.56%	-	unavailable	2,976	4.6%
2018	20,700	0.39%	-	unavailable	2,940	4.8%
2017	20,620	1.05%	34,061	702,342	2,921	4.8%
2016	20,405	0.32%	30,947	631,468	2,883	6.1%
2015	20,340	0.22%	29,987	609,934	2,782	7.0%
2014	20,295	-0.15%	28,296	574,277	2,765	8.3%
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



**CITY OF ASHLAND, OREGON
SCHEDULE OF MAJOR INSURANCE IN FORCE
June 30, 2019**

Company	Coverage	Policy Period	Annual Aggregate/Each Occurrence	Premium	
City County Insurance Services	General Liability			\$ 274,332	
	Commercial General Liability	07/01/2018-07/01/2019	\$15,000,000 / \$5,000,000		
	Public Officials Liability	07/01/2018-07/01/2019	\$15,000,000 / \$5,000,000		
	Employment Practices	07/01/2018-07/01/2019	\$15,000,000 / \$5,000,000		
	Automobile Liability			41,261	
	Scheduled Autos	07/01/2018-07/01/2019	None / \$5,000,000		
	Hired Autos/Non Owned	07/01/2018-07/01/2019	None / \$5,000,000		
	Uninsured Motorist	07/01/2018-07/01/2019	None / \$5,000,000		
	Auto Physical Damage			19,471	
	Scheduled Autos	07/01/2018-07/01/2019	Per Filed Value		
	Rented or Leased	07/01/2018-07/01/2019	Per Filed Value		
	Newly Acquired Autos	07/01/2018-07/01/2019	Per Filed Value		
	Property			106,038	
	Buildings	07/01/2018-07/01/2019	Per Filed Value		
	Mobile Equipment	07/01/2018-07/01/2019	Per Filed Value		
	Boiler and Machinery	07/01/2018-07/01/2019	Replacement Cost of Machinery & Equipment not covered elsewhere	Included above	
	Excess Crime	07/01/2018-07/01/2019	Per Loss / \$750,000	2,281	
	Excess Cyber Liability	07/01/2018-07/01/2019	\$450,000 / \$450,000	3,240	
	Excess Earthquake	07/01/2018-07/01/2019	Each Occur. \$5,000,000	27,000	
	Excess Flood	07/01/2018-07/01/2019	Each Occur. \$5,000,000	4,500	
	ACE Group	Airport Liability	07/01/2018-07/01/2019	\$4,000,000 / \$4,000,000	2,505
	Wright National Flood Ins. Co.	Flood	07/01/2018-07/01/2019	\$100,000	870
Safety National Casualty Corp.	Workers' Compensation Self-Insured Bond	07/01/2018-07/01/2019		6,000	
Midwest Employers Casualty Co	Excess Workers' Compensation	07/01/2018-07/01/2019	Statutory / \$1,000,000	75,199	
AIG/Chartis	Volunteer Accident Ins	07/01/2018-07/01/2019	\$50,000	2,000	
ACE Group	Underground Storage Tank Pollution Liability	07/01/2018-07/01/2019	\$2,000,000 / \$1,000,000	1,063	

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administration	4.00	4.00	3.00	3.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Legal	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Information Technology	9.00	9.00	8.75	8.75	8.80	8.80	8.80	8.80	8.80	7.95	7.95
Finance	16.75	16.75	16.75	16.75	16.25	16.25	16.25	16.25	16.25	17.25	17.25
Municipal Court	4.07	4.07	4.15	4.15	4.15	4.15	4.15	3.15	3.65	3.65	3.65
City Recorder/Treasurer	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police	40.00	40.00	36.75	36.75	36.75	36.75	36.30	35.30	34.80	34.80	36.80
Fire	37.40	37.40	37.60	37.60	34.75	34.75	34.75	33.75	32.00	32.40	33.40
Streets	8.35	8.35	10.70	10.70	10.70	10.70	10.95	9.90	9.90	10.20	10.20
Water	14.00	14.00	15.00	15.00	14.50	14.50	14.50	14.50	14.50	16.30	16.30
Wastewater	13.65	13.65	11.30	11.30	11.30	11.30	11.30	10.30	10.30	12.80	12.80
Public Works Administration	8.50	8.50	7.00	7.00	7.00	7.00	7.00	6.00	7.50	7.00	7.00
Engineering	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	5.00	6.00	6.00
Facilities Maintenance / Cemetery	5.50	5.50	5.50	5.50	4.00	4.00	4.50	4.50	4.50	4.00	4.00
Fleet Maintenance	5.00	5.00	4.00	4.00	4.80	4.80	4.80	4.80	5.00	3.50	3.50
Planning	10.90	10.90	9.00	9.00	9.00	9.00	9.00	8.90	8.90	8.70	8.70
Building	4.10	4.10	4.00	4.00	4.00	4.00	4.00	3.70	3.60	3.85	3.85
Electric	17.00	17.00	17.00	17.00	17.25	17.25	17.25	17.75	17.75	18.50	18.50
Telecommunication	5.50	5.50	5.75	5.75	5.70	5.70	5.70	6.70	6.20	7.55	7.55
Conservation	5.00	5.00	4.00	4.00	3.50	3.50	3.50	3.00	3.00	3.00	3.00
Subtotal	221.72	221.72	214.25	214.25	210.45	210.45	210.75	205.30	202.65	208.45	211.45
Parks	37.25	37.25	48.00	48.00	43.80	43.80	43.80	43.80	43.45	45.65	48.55
Total	258.97	258.97	262.25	262.25	254.25	254.25	254.55	249.10	246.10	254.10	260.00

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Physical arrests, juvenile and adult	2,056	2,439	2,083	2,042	2,591	2,509	2,868	2,670	2,343	2,073
Traffic violations	2,830	2,849	2,155	2,065	2,969	3,461	3,061	2,679	2,868	3,160
Fire										
Fire alarm responses	1,024	994	1,004	819	462	398	390	379	291	359
Emergency medical responses	2,776	2,873	2,900	2,718	3,144	3,098	2,927	3,105	2,694	2,705
Non-emergency public service responses	355	316	274	248	261	155	97	94	79	75
Fire & Life Safety code enforcements	616	746	486	507	499	404	380	246	215	293
Total calls for service	4,155	4,183	4,178	4,063	3,867	3,533	3,414	3,577	3,327	3,128
Total ambulance patient transports	2,016	2,069	1,972	1,942	1,895	1,600	1,523	1,635	1,611	1,456
Water										
Service connections	9,239	8,841	9,155	7,689	8,738	8,870	9,038	9,071	8,678	8,433
Daily average consumption in millions of gallons	3.00	3.00	2.70	4.10	3.00	2.90	2.70	2.70	4.61	2.70
Maximum daily capacity of plant in million gallons	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Sewer										
Service connections	8,426	8,440	8,394	8,414	8,308	8,295	8,181	7,850	8,181	7,995
Daily average treatment in million of gallons	2.10	2.15	2.20	2.20	2.40	2.25	2.20	2.20	2.10	2.20
Maximum daily capacity in millions of gallons	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.30	4.00	4.00
Electric										
Service connections	13,205	12,817	11,864**	12,706	12,678	12,662	11,914	12,148	11,985	11,275
Telecommunications										
Cable TV	1,000	1,125	1,200	1,350	1,306	1,400	1,840	0	0	0
Cable modem	4,021	4,020	3,933	3,962	3,800	3,961	4,082	4,066	4,454	4,094
Potential station capacity	140	140	140	140	140	140	140	140	140	140

** Actual service connections, previous information provided was by billed services

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Contact station	1	1	1	1	1	1	1	1	1	1
Patrol units (vehicles)	8	8	8	8	8	8	8	8	8	8
Sworn officers	30	32	28	28	28	28	28	25	25	26.5
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Firefighters	30	30	30	26	27	27	27	26	26	26
Streets										
Miles of paved streets	93.84	93.84	93	93	92	92	92	92	92	92
Miles of gravel streets	9.54	9.54	10	10	9	9	9	9	9	14
Miles of storm sewers	94.54	94.54	94	94	93	93	93	93	93	93
Water										
Miles of water mains	132.9	133	132	132.76	130	130	130	130	130	130
Hydrants	1,269	1266	1263	1263	1267	1,266	1,262	1,248	1,248	1,245
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Sewer										
Miles of sanitary sewers	110	111.7	110	110	110	110	110	110	110	110
Treatment plant	1	1	1	1	1	1	1	1	1	1

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

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Electric										
Street lights	1,888	1,884	1,865	1,865	1,864	1,864	1,858	1,827	1,827	1,832
Electrical transformers	2,087	2,071	2,052	2,049	2,040	2,032	2,025	2,007	2,007	2,002
Poles	3,603	3,601	3,600	3,600	3,602	3,605	3,600	3,506	3,506	3,560
Substations	3	3	3	3	3	3	3	3	3	3
Telecommunications										
Miles of fiber	60	60	25	25	25	25	25	25	25	25
Miles of coax	119	119	119	119	119	119	119	119	119	119
Parks and Recreation										
Community centers	3	3	3	3	3	3	3	3	3	3
Parks	18	18	19	19	19	19	16	16	16	19
Park acreage	797	772		831	642	642	642	642	642	642
Golf courses	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Ice skating rinks	1	1	1	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Trails (miles)	48	48	48	41	40	29	29	29	29	25
Health Care										
Hospital	1	1	1	1	1	1	1	1	1	1
Hospital beds	49	49	49	49	49	49	49	49	49	49
Education										
Elementary schools	N/A	4	4	4	4	4	4	4	4	4
Elementary school instructors	N/A	71	70	78	75	69	69	69	69	59
Secondary schools	N/A	2	2	2	2	2	2	2	2	2
Secondary school instructors	N/A	135	101	105	103	91	91	91	91	106
State universities	1	1	1	1	1	1	1	1	1	1



AUDIT COMMENTS AND DISCLOSURES

Required by State Regulations

Oregon Administrative Rules 162-10-0000 through 162-10-0330, the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in audit reports. The required financial statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth following.



Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon Minimum Audit Standards

To the Mayor and City Council
City of Ashland, Oregon

We have audited the basic financial statements of the City of Ashland, Oregon (the City) as of and for the year ended June 30, 2019 and have issued our report thereon dated December 3, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the biennium budgets for biennium years July 1, 2017 to June 30, 2019 and July 1, 2019 to June 30, 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and, regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.

Internal Control Over Financial Reporting

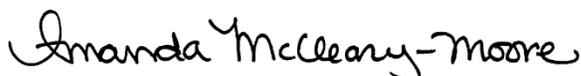
In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the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

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

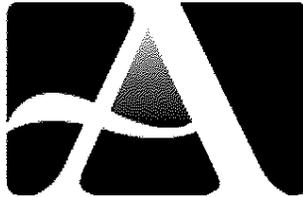
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

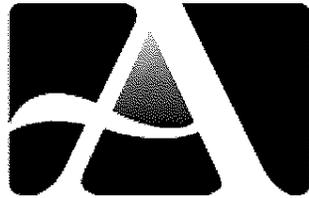
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Amanda McCleary-Moore, Partner, for
Moss Adams LLP
Medford, Oregon
December 3, 2019





GOVERNMENT AUDITING STANDARDS COMPLIANCE REPORTS



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

To the Mayor and City Council
City of Ashland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ashland, Oregon (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 3, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams LLP

Medford, Oregon
December 3, 2019



Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Mayor and City Council
City of Ashland, Oregon

Report on Compliance for the Major Federal Program

We have audited City of Ashland, Oregon's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Mass Adams LLP

Medford, Oregon
December 3, 2019

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2019 Government Auditing Standard Compliance Reports

CITY OF ASHLAND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2019

Program Title	Federal CFDA Number	Pass-Through Organization	Identifying Number	Passed Through to Subrecipients	Year to Date Disbursements / Expenditures
GRANTS					
DEPARTMENT OF AGRICULTURE					
Cooperative Forestry Assistance TNC State & Private Grant 01/30/2018-01/31/2022 Project# 000609	10.664	The Nature Conservancy	COA_S&PF_2018123	\$ -	\$ 4,199
Cooperative Forestry Assistance TNC Fire Ecology Trail Grant 03/22/2018-06/30/2018 Project# 00061	10.664	The Nature Conservancy	COA_Interp 20180322	-	8,000
Total CFDA 10.664					12,199
Cooperative Forestry Assistance FY19 FAC Grant 10/05/2018-06/30/2019 Project# 000639	10.698	Watershed Research & Training Ctr	329-2018-111	-	19,645
Wildland Fire Management Ashland Forest Resiliency Grant 10/17/2016-01/01/2020 Project# 000	10.688	Lomakatsi Restoration Project	2016-SA-11061000-037	-	46,462
Total Department of Agriculture				\$ -	\$ 78,306
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/Entitlement Grants 07/01/2017-06/30/2018-Grant Award	14.218	Direct	B17MC410008	-	52,430
07/01/2018-06/30/2019-Grant Award	14.218	Direct	B18MC410008	-	54,066
Total CDBG Entitlement Grants Cluster					106,496
Total Department of Housing and Urban Development				\$ -	\$ 106,496
DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program 04/01/2014-ongoing Project # 000445	16.607	Direct	ASHLAND CITY	-	4,205
Public Safety Partnership and Community Policing Grants Community Policing Development Program COPS Grant 09/01/2015-02/28/2019 Project# 000519	16.710	Direct	2015CKWXX019	18,308	18,308
Total Department of Justice				\$ 18,308	\$ 22,513
DEPARTMENT OF TRANSPORTATION					
State and Community Highway Safety Ashland Safety Belt Grant 02/07/18-not specific Project# 000479	20.616	Direct	M1HVE-18-46-03 BBB	-	2,748
State and Community Highway Safety Ashland Safety Belt Grant 12/28/18-9/30/19 Project# 000659	20.616	Direct	M1HVE-19-46-03 AAA	-	590
State and Community Highway Safety Distracted Driving Grant 11/7/18-9/30/19 Project# 000648	20.600	Direct	07-639-5508	-	478
Total Highway Safety Cluster					3,815
Total of Department of Transportation				\$ -	\$ 3,226
TOTAL GRANTS EXPENDED or PASSED THROUGH to SUBRECIPIENTS				\$ 18,308	\$ 210,541
LOANS					
ENVIRONMENTAL PROTECTION AGENCY					
Capitalization Grants for Drinking Water State Revolving Funds Park Estates and Terrace St 7/19/2014 - Ongoing Project # 201204 a	66.468	Oregon Infrastructure Finance Authority	S14005		1,703,383
STATE OF OREGON					
Safe Drinking Water Revolving Loan Fund 2.5 MGD Water Treatment Plant Project # 201531	66.468	Oregon Infrastructure Finance Authority	S16021		941,276
Total Drinking Water State Revolving Fund Cluster					2,644,659
Total of Environmental Protection Agency					2,644,659
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ 2,855,200

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF ASHLAND, OREGON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2019 Government Auditing Standard Compliance Reports

**CITY OF ASHLAND, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR JUNE 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
66.468	Drinking Water State Revolving Fund Cluster	Unmodified

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

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported