



CITY OF ASHLAND, OHIO

Comprehensive Annual Financial Report

For The Year Ended December 31, 2016





Dave Yost • Auditor of State

City Council
City of Ashland
206 Claremont Avenue
Ashland, Ohio 44805

We have reviewed the *Independent Auditor's Report* of the City of Ashland, Ashland County, prepared by Julian & Grube, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Ashland is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 12, 2017

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City of Ashland, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2016

Prepared by:
Larry D. Paxton, Director of Finance
and Finance Department Staff



Introductory Section



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*City of Ashland
Comprehensive Annual Financial Report
Year Ended December 31, 2016*

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INCOME TAX DIVISION
218 LUTHER STREET
ASHLAND, OHIO 44805
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City of Ashland

July 21, 2017

Dear,

Mayor Duane R. Fishpaw, Former Mayor Glen P. Stewart, Law Director Richard P Wolfe, Municipal Court Judge John L. Good, Ashland City Council Members Ruth G. Detrow, Matt Miller, Steve N. Workman, Robert M. Valentine, Sandra Hedlund Tunnell, Business Partners, and Fellow Citizens;

The Comprehensive Annual Financial Report

Attached please find the City of Ashland's Comprehensive Annual Financial Report for the year ending December 31, 2016. As a part of our commitment to a good and transparent government, and as a requirement of the State of Ohio, we have prepared this report for your review and consideration. In conjunction with preparing this report we have filed our Basic Financial Statements with the Auditor of State's office within one hundred and fifty (150) days of the mandatory year end requirement. It is our hope that you find this report both helpful and informative in detailing your local government's activities and initiatives. This report was prepared pursuant to Generally Accepted Accounting Principles (GAAP). That standard requires the City to adhere to strict accounting standards and principles. Within the report you will find the City's financial statements, notes, statements of revenues and expenditures, fund balances, and an informational statistical section. We have diligently worked to prepare a complete and accurate representation of the information contained within this report. We also have included a section of the Management Discussion and Analysis (MD&A). The MD&A section provide a narrative of our financial statements, as well as an overview of information contained within the report.

The annual audit for the City was performed in cooperation with the Honorable Auditor of State Mr. David Yost's Columbus Regional Office. Auditor Yost's office and the City have entered into a contracted with the IPA firm Julian & Grube Inc. a Certified Public Accounting firm to perform the annual audit for the City. The City also independently employs Rea & Associates, Inc., another Certified Public Accounting firm to assist it in

the preparation of the Basic Financial Statements and the Comprehensive Annual Financial Report (CAFR) included within this report.

Julian & Grube, Inc. has issued an unmodified (“clean”) opinion of the City of Ashland’s financial statements for the year ended December 31, 2016. The independent auditor’s report is located in the front of the financial section of this report. The Auditor of State’s office has acknowledged the completion of the annual audit.

Historical Background

The Village of Uniontown, Ohio was founded on July 28, 1815. On April 12, 1823 the first U.S. Post Office was established in the village. An election to adopt a charter changing the form of government from a Village to a City was held on the 18th, day of June, 1914. The outcome of the election was 425 citizens voting in favor and 145 voting against the measurer. The City of Ashland continues today as a municipal corporation formed under the laws of the State of Ohio and that Charter. In an effort to stay abreast of changing times the Charter has been amended by the voter periodically to address those changes. About the time of the changing in then type of government the name was changed from Uniontown to Ashland.

The Charter Preamble reads ”We, the people of the City of Ashland, in order that we may have the benefits of municipal home rule and exercise all the powers of local self-government do frame and adopt this Charter for the government of the aforesaid City of Ashland.

Profile of the Government

The City of Ashland is located in the North Central part of the State of Ohio and encompasses 10.9976 square miles. The City of Ashland is home to 20,362 citizens. Located in Ashland County, the City is the largest municipal government within the county. The Ashland County Government offices are located within the City. The City’s management team consists of an elected Mayor serving as the Chief Executive officer as well as the Chief Service & Safety Director. An elected Director of Law serving as chief legal advisor and prosecutor. An elected Director of Finance serving as chief financial and accounting officer. The elected Council President serves as the head of the legislative branch and presiding officer of the City Council meetings. The Council President is chosen from the five elected councilpersons and is appointment by the remaining four elected councilpersons. The citizens elect four individuals from their prospective wards to serve as their council representatives and one councilperson-at-large serving as the entire community representative. A Municipal Court Judge is also elected, who serves both the City and the County in matters other than Juvenile and Common Pleas Court actions. All of these elected officials serve the community as independently office holders. All officials are elected at staggered four year terms, except for the Judge who is elected to a six year term. The staggered terms provides consistency to the government by blending elected leaders with different levels of experience and knowledge.

The City provides a full range of services as directed by its Charter. These services include Police & Fire protection, Law administration and enforcement, Health Care

administration, Utility services, Recreational activities, Programing, Planning and Zoning, Right-of-Way development and maintenance, Sanitation Services, Tax collection and enforcement, Economic Development, and General Administrative services. The City includes within this report all funds, agencies, boards and commissions that are either controlled by or dependent on the City's budget adoption process, taxing authority, and / or the City's obligation to fund those activities.

Annual tax budgets are prepared for all funds and departments of the City and approved on or before July 15th of each year. Spending appropriations are prepared and adopted on or before March 31st for each year. Both the Tax budget and the Annual spending Appropriations are approved by the legislative body. The spending appropriation builds upon the tax budget which establishes revenues streams. All Budgets and Appropriations are prepared by activity grouping levels of controls and projected five years into the future

Financial Policies & Management Initiatives

The City utilizes accounting policies, and procedures that operate within the parameters of the Charter of the City of Ashland, the Ohio Revised Code and the Administrative Code of the State of Ohio. The City follows all Federal laws and regulations, as well as pronouncements made by the Government Accounting Standards Board (GASB). Best practice management processes are determined and implemented by each elected official with respect to their areas of operation. All elected officials seek and determine their own procurement guidelines for goods and services but operate under one main purchasing policy.

The City continually strives to developing long-term financial plans in an effort to increase its major fund reserve balances. One of these initiatives is aggressively retiring long term debt. Another is issuing short term financing where possible in an effort to reduce interest costs. The City has begun working on a new debt policy that will better define when and how the City will incur debt in the future.

An end of accounting period cash carryover policy for major funds was established stipulating that an estimated dollar amount of three payrolls will be carried forward each year for those funds. The City's management continually monitors operational costs including personnel, health care and production cost in an effort to make sure revenue and expenditure targets met.

Major Initiatives

The City continues its catch basin replacement program within the City, funding solely by a storm water surcharge. Construction was completed on the State Route 96 / 42 / US RT 250 intersection with the Ohio Department of Transportation overseeing the project. The cost for this project exceeded \$8,473,424 with the City participating in the project through a small city grant program. The City also began design on improvements of two major traffic signals within the City. Funding for those improvements will come from the Ohio Public Works Commission, a state capital project funding intuitive.

The Ohio Environment Protection Agency has requested the City make some changes and improvements to its Wastewater Treatment facility. Design work began for these improvements in 2016 with an expected start date for construction in 2017. The funding for this project will be paid for by user fees that have and will be collected into the future for this project.

In November 2016 the voters of Ashland approved a five year additional one half (1/2%) percent income tax increase, increasing our tax rate to two (2%) percent. One half of the additional funding will be used for street resurfacing with the City issuing notes in 2017 for resurfacing. The other half will be used to hire additional Police & Fire Division employees. These newly hired employees will eventually replace retiring employees from those divisions.

Economy

In 2016 the City's economy continued to improve from the great recession. Production in the businesses climate continued to improve at a steady pace. Some businesses consolidated with others with transitioning. We have also seen a portion of the business community begin to expand their workforce.

Retail markets remained strong during the year with a surge coming during the holiday season. Construction on a new Hampton Inn began with an early 2017 opening date. This new facility will increase the community's lodging market to better accommodate the Interstate 71 door trade. Also a new group of retail stores was started including a new Chipotle Mexican Restaurant.

The housing market continued to increase slightly during the construction season with a few new homes being started. A new housing development was also started that will accommodate about a dozen new homes.

Ashland University is one of the pillars in our community for over 139 years and continues today training young minds in a private, liberal arts and sciences setting. Curriculums include Arts & Sciences, Business & Economics, Education and Nursing and Health Sciences, Graduate courses, Online, Adult studies; Continuing Education; and the Ashland Theological Seminary.

These activities have all contributed to positioning the community for the future while increasing the City's tax base both through income and property tax collection.

Disclaimer

The Director of Finance to the best of his ability has provided a complete and reliability information that is contained within this report. The Finance Divisions utilizes a comprehensive framework to ensure that this information is reliable and accurate. Because the cost of internal controls should not exceed the benefit derived from such controls, the information provided in the report is free from any material misstatements to the best of our knowledge and ability.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Ashland for its Comprehensive Annual Financial Report for the calendar year ended December 31, 2015. This was the ninth consecutive year the City of Ashland has achieved this prestigious award for financial reporting. To achieve this award the City has prepared and published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both general accepted accounting principles and all applicable legal requirements. This award is valid for a period of one year.

The preparation of this report would not have been possible without the cooperation of our associates at the State Auditor's Office, Julian & Grube Inc., Rea & Associates, and most importantly the hard working and dedicated staff of the Finance / Income Tax Division employees. I publicly would like to express my sincere appreciation for all of my employee's hard work and dedication to their jobs and our community throughout the year. It is our hope that you find this report most informative of your government's activities. We strive to excel in financial reporting of your governments accomplishments within the reasonable cost associated with that benefit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Larry D. Paxton", written over a horizontal line.

Larry D. Paxton
Director of Finance
Income Tax Administer

City of Ashland, Ohio
Comprehensive Annual Financial Report

City Officials
As of January 1, 2016

Mayor

Glen P. Stewart

10/28/1981 – 9/30/1989 (Council)
7/3/2002 – 12/31/2007 (Council President)
Appointed / Elected 1/1/2008 – present (Mayor)

Ruth G. Detrow -3rd Ward Representative & City Council President

Elected 1/1/1982 – 12/31/1985
Elected 9/20/2002 – present

Duane Fishpaw – 1st Ward Representative

9/3/1980 – 11/25/2011
Retired City of Ashland Fire Chief
Elected 1/01/2012 – present

Robert M. Valentine 2nd Ward Representative

Employed **seasonally**: 1974 (Laborer),
1978 (Sewer), 1979 (Park)
Retired Ohio Department of Transportation
Elected 1/1/2006 – present

Sandra Hedlund Tunnell 4th Ward Representatives

Executive Director of Ashland Main Street
Elected 1/1/2010 - present

Matt Miller Council at Large Representatives

Ohio Department of Transportation
Elected 1/1/2016 - present

Honorable John L. Good - Municipal Court Judge

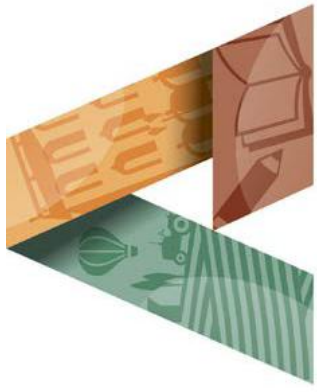
Private Attorney
1/11/2008 – 12/31/2011 (Acting Judge)
Elected 1/1/2012 – present

Richard P. Wolfe II - Law Director

2/11/1974 – 12/31/1975 (Asst. Law Director)
Elected 1/1/1976 – present

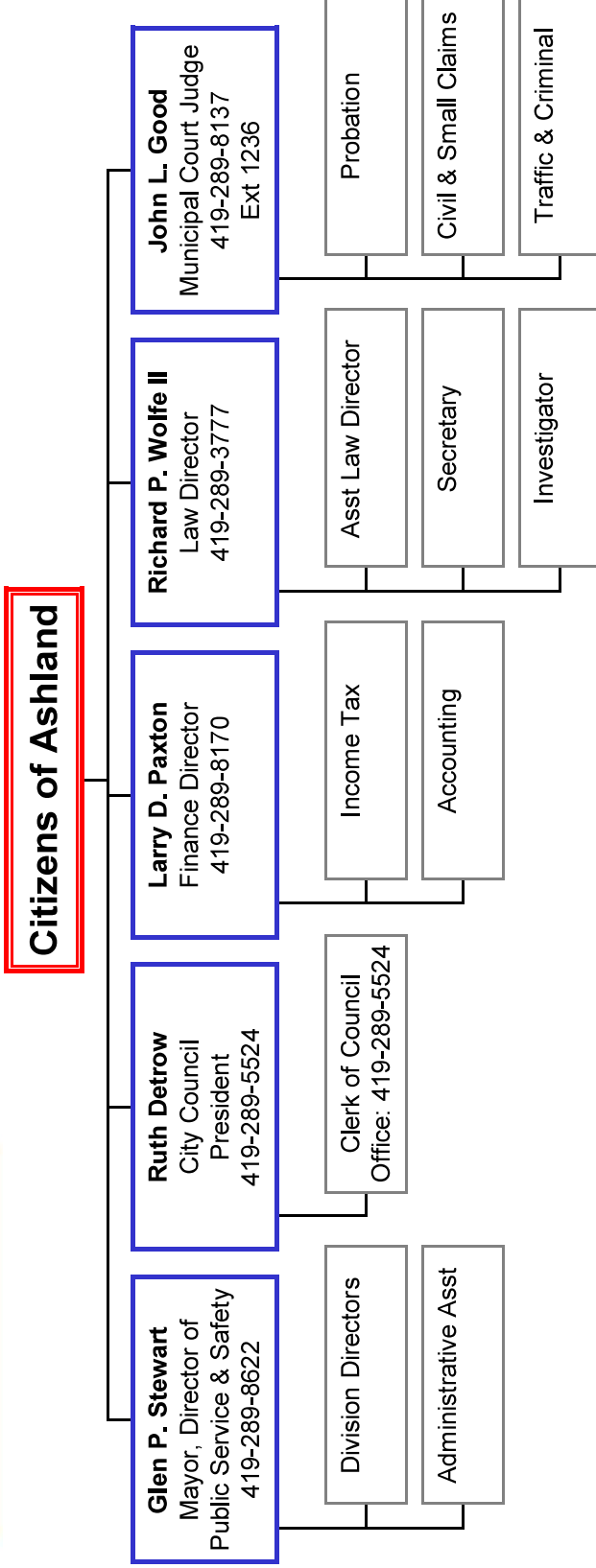
Larry D. Paxton - Director of Finance

5/1/2006 – 1/6/2007 (Assistant Director of Finance)
Appointed / Elected 11/20/2009 – Present



city of
ASHLAND

City of Ashland Elected Officials





Government Finance Officers Association

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

Presented to

**City of Ashland
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

Financial Section



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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

City of Ashland
Ashland County
206 Claremont Avenue
Ashland, Ohio 44805

To the Members of Council and Mayor:

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 the City of Ashland, Ashland County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Ashland's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City of Ashland's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City of Ashland's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Independent Auditor's Report
City of Ashland

Opinion

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 of Ashland, Ashland County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, thereof for the year then ended in accordance with the 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 this presentation to include *Management's discussion and analysis*, and schedules of net pension liability and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City of Ashland's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Independent Auditor's Report
City of Ashland

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2017, on our consideration of the City of Ashland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ashland's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
July 21, 2017

City of Ashland
Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

The discussion and analysis of the City of Ashland's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- In total, net position increased \$770,205, which represents a 1 percent increase from 2015. Net position of governmental activities decreased \$324,585. Net position of business-type activities increased \$1,094,790.
- Total capital assets decreased \$314,451 in 2016. Capital assets of governmental activities increased \$308,098 and capital assets of business-type activities decreased \$622,549.
- Outstanding debt decreased from \$11,639,765 to \$11,152,868 due to principal payments made during the year.

Using this Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the City of Ashland as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2016 and how they affected the operations of the City as a whole.

Reporting the City of Ashland as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of Ashland, the general fund is by far the most significant fund. Business-type funds consist of the water, sewer, sanitation, stormwater management, golf course and swimming pool funds.

City of Ashland
Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

A question typically asked about the City's finances "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources and liabilities and deferred inflows of resources* (excluding fiduciary funds) using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's *net position* and *changes in net position*. This change in net position is important because it tells the reader that, for the City as a whole, the *financial position* of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, and other factors.

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, public health, community and economic development, leisure time activities and transportation.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, sanitation, stormwater management, golf course and swimming pool funds are reported as business-type activities.

Reporting the City of Ashland's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental fund is the general fund.

Governmental Funds Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

City of Ashland
Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(Unaudited)

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The City of Ashland as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2016 compared to 2015:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$ 10,387,588	\$ 9,389,016	\$ 11,060,778	\$ 10,034,862	\$ 21,448,366	\$ 19,423,878
Net Pension Asset	0	7,954	0	5,998	0	13,952
Capital Assets	24,451,178	24,143,080	35,143,902	35,766,451	59,595,080	59,909,531
<i>Total Assets</i>	<u>34,838,766</u>	<u>33,540,050</u>	<u>46,204,680</u>	<u>45,807,311</u>	<u>81,043,446</u>	<u>79,347,361</u>
Deferred Outflows of Resources						
Deferred Charges on Refunding	26,498	30,423	90,426	103,823	116,924	134,246
Pension	4,578,939	1,790,268	1,207,927	418,089	5,786,866	2,208,357
<i>Total Deferred Outflows of Resource.</i>	<u>4,605,437</u>	<u>1,820,691</u>	<u>1,298,353</u>	<u>521,912</u>	<u>5,903,790</u>	<u>2,342,603</u>
Liabilities						
Long-Term Liabilities:						
Due Within One Year	704,334	188,182	833,228	823,897	1,537,562	1,012,079
Due in More Than One Year						
Net Pension Liability	16,766,721	12,879,469	3,158,473	2,317,259	19,925,194	15,196,728
Other Amounts	1,766,369	1,972,007	8,702,387	9,504,389	10,468,756	11,476,396
Other Liabilities	471,088	421,494	157,856	147,753	628,944	569,247
<i>Total Liabilities</i>	<u>19,708,512</u>	<u>15,461,152</u>	<u>12,851,944</u>	<u>12,793,298</u>	<u>32,560,456</u>	<u>28,254,450</u>
Deferred Inflows of Resources						
Property Taxes and Other	1,170,275	1,078,490	0	0	1,170,275	1,078,490
Pension	125,303	56,401	62,913	42,539	188,216	98,940
<i>Total Deferred Inflows of Resources</i>	<u>1,295,578</u>	<u>1,134,891</u>	<u>62,913</u>	<u>42,539</u>	<u>1,358,491</u>	<u>1,177,430</u>
Net Position						
Net Investment in Capital Assets	23,179,172	22,716,236	25,872,307	25,687,775	49,051,479	48,404,011
Restricted	4,516,239	4,753,974	0	0	4,516,239	4,753,974
Unrestricted	(9,255,298)	(8,705,512)	8,715,869	7,805,611	(539,429)	(899,901)
<i>Total Net Position</i>	<u>\$ 18,440,113</u>	<u>\$ 18,764,698</u>	<u>\$ 34,588,176</u>	<u>\$ 33,493,386</u>	<u>\$ 53,028,289</u>	<u>\$ 52,258,084</u>

During 2015, the City adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27*, which significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension.

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension asset/liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68, the net pension asset/liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension asset/liability not accounted for as deferred inflows/outflows of resources.

At year end, capital assets represented 74 percent of total assets. Capital assets include land, buildings and improvements, equipment, vehicles, streets, bridges, street lighting, infrastructure and construction in progress. Net investment in capital assets was \$49,051,479 at December 31, 2016, with \$23,179,172 in governmental activities and \$25,872,307 in business-type activities. These capital assets are used to

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provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$4,516,239 or 9 percent represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit balance of \$539,429.

Current assets of governmental activities increased \$998,572 due to an increase in cash related to bond anticipation notes being issued but the proceeds were not spent. Prepaids also increased due to the worker's compensation premium being paid as of December 31, 2016 for 2017.

Deferred outflows increased \$2,784,746 mainly due to pension outflows.

Long term liabilities of governmental activities increased \$4,197,766. This increase is mainly due to GASB 68.

Business type activities/enterprise funds saw an increase of \$1,025,916 in current assets. This increase is primarily due to increasing cash balances from sewer operations. Rate increases in recent years have allowed the City to accumulate money for major planned capital improvements. Long term liabilities increased \$48,543 due to an increase of \$841,214 from GASB 68 and a decrease of \$792,671 due to the payment of debt.

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Table 2 shows the changes in net position for fiscal year 2016 and 2015.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 2,738,978	\$ 2,829,485	\$ 10,080,146	\$ 9,977,906	\$ 12,819,124	\$ 12,807,391
Operating Grants	1,537,755	2,281,600	0	251	1,537,755	2,281,851
Capital Grants	1,258,208	6,233,097	158,210	0	1,416,418	6,233,097
<i>General Revenues:</i>						
Property Taxes	1,072,104	990,421	0	0	1,072,104	990,421
Income Taxes	9,746,581	9,606,783	0	0	9,746,581	9,606,783
Other Taxes	5,432	6,925	0	0	5,432	6,925
Grants and Entitlements	395,430	434,638	0	0	395,430	434,638
Gain on Sale of Capital Assets	0	162,151	0	0	0	162,151
Investment Earnings	23,515	5,378	0	0	23,515	5,378
Miscellaneous	118,808	188,127	2,113	4,990	120,921	193,117
<i>Total Revenues</i>	<u>16,896,811</u>	<u>22,738,605</u>	<u>10,240,469</u>	<u>9,983,147</u>	<u>27,137,280</u>	<u>32,721,752</u>
Program Expenses						
General Government	4,627,063	4,100,811	0	0	4,627,063	4,100,811
Security of Persons and Property	8,674,504	7,968,424	0	0	8,674,504	7,968,424
Public Health	316,857	302,764	0	0	316,857	302,764
Leisure Time Services	874,829	868,634	0	0	874,829	868,634
Community Development	276,464	353,745	0	0	276,464	353,745
Transportation	2,491,259	2,527,069	0	0	2,491,259	2,527,069
Interest and Fiscal Charges	53,318	50,464	0	0	53,318	50,464
<i>Enterprise Operations:</i>						
Water	0	0	3,300,071	3,421,921	3,300,071	3,421,921
Sewer	0	0	3,091,306	2,965,673	3,091,306	2,965,673
Sanitation	0	0	1,539,953	1,588,917	1,539,953	1,588,917
Stormwater Management	0	0	476,503	593,830	476,503	593,830
Golf Course	0	0	544,880	590,723	544,880	590,723
Swimming Pool	0	0	100,068	89,301	100,068	89,301
<i>Total Program Expenses</i>	<u>17,314,294</u>	<u>16,171,911</u>	<u>9,052,781</u>	<u>9,250,365</u>	<u>26,367,075</u>	<u>25,422,276</u>
<i>Increase (Decrease) in Net Position</i>	(417,483)	6,566,694	1,187,688	732,782	770,205	7,299,476
Transfers	92,898	(169,519)	(92,898)	169,519	0	0
<i>Change in Net Position</i>	(324,585)	6,397,175	1,094,790	902,301	770,205	7,299,476
<i>Net Position Beginning of Year</i>	<u>18,764,698</u>	<u>12,367,523</u>	<u>33,493,386</u>	<u>32,591,085</u>	<u>52,258,084</u>	<u>44,958,608</u>
<i>Net Position End of Year</i>	<u>\$ 18,440,113</u>	<u>\$ 18,764,698</u>	<u>\$ 34,588,176</u>	<u>\$ 33,493,386</u>	<u>\$ 53,028,289</u>	<u>\$ 52,258,084</u>

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Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, grants and charges for services.

The City's income tax is at a rate of 1.5 percent. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

Governmental revenue is comprised of program revenue and general revenue. General revenues include grants and entitlements, such as local government funds. Governmental activities are primarily funded with the combination of property tax, income tax and intergovernmental revenues. The City monitors its sources of revenues very closely for fluctuations.

The City saw a \$4,974,889 decrease in capital grant revenue in 2016. This decrease is largely due to the ODOT project of the bridge removal at Route 42 and 250 being completed in 2016. Operating grants decreased due from CDBG grants received in 2015 and not in 2016.

Community development expense decreased in 2016 by \$77,281 due to less money being spent in the Ohio regional development fund.

Police and fire represent the largest expense of the governmental activities. This expense of \$8,674,504 represents 50 percent of the total governmental activities expenses. These two departments operate primarily out of the general fund.

The City's street maintenance and repair department provides the City and its citizens many services that include public road salting, leaf and debris pickup, paint striping and alley profiling. These expenses totaled \$2,491,259, representing 14 percent of total governmental activities expenses, during 2016.

The City also maintains a health department (public health) and a park (leisure time services) within the City. These areas had expenses of \$1,191,686 in 2016 equaling 7 percent of the total governmental activities expenses.

Business-Type Activities

Business-type activities include water, sewer, sanitation, stormwater management, golf course and swimming pool operations. The revenues are generated primarily from charges for services. In 2016, charges for services of \$10,080,146 accounted for almost 100 percent of the business type revenues. The total expenses for the utilities were \$9,052,781 thus leaving an increase in net position of \$1,094,790 (before transfers) for the business-type activities.

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The City's Funds

Governmental Funds

Information about the City's governmental funds begins on page 17. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$15,886,153 and expenditures of \$15,396,798. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The general fund's net change in fund balance for year end 2016 was an increase of \$449,719.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for the business-type activities, but in more detail.

Unrestricted net position of the water fund at the end of the year amounted to \$807,133, unrestricted net position of the sanitation fund was \$1,053,488 and the unrestricted net position of the sewer fund was \$6,512,215. The water fund showed an increase in net position of \$196,480. The total growth in net position for sanitation and sewer funds was \$177,699 and \$876,242, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of 2016, the City amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the Director of Finance.

For the general fund, the actual budget basis revenue was \$10,865,397, representing an increase of \$179,574 over the final budget estimate of \$10,685,823. Most of this difference was attributable to an underestimation of income taxes. The final budget revenues were \$809,100 higher than original budget revenues of \$9,876,723. Estimates were adjusted as income tax receipts were higher than originally anticipated.

Final expenditure appropriations of \$11,305,007 were \$1,067,745 higher than the actual expenditures of \$10,237,262 as cost savings were recognized for general government and security of persons and property throughout the year. Final expenditure appropriations were \$626,273 less than the original budget appropriations of \$10,678,734.

There were no significant variances to discuss within other financing sources and uses.

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Capital Assets and Debt Administration

Capital Assets

At the end of year 2016, the City had \$59,595,080 invested in capital assets. A total of \$24,451,178 of this was for governmental activities and \$35,143,902 being attributable to business-type activities. Table 3 shows fiscal year 2016 balances compared with 2015.

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 6,972,855	\$ 7,000,545	\$ 3,625,141	\$ 3,615,141	\$ 10,597,996	\$ 10,615,686
Construction in Progress	395,310	7,337,221	513,629	0	908,939	7,337,221
Buildings and Improvement:	4,057,898	4,327,372	6,773,936	7,028,220	10,831,834	11,355,592
Equipment	797,923	799,209	1,033,476	1,197,745	1,831,399	1,996,954
Vehicles	1,477,454	1,494,197	802,379	920,256	2,279,833	2,414,453
Streets	9,627,386	1,933,609	0	0	9,627,386	1,933,609
Bridges	381,400	443,194	0	0	381,400	443,194
Street Lighting	740,952	807,733	0	0	740,952	807,733
Infrastructure	0	0	22,395,341	23,005,089	22,395,341	23,005,089
<i>Total</i>	<u>\$ 24,451,178</u>	<u>\$ 24,143,080</u>	<u>\$ 35,143,902</u>	<u>\$ 35,766,451</u>	<u>\$ 59,595,080</u>	<u>\$ 59,909,531</u>

The \$308,098 increase in capital assets of governmental activities was attributable to current year additional purchases exceeding depreciation and disposals exceeding additional purchases. The \$622,549 decrease in capital assets of business-type activities is due to current year depreciation and disposals exceeding additional purchases. See Note 8 for additional information about the capital assets of the City.

Debt

The outstanding debt for the City as of December 31, 2016 was \$11,152,868. See Note 13 for additional details. Table 4 summarizes outstanding debt.

Table 4
Outstanding Debt, at December 31

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 1,280,000	\$ 1,445,000	\$ 9,220,000	\$ 10,025,000	\$ 10,500,000	\$ 11,470,000
Premium on Bonds	10,684	12,267	142,184	157,498	152,868	169,765
Bond Anticipation Notes	500,000	0	0	0	500,000	0
<i>Total</i>	<u>\$ 1,790,684</u>	<u>\$ 1,457,267</u>	<u>\$ 9,362,184</u>	<u>\$ 10,182,498</u>	<u>\$ 11,152,868</u>	<u>\$ 11,639,765</u>

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Economic Factors

In 2016 the City's economy continued to improve from the great recession. Production in the businesses climate increased at a steady pace. Some businesses were consolidated and are transitioning to new management teams. During the year the business community began to expand their workforce. Unemployment leveled off around 4.8%. Property tax values increased slightly for 2016 by \$11,602,110 to a new total value of \$315,548,930.

Retail markets remained strong during the year with a surge coming during the holiday season. Construction on a new Hotel began with an early 2017 opening date. This additional facility increased our lodging market allowing it to better compete for the Interstate 71 business. Also a new group of retail stores was started including a popular restaurant chain.

The housing market continued to increase slightly during the construction season with a few new homes being built. A new housing development was also started that will accommodate about a dozen new homes.

The Ashland University one of the pillars of our community for over 139 years prospered and continues today training young minds in a private, liberal arts and sciences setting. Curriculums include Arts & Sciences, Business & Economics, Education and Nursing and Health Sciences, Graduate courses, Online, Adult studies; Continuing Education; and the Ashland Theological Seminary.

Income tax collection increased in all categories over the previous year's collection period. Individual tax collection increased by 9.3%, Withholding tax collection increased by 8.3%, while business profit taxes collection increased by 1.5% percentage. Overall income tax collection increased by \$712,733 dollars to a grand total of \$10,112,202 this amount exceeded projections by 7.6%.

All operating funds of the City continued to produce according to projections with modest gains in cash balances. During the year the City continued to retire debt in accordance with its schedules and commitments. The City continued to maintain an A1 bond rating and because of that enjoy a substantial savings in interest costs.

In 2016 the City placed an additional half percent income tax initiative on the ballot. The tax will be allocated with half of it going for road resurfacing repairs and the other half going to employ additional Police & Fire personnel. This tax initiative was over whelming approved by the voters in November.

These activities have all contributed to positioning the community for the future while increasing the City's tax base both through income and property tax collection.

The Government Accounting Standards Board (GASB) implemented rules concerning the accounting for and disclosure of public pensions by local governments. This rule identifies the financial condition of the state's pension funds but is not a representation of the City's actual Financial Condition. This rule continues to impact local governments in Ohio.

Looking to the future the City continues to be challenged to meet the needs of our community, our stakeholders and our employees. Our task remains the same to provide the best possible services with the revenues we receive. We are determined to make the right choices with a compassionate but disciplined approach in controlling costs while exploring possible new sources of revenue.

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Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Larry Paxton, Director of Finance, 206 Claremont Avenue, Ashland, Ohio 44805 or email paxton.larry@ashland-ohio.com

City of Ashland
Ashland County, Ohio
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 5,223,011	\$ 9,498,579	\$ 14,721,590
Cash and Investments in Segregated Accounts	0	548	548
Accounts Receivable	408,964	1,120,486	1,529,450
Intergovernmental Receivable	1,079,400	158,210	1,237,610
Taxes Receivable	3,030,787	0	3,030,787
Prepaid Items	362,949	117,410	480,359
Materials and Supplies Inventory	282,477	165,545	448,022
Non-Depreciable Capital Assets	7,368,165	4,138,770	11,506,935
Depreciable Capital Assets, Net	17,083,013	31,005,132	48,088,145
<i>Total Assets</i>	<u>34,838,766</u>	<u>46,204,680</u>	<u>81,043,446</u>
Deferred Outflow of Resources			
Deferred Charges on Refunding	26,498	90,426	116,924
Pension	4,578,939	1,207,927	5,786,866
<i>Total Deferred Outflow of Resources</i>	<u>4,605,437</u>	<u>1,298,353</u>	<u>5,903,790</u>
Liabilities			
Accounts Payable	140,965	40,725	181,690
Accrued Wages	153,678	51,711	205,389
Contracts Payable	447	163	610
Intergovernmental Payable	136,801	38,421	175,222
Accrued Interest Payable	6,834	26,836	33,670
Accrued Vacation Leave Payable	32,363	0	32,363
Long-Term Liabilities:			
Due Within One Year	704,334	833,228	1,537,562
Due in More Than One Year:			
Net Pension Liability (See Note 11)	16,766,721	3,158,473	19,925,194
Other Amonts Due in More Than One Year	1,766,369	8,702,387	10,468,756
<i>Total Liabilities</i>	<u>19,708,512</u>	<u>12,851,944</u>	<u>32,560,456</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	1,170,275	0	1,170,275
Pension	125,303	62,913	188,216
<i>Total Deferred Inflows of Resources</i>	<u>1,295,578</u>	<u>62,913</u>	<u>1,358,491</u>
Net Position			
Net Investment in Capital Assets	23,179,172	25,872,307	49,051,479
Restricted For:			
Debt Service	441,631	0	441,631
Capital Outlay	767,921	0	767,921
Roads and Bridges	1,557,618	0	1,557,618
Police and Fire	30,097	0	30,097
Public Transportation	387,247	0	387,247
Municipal Court Programs	925,365	0	925,365
Community Development	395,141	0	395,141
Other Purposes	11,219	0	11,219
Unrestricted	(9,255,298)	8,715,869	(539,429)
<i>Total Net Position</i>	<u>\$ 18,440,113</u>	<u>\$ 34,588,176</u>	<u>\$ 53,028,289</u>

See accompanying notes to the basic financial statements.

City of Ashland
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Statement of Activities
For the Year Ended December 31, 2016

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 4,627,063	\$ 692,816	\$ 292,384	\$ 115,574	\$ (3,526,289)	\$ 0	\$ (3,526,289)
Security of Persons and Property	8,674,504	1,832,208	143,652	6,432	(6,692,212)	0	(6,692,212)
Public Health	316,857	46,367	0	0	(270,490)	0	(270,490)
Leisure Time Services	874,829	75,691	23,196	0	(775,942)	0	(775,942)
Community Development	276,464	70,880	5,792	0	(199,792)	0	(199,792)
Transportation	2,491,259	21,016	1,072,731	1,136,202	(261,310)	0	(261,310)
Interest and Fiscal Charges	53,318	0	0	0	(53,318)	0	(53,318)
<i>Total Governmental Activities</i>	<u>17,314,294</u>	<u>2,738,978</u>	<u>1,537,755</u>	<u>1,258,208</u>	<u>(11,779,353)</u>	<u>0</u>	<u>(11,779,353)</u>
Business-Type Activities							
Water	3,300,071	3,377,257	0	0	0	77,186	77,186
Sewer	3,091,306	4,006,464	0	158,210	0	1,073,368	1,073,368
Sanitation	1,539,953	1,754,455	0	0	0	214,502	214,502
Stormwater Management	476,503	519,395	0	0	0	42,892	42,892
Golf Course	544,880	349,082	0	0	0	(195,798)	(195,798)
Swimming Pool	100,068	73,493	0	0	0	(26,575)	(26,575)
<i>Total Business-Type Activities</i>	<u>9,052,781</u>	<u>10,080,146</u>	<u>0</u>	<u>158,210</u>	<u>0</u>	<u>1,185,575</u>	<u>1,185,575</u>
<i>Total Primary Government</i>	<u>\$ 26,367,075</u>	<u>\$ 12,819,124</u>	<u>\$ 1,537,755</u>	<u>\$ 1,416,418</u>	<u>(11,779,353)</u>	<u>1,185,575</u>	<u>(10,593,778)</u>
General Revenues:							
Property Taxes Levied for:							
General Purposes					543,551	0	543,551
Police and Fire Pension					166,602	0	166,602
Park and Recreation					134,526	0	134,526
Debt Service					224,575	0	224,575
Street Maintenance and Repair					2,850	0	2,850
Income Taxes Levied for:							
General Purposes					8,545,057	0	8,545,057
Street Maintenance and Repair					577,656	0	577,656
Park and Recreation					623,868	0	623,868
Hotel Lodging Tax					5,432	0	5,432
Grants and Entitlements not Restricted to Specific Programs					395,430	0	395,430
Investment Earnings					23,515	0	23,515
Miscellaneous					118,808	2,113	120,921
<i>Total General Revenues</i>					<u>11,361,870</u>	<u>2,113</u>	<u>11,363,983</u>
Transfers					92,898	(92,898)	0
<i>Change in Net Position</i>					(324,585)	1,094,790	770,205
<i>Net Position Beginning of Year</i>					<u>18,764,698</u>	<u>33,493,386</u>	<u>52,258,084</u>
<i>Net Position End of Year</i>					<u>\$ 18,440,113</u>	<u>\$ 34,588,176</u>	<u>\$ 53,028,289</u>

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Balance Sheet
Governmental Funds
December 31, 2016

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 1,326,092	\$ 3,896,919	\$ 5,223,011
Accounts Receivable	358,603	50,361	408,964
Intergovernmental Receivable	163,661	915,739	1,079,400
Taxes Receivable	2,228,463	802,324	3,030,787
Prepaid Items	307,073	55,876	362,949
Materials and Supplies Inventory	0	282,477	282,477
<i>Total Assets</i>	<u>\$ 4,383,892</u>	<u>\$ 6,003,696</u>	<u>\$ 10,387,588</u>
Liabilities			
Accounts Payable	\$ 78,946	\$ 62,019	\$ 140,965
Accrued Wages	128,805	24,873	153,678
Contracts Payable	0	447	447
Intergovernmental Payable	118,414	18,387	136,801
<i>Total Liabilities</i>	<u>326,165</u>	<u>105,726</u>	<u>431,891</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	632,330	537,945	1,170,275
Unavailable Revenue	1,210,923	836,474	2,047,397
<i>Total Deferred Inflows of Resources</i>	<u>1,843,253</u>	<u>1,374,419</u>	<u>3,217,672</u>
Fund Balances			
Nonspendable	307,073	338,353	645,426
Restricted	0	3,535,070	3,535,070
Committed	0	650,128	650,128
Assigned	1,834,530	0	1,834,530
Unassigned	72,871	0	72,871
<i>Total Fund Balances</i>	<u>2,214,474</u>	<u>4,523,551</u>	<u>6,738,025</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 4,383,892</u>	<u>\$ 6,003,696</u>	<u>\$ 10,387,588</u>

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2016

Total Governmental Fund Balances		\$ 6,738,025
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		24,451,178
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Property Taxes	\$ 68,289	
Income Tax	1,030,485	
Intergovernmental	782,668	
Charges for Services	<u>165,955</u>	2,047,397
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(6,834)
Unamortized balances of bond related transactions are not recorded in the funds.		
Unamortized deferred charges on refundings		26,498
The net pension liability is not due and payable in the current period, and the net pension asset is not available for spending in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	4,578,939	
Deferred Inflows - Pension	(125,303)	
Net Pension Liability	<u>(16,766,721)</u>	(12,313,085)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(1,280,000)	
Bond Anticipation Note	(500,000)	
Unamortized Bond Premium	(10,684)	
Accrued Vacation Leave Payable	(32,363)	
Compensated Absences	<u>(680,019)</u>	<u>(2,503,066)</u>
 <i>Net Position of Governmental Activities</i>		 <u><u>\$ 18,440,113</u></u>

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 540,512	\$ 529,432	\$ 1,069,944
Income Taxes	8,596,358	1,209,190	9,805,548
Other Local Taxes	5,432	0	5,432
Special Assessments	0	181	181
Charges for Services	895,140	516,171	1,411,311
Licenses and Permits	70,901	0	70,901
Fines and Forfeitures	552,875	654,269	1,207,144
Intergovernmental	386,637	1,686,065	2,072,702
Interest	23,515	11,696	35,211
Rent	0	71,724	71,724
Contributions and Donations	864	16,385	17,249
Other	92,116	26,690	118,806
<i>Total Revenues</i>	<u>11,164,350</u>	<u>4,721,803</u>	<u>15,886,153</u>
Expenditures			
Current:			
General Government	3,581,536	626,938	4,208,474
Security of Persons and Property	6,483,987	1,073,278	7,557,265
Public Health	298,682	2,685	301,367
Leisure Time Services	0	765,642	765,642
Community Development	194,833	69,470	264,303
Transportation	0	1,377,628	1,377,628
Capital Outlay	2,372	707,228	709,600
Debt Service:			
Principal Retirement	0	165,000	165,000
Interest and Fiscal Charges	0	40,519	40,519
Bond Issuance Costs	0	7,000	7,000
<i>Total Expenditures</i>	<u>10,561,410</u>	<u>4,835,388</u>	<u>15,396,798</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>602,940</u>	<u>(113,585)</u>	<u>489,355</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	73,058	73,058
Bond Anticipation Notes Issued	0	500,000	500,000
Transfers In	0	123,221	123,221
Transfers Out	(153,221)	0	(153,221)
<i>Total Other Financing Sources (Uses)</i>	<u>(153,221)</u>	<u>696,279</u>	<u>543,058</u>
<i>Net Change in Fund Balance</i>	449,719	582,694	1,032,413
<i>Fund Balance Beginning of Year</i>	<u>1,764,755</u>	<u>3,940,857</u>	<u>5,705,612</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,214,474</u>	<u>\$ 4,523,551</u>	<u>\$ 6,738,025</u>

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016*

Net Change in Fund Balances - Total Governmental Funds		\$ 1,032,413
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 as depreciation expense.		
Capital Asset Additions	\$ 2,019,960	
Current Year Depreciation	<u>(1,615,641)</u>	404,319
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(96,221)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	2,160	
Income Taxes	(58,968)	
Charges for Services	(22,281)	
Intergovernmental	<u>(97,715)</u>	(176,804)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds		165,000
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Bond Anticipation Notes		(500,000)
Premiums on bonds and deferred charges related to the refunding of bonds are amortized over the life of the issuance in the statement of activities.		
Premiums on Bonds	1,583	
Deferred Charges on Refundings	<u>(3,925)</u>	(2,342)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		722,008
Except for amount reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(1,897,445)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(3,457)
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued Vacation Leave Payable	5,041	
Compensated Absences	<u>22,903</u>	<u>27,944</u>
<i>Change in Net Position of Governmental Activities</i>		<u>\$ (324,585)</u>

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 524,674	\$ 524,674	\$ 540,512	\$ 15,838
Income Taxes	7,186,200	7,995,300	8,359,057	363,757
Other Local Taxes	0	6,157	5,432	(725)
Charges for Services	878,746	862,746	814,216	(48,530)
Licenses and Permits	47,881	47,881	70,901	23,020
Fines and Forfeitures	675,428	675,428	569,504	(105,924)
Intergovernmental	421,523	415,366	389,564	(25,802)
Interest	8,500	8,500	23,515	15,015
Contributions and Donations	750	750	864	114
Other	133,021	149,021	91,832	(57,189)
<i>Total Revenues</i>	<u>9,876,723</u>	<u>10,685,823</u>	<u>10,865,397</u>	<u>179,574</u>
Expenditures				
Current:				
General Government	3,129,104	3,652,461	3,215,306	437,155
Security of Persons and Property	7,026,322	7,112,898	6,517,201	595,697
Public Health	316,501	329,202	307,017	22,185
Community Development	206,807	210,446	197,738	12,708
<i>Total Expenditures</i>	<u>10,678,734</u>	<u>11,305,007</u>	<u>10,237,262</u>	<u>1,067,745</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(802,011)</u>	<u>(619,184)</u>	<u>628,135</u>	<u>1,247,319</u>
Other Financing Sources (Uses)				
Advances In	0	0	7,726	7,726
Advances Out	0	(7,726)	(7,726)	0
Transfers Out	0	(175,101)	(153,221)	21,880
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(182,827)</u>	<u>(153,221)</u>	<u>29,606</u>
<i>Net Change in Fund Balance</i>	<u>(802,011)</u>	<u>(802,011)</u>	<u>474,914</u>	<u>1,276,925</u>
<i>Fund Balance Beginning of Year</i>	<u>809,584</u>	<u>809,584</u>	<u>809,584</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 7,573</u>	<u>\$ 7,573</u>	<u>\$ 1,284,498</u>	<u>\$ 1,276,925</u>

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2016

	Enterprise Funds				Total
	Water	Sewer	Sanitation	Nonmajor Enterprise Funds	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Investments	\$ 984,646	\$ 6,663,980	\$ 1,317,246	\$ 532,707	\$ 9,498,579
Cash and Investments in Segregated Accounts	0	0	0	548	548
Accounts Receivable	487,966	594,806	29,146	8,568	1,120,486
Intergovernmental Receivable	158,210	0	0	0	158,210
Prepaid Items	51,097	39,673	19,718	6,922	117,410
Materials and Supplies Inventory	87,438	0	0	78,107	165,545
<i>Total Current Assets</i>	<u>1,769,357</u>	<u>7,298,459</u>	<u>1,366,110</u>	<u>626,852</u>	<u>11,060,778</u>
<i>Non-Current Assets:</i>					
Non-Depreciable Capital Assets	2,729,023	88,508	561,303	759,936	4,138,770
Depreciable Capital Assets, Net	10,575,507	17,059,206	437,253	2,933,166	31,005,132
<i>Total Non-Current Assets</i>	<u>13,304,530</u>	<u>17,147,714</u>	<u>998,556</u>	<u>3,693,102</u>	<u>35,143,902</u>
<i>Total Assets</i>	<u>15,073,887</u>	<u>24,446,173</u>	<u>2,364,666</u>	<u>4,319,954</u>	<u>46,204,680</u>
Deferred Outflow of Resources					
Deferred Charges on Refunding Pension	59,060	31,366	0	0	90,426
	498,743	391,104	165,694	152,386	1,207,927
<i>Total Deferred Outflow of Resources</i>	<u>557,803</u>	<u>422,470</u>	<u>165,694</u>	<u>152,386</u>	<u>1,298,353</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	8,638	16,393	10,234	5,460	40,725
Accrued Wages	20,913	17,776	8,617	4,405	51,711
Contracts Payable	0	163	0	0	163
Intergovernmental Payable	16,048	12,947	6,086	3,340	38,421
Accrued Interest Payable	8,060	18,776	0	0	26,836
Compensated Absences Payable	2,497	5,940	4,558	233	13,228
General Obligation Bonds Payable	455,000	365,000	0	0	820,000
<i>Total Current Liabilities</i>	<u>511,156</u>	<u>436,995</u>	<u>29,495</u>	<u>13,438</u>	<u>991,084</u>
<i>Long-Term Liabilities:</i>					
Compensated Absences Payable - Net of Current Portion	74,727	62,166	6,935	16,375	160,203
General Obligation Bonds Payable - Net of Current Portion	2,780,811	5,761,373	0	0	8,542,184
Net Pension Liability (See Note 11)	1,304,108	1,022,654	433,256	398,455	3,158,473
<i>Total Long-Term Liabilities</i>	<u>4,159,646</u>	<u>6,846,193</u>	<u>440,191</u>	<u>414,830</u>	<u>11,860,860</u>
<i>Total Liabilities</i>	<u>4,670,802</u>	<u>7,283,188</u>	<u>469,686</u>	<u>428,268</u>	<u>12,851,944</u>
Deferred Inflows of Resources					
Pension	25,976	20,370	8,630	7,937	62,913
<i>Total Deferred Inflows of Resources</i>	<u>25,976</u>	<u>20,370</u>	<u>8,630</u>	<u>7,937</u>	<u>62,913</u>
Net Position					
Net Investment in Capital Assets Unrestricted	10,127,779	11,052,870	998,556	3,693,102	25,872,307
	807,133	6,512,215	1,053,488	343,033	8,715,869
<i>Total Net Position</i>	<u>\$ 10,934,912</u>	<u>\$ 17,565,085</u>	<u>\$ 2,052,044</u>	<u>\$ 4,036,135</u>	<u>\$ 34,588,176</u>

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Enterprise Funds				Total
	Water	Sewer	Sanitation	Nonmajor Enterprise Funds	
Operating Revenues					
Charges for Services	\$ 3,377,257	\$ 4,006,464	\$ 1,754,455	\$ 941,970	\$ 10,080,146
Other	0	0	2,113	0	2,113
<i>Total Operating Revenues</i>	<u>3,377,257</u>	<u>4,006,464</u>	<u>1,756,568</u>	<u>941,970</u>	<u>10,082,259</u>
Operating Expenses					
Personal Services	1,605,196	1,587,990	792,210	572,563	4,557,959
Contractual Services	158,015	49,968	493,453	221,795	923,231
Materials and Supplies	661,062	348,020	155,552	151,143	1,315,777
Utilities	240,422	215,577	10,733	27,740	494,472
Depreciation	514,420	653,903	88,005	101,289	1,357,617
Other	6,153	312	0	46,921	53,386
<i>Total Operating Expenses</i>	<u>3,185,268</u>	<u>2,855,770</u>	<u>1,539,953</u>	<u>1,121,451</u>	<u>8,702,442</u>
<i>Operating Income (Loss)</i>	<u>191,989</u>	<u>1,150,694</u>	<u>216,615</u>	<u>(179,481)</u>	<u>1,379,817</u>
Non-Operating Revenues (Expense)					
Intergovernmental	158,210	0	0	0	158,210
Loss on Disposal of Capital Assets	(47,665)	(41,322)	(38,916)	(6,150)	(134,053)
Interest and Fiscal Charges	(106,054)	(233,130)	0	0	(339,184)
<i>Total Non-Operating Revenues (Expense)</i>	<u>4,491</u>	<u>(274,452)</u>	<u>(38,916)</u>	<u>(6,150)</u>	<u>(315,027)</u>
<i>Income (Loss) Before Transfers</i>	<u>196,480</u>	<u>876,242</u>	<u>177,699</u>	<u>(185,631)</u>	<u>1,064,790</u>
Transfers In	0	0	0	30,000	30,000
<i>Change in Net Position</i>	<u>196,480</u>	<u>876,242</u>	<u>177,699</u>	<u>(155,631)</u>	<u>1,094,790</u>
<i>Net Position Beginning of Year</i>	<u>10,738,432</u>	<u>16,688,843</u>	<u>1,874,345</u>	<u>4,191,766</u>	<u>33,493,386</u>
<i>Net Position End of Year</i>	<u>\$ 10,934,912</u>	<u>\$ 17,565,085</u>	<u>\$ 2,052,044</u>	<u>\$ 4,036,135</u>	<u>\$ 34,588,176</u>

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Enterprise Funds				Totals
	Water	Sewer	Sanitation	Nonmajor Enterprise Funds	
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 3,345,241	\$ 3,976,298	\$ 1,757,475	\$ 940,767	\$ 10,019,781
Cash Payments to Suppliers for Goods and Services	(642,736)	(346,453)	(145,318)	(153,593)	(1,288,100)
Cash Payments to Employees for Services and Benefits	(1,570,058)	(1,543,138)	(796,971)	(537,127)	(4,447,294)
Cash Payments for Contractual Services	(427,728)	(279,619)	(527,540)	(253,235)	(1,488,122)
Other Cash Payments	(6,153)	(312)	0	(46,921)	(53,386)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>698,566</u>	<u>1,806,776</u>	<u>287,646</u>	<u>(50,109)</u>	<u>2,742,879</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	0	0	0	30,000	30,000
Cash Flows from Capital and Related Financing Activities					
Payment for Capital Acquisitions	(142,125)	(49,553)	(609,883)	(67,397)	(868,958)
Principal Payments on Debt	(450,000)	(355,000)	0	0	(805,000)
Interest Payments on Debt	(107,219)	(235,616)	0	0	(342,835)
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>(699,344)</u>	<u>(640,169)</u>	<u>(609,883)</u>	<u>(67,397)</u>	<u>(2,016,793)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(778)	1,166,607	(322,237)	(87,506)	756,086
<i>Cash and Investments Beginning of Year</i>	<u>985,424</u>	<u>5,497,373</u>	<u>1,639,483</u>	<u>620,761</u>	<u>8,743,041</u>
<i>Cash and Investments End of Year</i>	<u>\$ 984,646</u>	<u>\$ 6,663,980</u>	<u>\$ 1,317,246</u>	<u>\$ 533,255</u>	<u>\$ 9,499,127</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 191,989	\$ 1,150,694	\$ 216,615	\$ (179,481)	\$ 1,379,817
Adjustments:					
Depreciation	514,420	653,903	88,005	101,289	1,357,617
(Increase) Decrease in Assets:					
Accounts Receivable	(32,016)	(30,166)	907	(1,203)	(62,478)
Prepaid Items	(29,291)	(17,296)	(8,479)	(6,922)	(61,988)
Net Pension Asset	2,472	1,973	873	680	5,998
Deferred Outflows - Pension	(326,447)	(253,599)	(104,826)	(104,966)	(789,838)
Materials and Supplies Inventory	17,534	0	0	(4,688)	12,846
Increase (Decrease) in Liabilities:					
Accounts Payable	792	4,789	(4,641)	5,460	6,400
Accrued Wages	5,445	5,762	2,727	1,110	15,044
Net Pension Liability	349,156	260,531	95,896	135,631	841,214
Deferred Inflows - Pension	8,445	6,379	2,437	3,113	20,374
Compensated Absences Payable	359	26,849	(725)	1,160	27,643
Intergovernmental Payable	(4,292)	(3,043)	(1,143)	(1,292)	(9,770)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 698,566</u>	<u>\$ 1,806,776</u>	<u>\$ 287,646</u>	<u>\$ (50,109)</u>	<u>\$ 2,742,879</u>

Noncash Capital Financing Activities:

The City purchased \$163 of capital assets on account in 2016.

The water, sewer and sanitation funds each transferred capital assets to the governmental funds in the amount of \$38,916.

The stormwater fund transferred capital assets to the governmental funds in the amount of \$6,150.

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2016

	Private Purpose Trust	Agency Funds
Assets		
Equity in Pooled Cash and Investments	\$ 4,243	\$ 38,861
Cash and Investments in Segregated Accounts	0	93,259
Prepaid Items	0	37,868
<i>Total Assets</i>	4,243	\$ 169,988
Liabilities		
Undistributed Monies	0	\$ 169,988
<i>Total Liabilities</i>	0	\$ 169,988
Net Position		
Held in Trust for Private Purposes	\$ 4,243	

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2016

	Private Purpose Trust
Additions	
Interest	\$ 127
Deductions	
Payments in Accordance with Trust Agreements	500
<i>Change in Net Position</i>	(373)
<i>Net Position Beginning of Year</i>	4,616
<i>Net Position End of Year</i>	\$ 4,243

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 1: REPORTING ENTITY

The City of Ashland (the “City”) is a municipal corporation, established under the laws of the State of Ohio. The City operates under a Council-Mayor form of government. The Mayor, five Council members, Director of Finance, and Law Director are elected.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. A primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government of the City includes City departments and agencies that provide the following services: police and fire protection, emergency medical, public transportation, water, sewer and sanitation services, golf course, parks and recreation, planning, zoning, street maintenance and repair, and general administrative services. The operation of each of these activities is directly controlled by the Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the levying of taxes or the issuance of debt. The City does not have any component units.

The City is involved with the Wooster-Ashland Regional Council of Governments, the Ashland Community Improvement Corporation and the Ashland Area Council for Economic Development, which are defined as jointly governed organizations. Additional information concerning the jointly governed organizations is presented in Note 16.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The effect of interfund services provided and used between activities are not eliminated on the statement of activities. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the City's major governmental fund:

General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The other governmental funds of the City account for grants and other resources to which the City is bound to observe constraints imposed upon the use of the resources.

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The following is the City's proprietary fund type:

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds.

Water Fund – The water fund accounts for the provision of water service to the residents and commercial users located within the City.

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Sanitation Fund – The sanitation fund accounts for revenues generated from charges for sanitation services and the costs associated with providing those services.

The other enterprise funds of the City account for the operations of the storm water management, golf course and swimming pool.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's trust fund is a private-purpose trust fund established to account for the funds used for the purpose of presenting free concerts at the Myers Memorial Bandshell. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for court collections that are distributed to various other City funds and the activity for performance bonds, the Brookside Golf Course gift certificates and employee deductions.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary fund activities. Trust funds also use the flow of economic resources focus. Agency funds do not report a measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of the year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. (See Note 7.) Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 5.) Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and entitlements, and rentals.

Deferred Inflows of Resources and Deferred Outflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, both the government-wide statements of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property and income taxes, intergovernmental grants and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11)

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Investments

To improve cash management, all cash received by the City, except cash and investments in segregated accounts, is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and investments."

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating investments, such as, certificates of deposit and repurchase agreements, which are reported at cost.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

During 2016, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2016 amounted to \$23,515, which includes \$21,583 assigned from other City funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the City are presented on the financial statements as "equity in pooled cash and investments." Investments with an original maturity of more than three months that are not made from the pool are reported as "investments." See Note 4, Deposits and Investments.

F. Prepaid Items

Prepayments made to vendors for services that will benefit periods beyond December 31, 2016 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it is consumed.

G. Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories consist of expendable supplies.

H. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000 for its capital assets. Improvements are

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	15 - 70 Years	15 - 70 Years
Equipment	3 - 20 Years	3 - 20 Years
Infrastructure	10 - 75 Years	10 - 80 Years
Vehicles	3 - 20 Years	3 - 20 Years

The City's infrastructure consists of streets, bridges, lighting systems, sewer systems, and water systems.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year end taking into consideration any limits specified in the City's termination policy. The City records a liability for all accumulated unused vacation time when earned for all employees. The City records a liability for accumulated unused sick leave for employees with seven or more years of accumulated service.

The entire compensated absence liability is reported on the government-wide financial statements.

In governmental funds, the liability for unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which the employee will be paid.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

J. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

K. Pensions

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At December 31, 2016, none of the City's net position balances were restricted by enabling legislation.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

M. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of City Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the City. City Council has by resolution authorized the Finance Director to assign fund balance. City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and sanitation services, as well as charges related to the City's storm water management, golf course, and swimming pool. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Transfers between governmental funds and transfers between enterprise funds are eliminated on the government-wide financial statements. All transfers were in compliance with Ohio Revised Code Sections 5704.14, 5705.15 and 5706.16.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are generally not presented on the financial statements.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the current year.

Q. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

R. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level (personal services and other) within each department in the general fund and at the object level (personal services and other) for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the final appropriations were enacted by Council.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

S. Implementation of New Accounting Principles

For the year ended December 31, 2016, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the City.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of this statement did not result in any change in the City's financial statements as the City does not have any material GASB Statement No. 77 tax abatements.

GASB Statement No. 78 amends the scope of GASB Statement No. 68 to exclude certain multiple-employer defined benefit pension plans provided to employees of state and local governments on the basis that obtaining the measurements and other information required by GASB Statement No. 68 was not feasible. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at

City of Ashland
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For the Year Ended December 31, 2016

amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into their year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 3: BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditure/expenses (budget) rather than as assigned, committed or restricted fund balance (GAAP).
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
5. Some funds are included in the general fund, (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$ 449,719
Net Adjustment for Revenue Accruals	214,147
Net Adjustment for Expenditure Accruals	(165,351)
Funds Budgeted Elsewhere	(7,001)
Adjustment for Encumbrances	<u>(16,600)</u>
Budget Basis	<u>\$ 474,914</u>

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** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the City income tax fund.

NOTE 4: DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet the demands on the treasury. Such monies must be maintained either as cash by the City, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and any other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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6. The State Treasurer's investment pool (STAR Ohio and STAR Plus).
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in any amount not to exceed forty percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.
9. Time certificates of deposit (CDs) in authorized depositories, provided those funds are properly insured or collateralized as provided in Ohio Revised Code Section 135.18. The payment of the principal and interest thereon for which eligible securities are pledged must be paid and deposited with the City or qualified and approved trustee.
10. Negotiable time certificates of deposit (negotiable CDs) which have a secondary market in which to trade such securities. The underlying issuer must be covered by FDIC insurance, and the amount of the acquired security is limited to ninety seven percent (97%) of the available FDIC coverage. For example, an investment in a negotiable certificate of deposit (CD) would be limited to \$242,500 assuming FDIC coverage limit of \$250,000.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, public depositories must give security for all uninsured public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the City's name. During 2016, the City and public depositories complied with the provisions of these statutes.

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve banks, or at member banks of the federal reserve

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system, in the name of the respective depository bank and pledged as collateral against all of the uninsured public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City.

Cash in Segregated Accounts

At year end, the City had \$548 and \$93,259 deposited with a financial institution for monies related to the Brookside Golf Course and Mayor’s Court, respectively. These amounts were covered by the FDIC and are included in the City’s depository balance detailed below.

At year-end, the carrying amount of the City’s deposits was \$8,859,768, which includes \$4,790 cash on hand. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosure*, as of December 31, 2016, \$8,170,172 of the City’s bank balance of \$9,660,109 was exposed to custodial credit risk as discussed above, while \$1,489,937 was covered by Federal Deposit Insurance Corporation.

Investments

As of December 31, 2016, the City had the following investment and maturity:

<u>Rating</u>	<u>Investment Type</u>	<u>Measurement Amount</u>	<u>6 Months or Less</u>	<u>Percent of Total</u>
AAAm	Amortized Cost: STAR Ohio	<u>\$ 5,998,733</u>	<u>\$ 5,998,733</u>	<u>100.00%</u>

Interest Rate Risk The City’s investment policy limits investment maturities to less than five years.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2016, is 52 days.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in Ohio law that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk S & P Global Ratings has assigned STAR Ohio an AAAm rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

The City has no investment policy that would further limit its investment choices.

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Concentration of Credit Risk The City places no limit on the amount that may be invested in any one issuer. The percentage to total investment is listed in the table above.

NOTE 5: PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2016 for real and public utility property taxes represents collections of the 2015 taxes.

2016 real property taxes were levied after October 1, 2016 on the assessed value as of January 1, 2016, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016 was \$3.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2016 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 295,984,780
Public Utilities - Personal	16,564,150
Total Assessed Value	\$ 312,548,930

The Ashland County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2016, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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NOTE 6: RECEIVABLES

Receivables at December 31, 2016 consisted of taxes, accounts (billed and unbilled user charged services), and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full.

NOTE 7: INCOME TAX

The City levies a municipal income tax of 1.5 percent on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit up to 1.0 percent for taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax revenues are distributed among the General Fund, Street Maintenance and Repair Special Revenue Fund and the Park and Recreation Special Revenue Fund. The distribution was determined by City ordinance.

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NOTE 8: CAPITAL ASSETS

A summary of changes in capital assets during 2016 follows:

	Balance 1/1/2016	Additions	Transfers	Deletions	Balance 12/31/2016
Governmental Activities:					
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$ 7,000,545	\$ 51,260	\$ 0	\$ (78,950)	\$ 6,972,855
Construction in Progress	7,337,221	1,531,513	0	(8,473,424)	395,310
<i>Total Capital Assets, Not Being Depreciated</i>	<u>14,337,766</u>	<u>1,582,773</u>	<u>0</u>	<u>(8,552,374)</u>	<u>7,368,165</u>
<i>Capital Assets, Being Depreciated:</i>					
Buildings and Improvements	9,119,476	0	0	0	9,119,476
Equipment	3,145,083	121,478	116,748	(89,781)	3,293,528
Vehicles	5,623,758	192,811	6,150	(141,665)	5,681,054
Streets	23,823,417	8,473,424	0	0	32,296,841
Bridges	2,526,671	0	0	0	2,526,671
Street Lighting	1,516,638	0	0	0	1,516,638
<i>Total Capital Assets, Being Depreciated</i>	<u>45,755,043</u>	<u>8,787,713</u>	<u>122,898</u>	<u>(231,446)</u>	<u>54,434,208</u>
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvements	(4,792,104)	(179,693)	0	0	(4,971,797)
Equipment	(2,345,874)	(173,366)	0	75,519	(2,443,721)
Vehicles	(4,129,561)	(354,360)	0	138,656	(4,345,265)
Streets	(21,889,808)	(779,647)	0	0	(22,669,455)
Bridges	(2,083,477)	(61,794)	0	0	(2,145,271)
Street Lighting	(708,905)	(66,781)	0	0	(775,686)
<i>Total Accumulated Depreciation</i>	<u>(35,949,729)</u>	<u>(1,615,641)*</u>	<u>0</u>	<u>214,175</u>	<u>(37,351,195)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>9,805,314</u>	<u>7,172,072</u>	<u>122,898</u>	<u>(17,271)</u>	<u>17,083,013</u>
<i>Total Governmental Activity Capital Assets, Net</i>	<u>\$ 24,143,080</u>	<u>\$ 8,754,845</u>	<u>\$ 122,898</u>	<u>\$ (8,569,645)</u>	<u>\$ 24,451,178</u>

*Depreciation expense was charge to governmental functions as follows:

General Government	\$ 213,795
Leisure Time Services	89,587
Community Development	1,672
Security of Persons and Property	253,529
Transportation	<u>1,057,058</u>
Total	<u>\$ 1,615,641</u>

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	Balance 1/1/2016	Additions	Transfers	Deletions	Balance 12/31/2016
Business-Type Activities:					
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$ 3,615,141	\$ 10,000	\$ 0	\$ 0	\$ 3,625,141
Construction in Progress	0	513,629	0	0	513,629
<i>Total Capital Assets, Not Being Depreciated</i>	<u>3,615,141</u>	<u>523,629</u>	<u>0</u>	<u>0</u>	<u>4,138,770</u>
<i>Capital Assets, Being Depreciated:</i>					
Buildings and Improvements	13,605,975	0	0	0	13,605,975
Equipment	3,525,198	180,998	(116,748)	(92,023)	3,497,425
Vehicles	2,325,642	89,188	(6,150)	(110,593)	2,298,087
Infrastructure	41,494,372	75,307	0	0	41,569,679
<i>Total Capital Assets, Being Depreciated</i>	<u>60,951,187</u>	<u>345,493</u>	<u>(122,898)</u>	<u>(202,616)</u>	<u>60,971,166</u>
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvements	(6,577,755)	(254,284)	0	0	(6,832,039)
Equipment	(2,327,453)	(219,770)	0	83,274	(2,463,949)
Vehicles	(1,405,386)	(198,508)	0	108,186	(1,495,708)
Infrastructure	(18,489,283)	(685,055)	0	0	(19,174,338)
<i>Total Accumulated Depreciation</i>	<u>(28,799,877)</u>	<u>(1,357,617)</u>	<u>0</u>	<u>191,460</u>	<u>(29,966,034)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>32,151,310</u>	<u>(1,012,124)</u>	<u>(122,898)</u>	<u>(11,156)</u>	<u>31,005,132</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$ 35,766,451</u>	<u>\$ (488,495)</u>	<u>\$ (122,898)</u>	<u>\$ (11,156)</u>	<u>\$ 35,143,902</u>

NOTE 9: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City contracts with private carriers for property and fleet insurance, liability insurance and inland marine coverage. Coverage provided is as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Period</u>
Westfield Insurance/The Buren Insurance Group, Inc.	Property	8/30/16-8/30/17
St. Paul Travelers/Boales Insurance	Commercial General Liability	8/30/16-8/30/17
	Law Enforcement Liability	8/30/16-8/30/17
	Automobile Liability	8/30/16-8/30/17
	Umbrella Policy	8/30/16-8/30/17
	Basic Errors and Omissions	8/30/16-8/30/17
Public Entities Pool of Ohio	Commercial General Liability	2/28/16-2/28/17

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Settlement claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 10: OTHER EMPLOYEE BENEFITS

A. Compensated Absences

City employees generally earn vacation ranging from two to five weeks per year based on length of service. Accumulated vacation leave cannot be carried over from one year to another without express written authorization of the appointing authority. Sick leave is generally earned at the rate of 4.6 hours for every 80 hours worked and employees may accumulate on a continuing basis. Sick leave is fully vested when earned. 25 percent of unused sick leave, up to the following maximums for employees who complete ten years of service plus any accumulated vacation leave, is paid at retirement or death. Sick leave accumulates up to a maximum of 800 hours for members of the Northern Ohio Patrolmen's Benevolent Association, 894 hours for members of The International Association of Fire Fighters Local 1386, AFL-CIO, 688 hours for all non-union City employees and 520 hours for AFSCME employees. As of December 31, 2016, the total liability for unpaid compensated absences was \$853,450.

B. Additional Insurance

The City provides life insurance to all employees. The policy is in the amount of \$20,000. The City contracts with Medical Mutual Insurance Group to provide health insurance to employees. The City and the employees share the cost of the total monthly premiums of \$609.49 single health care, \$1,267.86 employee and spouse health care, \$1,006.40 employee and child health care and \$1,664.78 family health care. Premiums and co-payments are paid from the same funds that pay the employee's salaries.

NOTE 11: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2016 Statutory Maximum Contribution Rates	
Employer	14.00 %
Employee	10.00 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.00 %
Post-employment Health Care Benefits	2.00
Total Employer	<u>14.00 %</u>
Employee	<u>10.00 %</u>

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$684,122 for 2016. Of this amount, \$75,711 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$834,992 for 2016. Of this amount \$82,003 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan	OPF	Total
Proportionate Share of the Net Pension Liability	\$ 7,729,959	\$ 12,195,235	\$ 19,925,194
Proportion of the Net Pension Liability	0.04462700%	0.18957100%	
Pension Expense	\$ 1,109,707	\$ 1,662,592	\$ 2,772,299

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At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		Total
	Traditional Plan	OPF	
Deferred Outflows of Resources			
Net Difference between Projected and Actual			
Earnings on Pension Plan Investments	\$ 2,272,124	\$ 1,984,917	\$ 4,257,041
Changes in Proportionate Share	0	10,711	10,711
City Contributions Subsequent to the Measurement Date	684,122	834,992	1,519,114
Total Deferred Outflows of Resources	<u>\$ 2,956,246</u>	<u>\$ 2,830,620</u>	<u>\$ 5,786,866</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience			
Actual Experience	\$ 149,357	\$ 34,244	\$ 183,601
Changes in Proportionate Share	4,615	0	4,615
Total Deferred Inflows of Resources	<u>\$ 153,972</u>	<u>\$ 34,244</u>	<u>\$ 188,216</u>

\$1,519,114 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS		Total
	Traditional Plan	OPF	
2017	\$ 494,805	\$ 518,148	\$ 1,012,953
2018	531,138	518,148	1,049,286
2019	578,026	518,150	1,096,176
2020	514,183	412,336	926,519
2021	0	(4,534)	(4,534)
Thereafter	0	(864)	(864)
	<u>\$ 2,118,152</u>	<u>\$ 1,961,384</u>	<u>\$ 4,079,536</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Actuarial Information	Traditional Pension Plan
Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 percent to 10.05 percent, including wage inflation at 3.75 percent
COLA or Ad Hoc COLA	3.00 percent, simple
Investment Rate of Return	8.00 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of eight 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 one-percentage-point lower (seven percent) or one-percentage-point higher (nine percent) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability:	\$ 12,315,713	\$ 7,729,959	\$ 3,862,021

Changes Between Measurement Date and Report Date In October 2016, the OPERS Board of Trustees adopted certain assumption changes which impacted their annual actuarial valuation prepared as of December 31, 2016. The most significant changes are a reduction in the expected investment return to 7.50% from 8.00%, the expected long-term average wage inflation was reduced to 3.25% from 3.75%, the expected long-term average price inflation was reduced to 2.50% from 3.00% and a change to various demographic assumptions. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts

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and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11.00 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent, simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

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Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Domestic Equity	16.00	6.50 %	7.80 %
Non-US Equity	16.00	6.70	8.00
Core Fixed Income*	20.00	3.50	5.35
Global Inflation Protected*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00</u> %		

Note: Assumptions are geometric.

* levered 2x

** Numbers include inflation

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability:	\$ 16,083,882	\$ 12,195,235	\$ 8,901,169

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NOTE 12: POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible benefit recipients. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.0 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-

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Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016 as recommended by OPERS' actuary. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2016 was 4.0 percent.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$114,020, \$113,996 and \$116,135, respectively. For 2016, 89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OPF, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OPF's website at www.op-f.org.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contribution allocated to health care was 0.5 percent of covered payroll from January 1, 2016 through December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OPF, which were allocated to fund post-employment health care benefits, for police and firefighters were \$9,094 and \$10,414 for the year ended December 31, 2016, \$8,828 and \$10,166 for the year ended December 31, 2015, and \$17,425 and \$34,218 for the year ended December 31, 2014. 90 percent has been contributed for police and 90 percent has been contributed for firefighters for 2016. The full amount has been contributed for 2015 and 2014.

NOTE 13: LONG-TERM OBLIGATIONS

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Governmental Activities			
2013 General Obligation Refunding Bonds	Various	1,790,000	12/1/2023
2016 Bond Anticipation Notes	1.20%	500,000	5/18/2017
Business-Type Activities			
General Obligation Bonds:			
2010 EQ Basin Bonds	2.00 - 5.00%	5,380,000	12/1/2035
2010 New Water Projects Bonds	2.00 - 4.25%	770,000	12/1/2020
2013 General Obligation Refunding Bonds	Various	3,985,000	12/1/2023
2013 General Obligation Refunding Bonds	Various	2,115,000	12/1/2023

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Changes in the long-term obligations of the City during 2016 were as follows:

	Balance 1/1/2016	Additions	(Reductions)	Balance 12/31/2016	One Year
Governmental Activities:					
2016 Bond Anticipation Notes	\$ 0	\$ 500,000	\$ 0	\$ 500,000	\$ 500,000
2013 General Obligation Refunding Bonds	1,445,000	0	(165,000)	1,280,000	170,000
Premium on 2013 General Obligation Refunding Bonds	12,267	0	(1,583)	10,684	0
Total Governmental Activities Long-Term Debt	1,457,267	500,000	(166,583)	1,790,684	670,000
Net Pension Liability:					
OPERS	3,072,251	1,499,235	0	4,571,486	0
OPF	9,807,218	2,388,017	0	12,195,235	0
Total Net Pension Liabilities	12,879,469	3,887,252	0	16,766,721	0
Other Long-Term Obligations:					
Compensated Absences	702,922	43,685	(66,588)	680,019	34,334
Total Governmental Activities	\$ 15,039,658	\$ 4,430,937	\$ (233,171)	\$ 19,237,424	\$ 704,334

	Balance 1/1/2016	Additions	(Reductions)	Balance 12/31/2016	Due in One Year
Business-Type Activities:					
2010 General Obligation Bonds	\$ 5,090,000	\$ 0	\$ (235,000)	\$ 4,855,000	\$ 245,000
Premium on 2010 General Obligation Bonds	115,849	0	(9,939)	105,910	0
2013 General Obligation Refunding Bonds	4,935,000	0	(570,000)	4,365,000	575,000
Premium on 2013 General Obligation Refunding Bonds	41,649	0	(5,375)	36,274	0
Total Business-Type Activities Long-Term Debt	10,182,498	0	(820,314)	9,362,184	820,000
Net Pension Liability - OPERS:					
Sewer	762,123	260,531	0	1,022,654	0
Water	954,952	349,156	0	1,304,108	0
Sanitation	337,360	95,896	0	433,256	0
Golf Course	182,673	77,238	0	259,911	0
Swimming Pool	33,252	29,154	0	62,406	0
Stormwater	46,899	29,239	0	76,138	0
Total Net Pension Liabilities	2,317,259	841,214	0	3,158,473	0
Other Long-Term Obligations:					
Compensated Absences	145,788	34,801	(7,158)	173,431	13,228
Total Business-Type Activities	\$ 12,645,545	\$ 876,015	\$ (827,472)	\$ 12,694,088	\$ 833,228

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The general obligation bonds in the business-type activities will be paid from user charges of the water and sewer funds. The general obligation bonds in the governmental activities will be repaid with property taxes from the bond retirement fund. Compensated absences will primarily be paid from the general, street maintenance and repair, park and recreation, municipal probation, community corrections, water, sewer, sanitation and stormwater funds.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment.

The City pays obligations related to employee compensation from the fund benefitting from their service.

A summary of annual requirements to pay principal and interest on debt outstanding at December 31, 2016 is as follows:

	Governmental Activities					
	2013 General Obligation		2016 Bond Anticipation Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 170,000	\$ 37,219	500,000	6,000	670,000	43,219
2018	175,000	33,819	0	0	175,000	33,819
2019	175,000	33,819	0	0	175,000	33,819
2020	180,000	25,287	0	0	180,000	25,287
2021	185,000	19,887	0	0	185,000	19,887
2022-2023	395,000	22,337	0	0	395,000	22,337
Totals	<u>\$ 1,280,000</u>	<u>\$ 172,368</u>	<u>\$ 500,000</u>	<u>\$ 6,000</u>	<u>\$ 1,780,000</u>	<u>\$ 178,368</u>

	Business-Type Activities					
	2013 General Obligation		2010 General Obligation Bonds		Total	
	Refunding Bonds					
2017	\$ 575,000	\$ 126,932	245,000	195,104	820,000	322,036
2018	585,000	115,432	260,000	185,303	845,000	300,735
2019	605,000	100,806	265,000	174,902	870,000	275,708
2020	620,000	86,437	280,000	164,302	900,000	250,739
2021	645,000	67,837	195,000	152,403	840,000	220,240
2022-2026	1,335,000	75,687	1,080,000	695,257	2,415,000	770,944
2027-2031	0	0	1,295,000	495,965	1,295,000	495,965
2032-2035	0	0	1,235,000	220,750	1,235,000	220,750
Totals	<u>\$ 4,365,000</u>	<u>\$ 573,131</u>	<u>\$ 4,855,000</u>	<u>\$ 2,283,986</u>	<u>\$ 9,220,000</u>	<u>\$ 2,857,117</u>

2010 General Obligation Bonds

The \$7,470,000 bond issue consists of serial and term bonds. The serial bonds were issued with a varying interest rate of 2.00-4.30 percent. The term bonds that mature on December 1, 2022, with an interest rate of 3.25 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2021 in the amount of \$195,000 (and the balance of

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\$200,000 is to be paid at stated maturity on December 1, 2022), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to redemption date.

The term bonds that mature on December 1, 2024, with an interest rate of 3.45 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2023 in the amount of \$210,000 (and the balance of \$215,000 is to be paid at stated maturity on December 1, 2024), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to redemption date.

The term bonds that mature on December 1, 2026, with an interest rate of 3.55 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2025 in the amount of \$225,000 (and the balance of \$230,000 is to be paid at stated maturity on December 1, 2026), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to redemption date.

The term bonds that mature on December 1, 2028, with an interest rate of 3.75 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2027 in the amount of \$240,000 (and the balance of \$250,000 is to be paid at stated maturity on December 1, 2028), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to redemption date.

The term bonds that mature on December 1, 2030, with an interest rate of 4.00 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2029 in the amount of \$255,000 (and the balance of \$270,000 is to be paid at stated maturity on December 1, 2030), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to redemption date.

The term bonds that mature on December 1, 2032, with an interest rate of 4.25 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2031 in the amount of \$280,000 (and the balance of \$290,000 is to be paid at stated maturity on December 1, 2032), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to redemption date.

The term bonds that mature on December 1, 2035, with an interest rate of 5.00 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2034 in the amount of \$315,000 (and the balance of \$330,000 is to be paid at stated maturity on December 1, 2035), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to redemption date.

Term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the corresponding term bonds.

The bonds maturing on or after December 1, 2021 are subject to prior redemption, by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of \$5,000), on any date on or after December 1, 2020, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

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The bonds were issued with a premium of \$185,957, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance costs of \$191,344 were expensed in 2010.

2013 Various Purpose Refunding Bonds

On September 10, 2013, the City issued \$7,890,000 in voted general obligation bonds, which consisted of serial bonds with a varying interest rate of 2.00-4.00 percent. The final maturity of the serial bonds is December 1, 2023. The bonds advance refunded \$7,635,000 of outstanding 2003 Various Purpose General Obligation Bonds. The bonds were issued for a ten year period with final maturities at December 31, 2023.

At the date of refunding, \$7,808,219 (including premium and after underwriting fees and other issuance costs) was received to pay off old debt. As a result, \$7,635,000 of the 2003 Various Purpose General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the 2013 financial statements. The advance refunding reduced cash flows required for debt service by \$613,613 over the next ten years and resulted in an economic gain of \$530,504. The defeased bonds were called on December 31, 2013.

The bonds were issued with a premium of \$69,569, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance costs of \$145,785 were expensed in 2013. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$173,219. This difference, reported in the accompanying financial statements as a deferred outflow of resources - deferred charges on refunding, is being amortized to interest expense over the life of the bonds using the straight-line method.

2016 Bond Anticipation Notes

On May 18, 2016 the City issued \$500,000 of bond anticipation notes for the purpose of improving the City's street system by acquiring and installing traffic control signals. The bonds shall bear interest rate of 1.2 percent and will mature on May 18, 2017.

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NOTE 14: INTERFUND TRANSFERS

Following is a summary of transfers in and out for all funds for 2016:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 0	\$ 153,221
Non-Major Governmental Funds:		
Ashland Public Transportation	117,033	0
Community Corrections	6,188	0
Total Non-Major Governmental Funds	<u>123,221</u>	<u>0</u>
Non-Major Enterprise Fund:		
Brookside Golf Course	<u>30,000</u>	<u>0</u>
Total All Funds:	<u>\$ 153,221</u>	<u>\$ 153,221</u>

The transfers from the General Fund to the various other funds were to provide additional resources for current operations.

Capital assets in the amount of \$122,898 were transferred from the enterprise funds to governmental activities.

NOTE 15: CONTINGENCIES

A. Grants

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2016.

B. Litigation

The City is a party to several legal proceedings. City management is of the opinion that ultimate disposition of these proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 16: JOINTLY GOVERNED ORGANIZATIONS

A. Wooster-Ashland Regional Council of Governments (WARCOG)

The City is a member of the Wooster-Ashland Regional Council of Governments (WARCOG). WARCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. It was formed to plan for, create and operate a joint dispatching system for police, fire, emergency medical services (EMS), and other related public safety services within the WARCOG area and to provide a link

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

between these dispatching systems and the State emergency management services platform. It is currently comprised of four members (the cities of Ashland, Orrville, Wooster and the Wooster Community Hospital). It is authorized to perform all functions necessary to improve, maintain and operate the dispatching services including entering into contractual arrangements for necessary services; to employ staff; purchase, lease or otherwise provide for supplies, materials and equipment and facilities; accept and raise public and private funding; and any and all other powers and authorities available pursuant to Chapter 167 of the Ohio Revised Code. Participating political subdivisions appoint three representatives to WARCOG, except in the case of Wooster Community Hospital who serves as a nonvoting member. A seventh member is appointed annually, with the appointment being alternated between the Cities of Ashland and Wooster. Each member is entitled to one vote. During 2016, the City made cash contributions of \$113,739 and \$170,500 to WARCOG for equipment and building improvements. The City of Wooster serves as the fiscal agent. Financial information can be obtained by contacting Andrei Dordei, Treasurer of WARCOG, 538 North Market St., Wooster, OH 44691.

B. Ashland Community Improvement Corporation

The City participates in the Ashland Community Improvement Corporation (CIC), a 501(c)(3) not-for-profit-corporation established under Ohio Revised Code Section 1724.10. The CIC administers the CDBG revolving loan program in conjunction with the City's revolving loan fund.

The CIC board consists of thirty members, two-fifths of whom are required by the Ohio Revised Code to be from the participating governments. City of Ashland has one representative on the CIC board. Financial information can be obtained from the Ashland Community Improvement Corporation, 1123 State Route 96, Ashland, Ohio 44805.

C. Ashland Area Council for Economic Development

The Ashland Area Council for Economic Development (Council) is a jointly governed organization between the City and Ashland County. The Council was organized to undertake joint programs for economic development in the Ashland County area. The Council's board consists of a council member from the City of Ashland, a representative appointed by City Council, a member of the Board of County Commissioners, and a representative appointed by the Board of Commissioners. Each term is for three years. In 2016, the City contributed \$37,900 and in kind services in the amount of \$3,839 to the Council. In 2016 the Ashland County Commissioners withdrew from the Council. On December 31, 2016 the Council ceased operations. Financial information can be obtained from the Ashland Area Council for Economic Development, 1399 Sandusky Street, Ashland, Ohio 44805.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 17: COMMITMENTS

A. Contractual Commitments

The City had the following contractual commitment outstanding at December 31, 2016.

	Contractual Commitment	Expended	Balance 12/31/2016
<i>Governmental-Type Activities</i>			
Claremont Baney & College King Traffic Signal Replacement	\$ 30,852	\$ (7,820)	\$ 23,032

B. Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General Fund	\$ 16,600
Other Governmental Funds	65,389
Total	\$ 81,989

NOTE 18: SUBSEQUENT EVENT

On May 17, 2017 the City of Ashland approved a BAN in the amount of \$3,228,000 for street maintenance and repair. The BAN was issued on May 17, 2016. The Bans has an interest rate of 2.00 percent and will mature May 17, 2018.

The citizens voted a new ½ percent income tax levy effective January 1, 2017 that will generate approximately \$3 million annually to be allocated to police, fire and street funds.

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City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

NOTE 19: FUND BALANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and the nonmajor governmental funds are presented as follows:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable for:			
Prepaid Items	\$ 307,073	\$ 55,876	\$ 362,949
Material and Supplies Inventory	<u>0</u>	<u>282,477</u>	<u>282,477</u>
Total Nonspendable	<u>307,073</u>	<u>338,353</u>	<u>645,426</u>
Restricted for:			
Roads and Bridges	0	956,625	956,625
Public Transportation	0	387,247	387,247
Municipal Court Programs	0	894,098	894,098
Police and Fire	0	5,319	5,319
Community Development	0	94,028	94,028
Debt Service	0	418,613	418,613
Capital Projects	0	767,921	767,921
Bandshell Improvements	<u>0</u>	<u>11,219</u>	<u>11,219</u>
Total Restricted	<u>0</u>	<u>3,535,070</u>	<u>3,535,070</u>
Committed for:			
Property Management	0	21,791	21,791
Fire/Rescue Equipment	0	45,719	45,719
Police	0	9,517	9,517
Mayor's Underprivileged Children	0	927	927
Industrial Park	0	140,285	140,285
Emergency Grounds Maintenance	0	27,087	27,087
Nature Preserve	0	7,744	7,744
Park and Recreation	<u>0</u>	<u>397,058</u>	<u>397,058</u>
Total Committed	<u>0</u>	<u>650,128</u>	<u>650,128</u>
Assigned for:			
Encumbrances:			
General Government	16,600	0	16,600
Subsequent Year Appropriations	<u>1,817,930</u>	<u>0</u>	<u>1,817,930</u>
Total Assigned	<u>1,834,530</u>	<u>0</u>	<u>1,834,530</u>
Unassigned	<u>72,871</u>	<u>0</u>	<u>72,871</u>
Total Fund Balance	<u>\$ 2,214,474</u>	<u>\$ 4,523,551</u>	<u>\$ 6,738,025</u>

Required Supplementary Information



City of Ashland
Ashland County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Three Years (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>			
City's Proportion of the Net Pension Liability	0.0446270%	0.0446850%	0.0446850%
City's Proportionate Share of the Net Pension Liability	\$ 7,729,959	\$ 5,389,510	\$ 5,267,779
City's Covered-Employee Payroll	\$ 5,559,275	\$ 5,478,367	\$ 5,239,115
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	139.05%	98.38%	100.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%
<i>Ohio Police and Fire Pension Fund (OPF)</i>			
City's Proportion of the Net Pension Liability	0.1895710%	0.1893133%	0.1893133%
City's Proportionate Share of the Net Pension Liability	\$ 12,195,235	\$ 9,807,218	\$ 9,220,152
City's Covered-Employee Payroll	\$ 3,798,842	\$ 3,888,566	\$ 3,079,218
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	321.03%	252.21%	299.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	72.20%	73.00%

(1) Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

City of Ashland
Ashland County, Ohio
Required Supplementary Information
Schedule of City Contributions
Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
Contractually Required Contribution	\$ 684,122	\$ 667,113	\$ 657,404	\$ 681,085
Contributions in Relation to the Contractually Required Contribution	<u>(684,122)</u>	<u>(667,113)</u>	<u>(657,404)</u>	<u>(681,085)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered-employee payroll	\$ 5,701,017	\$ 5,559,275	\$ 5,478,367	\$ 5,239,115
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
Contractually Required Contribution	\$ 834,992	\$ 813,277	\$ 792,264	\$ 556,250
Contributions in relation to the contractually required contribution	<u>(834,992)</u>	<u>(813,277)</u>	<u>(792,264)</u>	<u>(556,250)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered-employee payroll	\$ 3,901,419	\$ 3,798,842	\$ 3,888,566	\$ 3,079,218
Contributions as a percentage of covered-employee payroll	21.40%	21.41%	20.37%	18.06%

(n/a) Information prior to 2013 is not available.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
\$ 521,926	\$ 546,279	\$ 514,697	\$ 253,990	\$ 573,494	\$ 411,794
<u>(521,926)</u>	<u>(546,279)</u>	<u>(514,697)</u>	<u>(253,990)</u>	<u>(573,494)</u>	<u>(411,794)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,443,960	\$ 3,598,624	\$ 3,388,968	\$ 1,620,455	\$ 3,831,991	\$ 2,730,688
15.15%	15.18%	15.19%	15.67%	14.97%	15.08%

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Combining Statements for Nonmajor Governmental Funds

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CITY OF ASHLAND, OHIO

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Street Maintenance and Repair - The street maintenance and repair fund is used to account for that portion of the income tax, grants, charges for services and fines designated for maintenance and repairs of streets within the City.

State Highway - To account for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Permissive Tax - To account for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City that is collected by the County.

City Permissive - To account for the deposit, control and expenditure of additional vehicle License Tax.

Bandshell Improvements - To account for the deposit, control and expenditure of donated monies to be used for bandshell improvement.

Park & Recreation - To account for revenue from all sources to maintain and operate all areas of the park & recreation department.

Nature Preserve - To account for the deposit, control and expenditures of monies to be used for the maintenance and development of the nature preserve.

Fire/Rescue Training - To account for grants and donations and expenditures for EMS.

Fire/Rescue Equipment - To account for note proceeds and other revenues and expenditures for equipment purchases, and principal and interest on equipment purchases.

Community Development Block Grant - To account for grant revenue and expenditures for specific sewer, water treatment and landscaping projects.

Ohio Regional Development Housing - To account for the deposit control and expenditure of monies for the Ohio Regional Development Housing Program through habit for humanity, down payments and rehab assistance.

Firemens Pension - To account for accumulated property taxes levied for the payment of current employer contributions for Fire disability and pension benefits and the accrued liability.

CITY OF ASHLAND, OHIO

Fund Descriptions – Nonmajor Governmental Funds (continued)

Policemens Pension - To account for accumulated property taxes levied for the payment of current employer contributions for Police disability and pension benefits and the accrued liability.

Property Management – To account for revenue from development and/or leasing of City owned property and expenditures related to the maintenance of the properties.

Drug Law Enforcement - To account for revenue from fines and expenditures as stated in ORC 2925.03.

Enforcement & Education - To account for the collection of revenue from fines and the expenditure as set forth in ORC 4511.99.

Ashland Public Transportation - To account for Federal, State and Elderly grants and fare box revenue and for the expenditure of the total transit operation.

Municipal Court Computer - To account for the deposit of revenue from fines and the expenditures for computers for the Municipal Court.

Indigent Drivers - To account for the deposit and control of revenue from fines and the expenditures of ACCADA and alcohol treatment.

Municipal Probation - To account for the deposit and control of revenue from fines and the expenditures for the operation of the Probation Department.

Police Donations - To account for the deposit and control of revenue from donations and the expenditures for the purchase of equipment.

Home Arrest - To account for the deposit and control of revenue from fines and the expenditures for monitoring services.

Community Corrections - To account for the deposit and control of revenue from a CCA Grant and the expenditure for probation operations pursuant to ORC 2951.021.

Municipal Court Special Program - To account for the deposit, control and expenditure of monies to be used for special projects as determined by the Municipal Court, including but not limited to, those purposes set forth in ORC 1901.26.

CCA Monitoring - To account for the deposit, control and expenditure of monies from fees to be used for personal services and other expenditures.

Mayor's Underprivileged Children - To account for the deposit, control and expenditure of monies from program income and interest to be used for miscellaneous expenditures related to this fund.

CITY OF ASHLAND, OHIO

Fund Descriptions – Nonmajor Governmental Funds (continued)

Indigent Driver’s Interlock - To account for the deposit, control of revenue and expenditure of monies for the purpose pursuant to ORC 4510.13.

Continuing Education - To account for funds received for paying the cost of continuing professional training programs.

Industrial Park– To account for the deposit, control and expenditure of monies to be used for said purpose.

Emergency Grounds Maintenance – To account for funds received for paying the costs of caring for vacant homes by the city and nuisance claims for negligent homeowners.

Nonmajor Debt Service Fund

General Obligation Bond Retirement - To account for resources used for the payment of principal and interest and fiscal charges related to general obligation debt.

Nonmajor Capital Projects Funds

Capital Improvement - To account for the deposit, control and expenditure of monies from assessments and interest income to pay for various capital improvement projects.

Traffic Signal Improvement - To account for funds received for paying the costs of the improvement of the City’s traffic signals.

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City of Ashland
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Nonmajor Special Revenue Funds	General Obligation Bond Retirement	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 2,709,938	\$ 418,613	\$ 768,368	\$ 3,896,919
Taxes Receivable	618,976	183,348	0	802,324
Accounts Receivable	50,361	0	0	50,361
Intergovernmental Receivable	895,996	19,743	0	915,739
Materials and Supplies Inventory	282,477	0	0	282,477
Prepaid Items	55,876	0	0	55,876
<i>Total Assets</i>	<u>\$ 4,613,624</u>	<u>\$ 621,704</u>	<u>\$ 768,368</u>	<u>\$ 6,003,696</u>
Liabilities				
Accounts and Contracts Payable	\$ 62,019	\$ 0	447	\$ 62,466
Accrued Wages	24,873	0	0	24,873
Intergovernmental Payable	18,387	0	0	18,387
<i>Total Liabilities</i>	<u>105,279</u>	<u>0</u>	<u>447</u>	<u>105,726</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	364,706	173,239	0	537,945
Unavailable Revenue	806,622	29,852	0	836,474
<i>Total Deferred Inflows of Resources</i>	<u>1,171,328</u>	<u>203,091</u>	<u>0</u>	<u>1,374,419</u>
Fund Balances				
Nonspendable	338,353	0	0	338,353
Restricted	2,348,536	418,613	767,921	3,535,070
Committed	650,128	0	0	650,128
<i>Total Fund Balances</i>	<u>3,337,017</u>	<u>418,613</u>	<u>767,921</u>	<u>4,523,551</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 4,613,624</u>	<u>\$ 621,704</u>	<u>\$ 768,368</u>	<u>\$ 6,003,696</u>

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2016

	Nonmajor Special Revenue Funds	General Obligation Bond Retirement	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$ 301,348	\$ 228,084	\$ 0	\$ 529,432
Income Taxes	1,209,190	0	0	1,209,190
Special Assessments	181	0	0	181
Charges for Services	516,171	0	0	516,171
Fines and Forfeitures	654,269	0	0	654,269
Intergovernmental	1,656,801	29,264	0	1,686,065
Interest	5,264	0	6,432	11,696
Rent	71,724	0	0	71,724
Contributions and Donations	16,385	0	0	16,385
Other	26,690	0	0	26,690
<i>Total Revenues</i>	<u>4,458,023</u>	<u>257,348</u>	<u>6,432</u>	<u>4,721,803</u>
Expenditures				
Current:				
General Government	626,938	0	0	626,938
Security of Persons and Property	862,420	0	210,858	1,073,278
Public Health	2,685	0	0	2,685
Leisure Time Services	765,642	0	0	765,642
Community Development	69,470	0	0	69,470
Transportation	1,377,628	0	0	1,377,628
Capital Outlay	649,547	0	57,681	707,228
Debt Service:				
Principal Retirement	0	165,000	0	165,000
Interest and Fiscal Charges	0	40,519	0	40,519
Issuance Costs	0	0	7,000	7,000
<i>Total Expenditures</i>	<u>4,354,330</u>	<u>205,519</u>	<u>275,539</u>	<u>4,835,388</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>103,693</u>	<u>51,829</u>	<u>(269,107)</u>	<u>(113,585)</u>
Other Financing Sources (Uses)				
Proceeds from Sales of Capital Assets	73,058	0	0	73,058
Transfers In	123,221	0	0	123,221
Bond Anticipation Notes Issued	0	0	500,000	500,000
<i>Total Other Financing Sources (Uses)</i>	<u>196,279</u>	<u>0</u>	<u>500,000</u>	<u>696,279</u>
<i>Net Change in Fund Balances</i>	299,972	51,829	230,893	582,694
<i>Fund Balances Beginning of Year</i>	<u>3,037,045</u>	<u>366,784</u>	<u>537,028</u>	<u>3,940,857</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,337,017</u>	<u>\$ 418,613</u>	<u>\$ 767,921</u>	<u>\$ 4,523,551</u>

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Street M & R	State Highway	Permissive Tax	City Permissive	Bandshell Improvements
Assets					
Equity and Pooled Cash and Investments	\$ 589,927	\$ 101,822	\$ 6,364	\$ 79,718	\$ 11,219
Taxes Receivable	163,698	0	0	0	0
Accounts Receivable	1,795	0	0	0	0
Intergovernmental Receivable	376,443	30,139	0	42,216	0
Materials and Supplies Inventory	282,477	0	0	0	0
Prepaid Items	31,516	0	0	0	0
<i>Total Assets</i>	<u>\$ 1,445,856</u>	<u>\$ 131,961</u>	<u>\$ 6,364</u>	<u>\$ 121,934</u>	<u>\$ 11,219</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages	12,977	0	0	0	0
Intergovernmental Payable	10,080	0	0	0	0
<i>Total Liabilities</i>	<u>23,057</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	48,834	0	0	0	0
Unavailable Revenue	315,816	19,770	0	28,020	0
<i>Total Deferred Inflows of Resources</i>	<u>364,650</u>	<u>19,770</u>	<u>0</u>	<u>28,020</u>	<u>0</u>
Fund Balances					
Nonspendable	313,993	0	0	0	0
Restricted	744,156	112,191	6,364	93,914	11,219
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>1,058,149</u>	<u>112,191</u>	<u>6,364</u>	<u>93,914</u>	<u>11,219</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 1,445,856</u>	<u>\$ 131,961</u>	<u>\$ 6,364</u>	<u>\$ 121,934</u>	<u>\$ 11,219</u>

(continued)

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Park & Recreation	Nature Preserve	Fire/Rescue Training	Fire/Rescue Equipment	Community Development Block Grant
Assets					
Equity and Pooled Cash and Investments	\$ 351,993	\$ 7,744	\$ 5,319	\$ 45,719	\$ 18,163
Taxes Receivable	272,296	0	0	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	9,044	0	0	0	306,613
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	15,817	0	0	0	0
<i>Total Assets</i>	<u>\$ 649,150</u>	<u>\$ 7,744</u>	<u>\$ 5,319</u>	<u>\$ 45,719</u>	<u>\$ 324,776</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,163
Accrued Wages	3,625	0	0	0	0
Intergovernmental Payable	2,727	0	0	0	0
<i>Total Liabilities</i>	<u>6,352</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,163</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	142,978	0	0	0	0
Unavailable Revenue	86,945	0	0	0	301,113
<i>Total Deferred Inflows of Resources</i>	<u>229,923</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>301,113</u>
Fund Balances					
Nonspendable	15,817	0	0	0	0
Restricted	0	0	5,319	0	5,500
Committed	397,058	7,744	0	45,719	0
<i>Total Fund Balances</i>	<u>412,875</u>	<u>7,744</u>	<u>5,319</u>	<u>45,719</u>	<u>5,500</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 649,150</u>	<u>\$ 7,744</u>	<u>\$ 5,319</u>	<u>\$ 45,719</u>	<u>\$ 324,776</u>

(continued)

Ohio Regional Development Housing	Firemens Pension	Policemens Pension	Property Management	Drug Law Enforcement	Enforcement & Education	Ashland Public Transportation	Municipal Court Computer
\$ 88,528	\$ 0	\$ 0	\$ 21,791	\$ 10,803	\$ 21,065	\$ 362,102	\$ 202,520
0	91,492	91,490	0	0	0	0	0
0	0	0	0	0	0	2,452	8,014
0	7,345	7,345	0	0	0	61,578	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	151
<u>\$ 88,528</u>	<u>\$ 98,837</u>	<u>\$ 98,835</u>	<u>\$ 21,791</u>	<u>\$ 10,803</u>	<u>\$ 21,065</u>	<u>\$ 426,132</u>	<u>\$ 210,685</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,856	\$ 0
0	0	0	0	0	0	600	99
0	0	0	0	0	0	429	71
0	0	0	0	0	0	38,885	170
0	86,448	86,446	0	0	0	0	0
0	12,389	12,389	0	0	0	0	0
0	98,837	98,835	0	0	0	0	0
0	0	0	0	0	0	0	151
88,528	0	0	0	10,803	21,065	387,247	210,364
0	0	0	21,791	0	0	0	0
<u>88,528</u>	<u>0</u>	<u>0</u>	<u>21,791</u>	<u>10,803</u>	<u>21,065</u>	<u>387,247</u>	<u>210,515</u>
<u>\$ 88,528</u>	<u>\$ 98,837</u>	<u>\$ 98,835</u>	<u>\$ 21,791</u>	<u>\$ 10,803</u>	<u>\$ 21,065</u>	<u>\$ 426,132</u>	<u>\$ 210,685</u>

(continued)

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Indigent Drivers	Municipal Probation	Police Donations	Home Arrest	Community Corrections
Assets					
Equity and Pooled Cash and Investments	\$ 32,998	\$ 26,055	\$ 9,517	\$ 1,728	\$ 9,738
Taxes Receivable	0	0	0	0	0
Accounts Receivable	1,208	17,748	0	0	0
Intergovernmental Receivable	0	0	0	0	55,273
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	5,252	0	0	1,215
<i>Total Assets</i>	<u>\$ 34,206</u>	<u>\$ 49,055</u>	<u>\$ 9,517</u>	<u>\$ 1,728</u>	<u>\$ 66,226</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,000
Accrued Wages	0	2,159	0	0	1,203
Intergovernmental Payable	0	1,542	0	0	859
<i>Total Liabilities</i>	<u>0</u>	<u>3,701</u>	<u>0</u>	<u>0</u>	<u>8,062</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	0
Unavailable Revenue	0	0	0	0	27,636
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,636</u>
Fund Balances					
Nonspendable	0	5,252	0	0	1,215
Restricted	34,206	40,102	0	1,728	29,313
Committed	0	0	9,517	0	0
<i>Total Fund Balances</i>	<u>34,206</u>	<u>45,354</u>	<u>9,517</u>	<u>1,728</u>	<u>30,528</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 34,206</u>	<u>\$ 49,055</u>	<u>\$ 9,517</u>	<u>\$ 1,728</u>	<u>\$ 66,226</u>

(continued)

Municipal Court Special Program	CCA Monitoring	Mayor's Underprivileged Children	Indigent Driver's Interlock	Continuing Education	Industrial Park	Emergency Grounds Maintenance	Total
\$ 368,683	\$ 6,699	\$ 927	\$ 155,609	\$ 5,815	\$ 140,285	\$ 27,087	\$ 2,709,938
0	0	0	0	0	0	0	618,976
16,600	0	0	0	0	0	2,544	50,361
0	0	0	0	0	0	0	895,996
0	0	0	0	0	0	0	282,477
1,871	54	0	0	0	0	0	55,876
<u>\$ 387,154</u>	<u>\$ 6,753</u>	<u>\$ 927</u>	<u>\$ 155,609</u>	<u>\$ 5,815</u>	<u>\$ 140,285</u>	<u>\$ 29,631</u>	<u>\$ 4,613,624</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,019
4,159	51	0	0	0	0	0	24,873
2,643	36	0	0	0	0	0	18,387
6,802	87	0	0	0	0	0	105,279
0	0	0	0	0	0	0	364,706
0	0	0	0	0	0	2,544	806,622
0	0	0	0	0	0	2,544	1,171,328
1,871	54	0	0	0	0	0	338,353
378,481	6,612	0	155,609	5,815	0	0	2,348,536
0	0	927	0	0	140,285	27,087	650,128
380,352	6,666	927	155,609	5,815	140,285	27,087	3,337,017
<u>\$ 387,154</u>	<u>\$ 6,753</u>	<u>\$ 927</u>	<u>\$ 155,609</u>	<u>\$ 5,815</u>	<u>\$ 140,285</u>	<u>\$ 29,631</u>	<u>\$ 4,613,624</u>

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2016

	Street M & R	State Highway	Permissive Tax	City Permissive	Bandshell Improvements
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Income Taxes	581,342	0	0	0	0
Special Assessments	0	0	0	0	0
Charges for Services	18,606	0	0	0	0
Fines and Forfeitures	2,410	0	0	0	0
Intergovernmental	858,152	69,609	46,443	96,434	0
Interest	4,900	354	0	0	0
Rent	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	13,605	0	0	0	0
<i>Total Revenues</i>	<u>1,479,015</u>	<u>69,963</u>	<u>46,443</u>	<u>96,434</u>	<u>0</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	0	0
Public Health	0	0	0	0	0
Leisure Time Services	0	0	0	0	17,000
Community Development	0	0	0	0	0
Transportation	1,303,146	0	40,079	34,403	0
Capital Outlay	909	0	0	0	0
<i>Total Expenditures</i>	<u>1,304,055</u>	<u>0</u>	<u>40,079</u>	<u>34,403</u>	<u>17,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>174,960</u>	<u>69,963</u>	<u>6,364</u>	<u>62,031</u>	<u>(17,000)</u>
Other Financing Sources (Uses)					
Proceeds from Sales of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	174,960	69,963	6,364	62,031	(17,000)
<i>Fund Balances Beginning of Year</i>	<u>883,189</u>	<u>42,228</u>	<u>0</u>	<u>31,883</u>	<u>28,219</u>
<i>Total Fund Balances</i>	<u>\$ 1,058,149</u>	<u>\$ 112,191</u>	<u>\$ 6,364</u>	<u>\$ 93,914</u>	<u>\$ 11,219</u>

(continued)

Park & Recreation	Nature Preserve	Fire/Rescue Training	Fire/Rescue Equipment	Community Development Block Grant	Ohio Regional Development Housing	Firemens Pension	Policemens Pension
\$ 134,646	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,351	\$ 83,351
627,848	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
73,890	0	0	320,065	0	0	0	0
0	0	0	0	0	0	0	0
22,086	0	0	0	73,887	4,928	10,972	10,974
0	0	0	0	0	0	0	0
0	1,800	0	0	0	0	0	0
1,200	0	6,416	0	0	0	0	0
9,800	0	0	0	0	0	0	0
<u>869,470</u>	<u>1,800</u>	<u>6,416</u>	<u>320,065</u>	<u>73,887</u>	<u>4,928</u>	<u>94,323</u>	<u>94,325</u>
0	0	0	0	0	0	0	0
0	0	8,014	0	0	0	94,323	94,325
0	0	0	0	0	0	0	0
747,364	1,278	0	0	0	0	0	0
0	0	0	0	68,387	1,083	0	0
0	0	0	0	0	0	0	0
21,900	0	0	498,242	0	0	0	0
<u>769,264</u>	<u>1,278</u>	<u>8,014</u>	<u>498,242</u>	<u>68,387</u>	<u>1,083</u>	<u>94,323</u>	<u>94,325</u>
<u>100,206</u>	<u>522</u>	<u>(1,598)</u>	<u>(178,177)</u>	<u>5,500</u>	<u>3,845</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
100,206	522	(1,598)	(178,177)	5,500	3,845	0	0
312,669	7,222	6,917	223,896	0	84,683	0	0
<u>\$ 412,875</u>	<u>\$ 7,744</u>	<u>\$ 5,319</u>	<u>\$ 45,719</u>	<u>\$ 5,500</u>	<u>\$ 88,528</u>	<u>\$ 0</u>	<u>\$ 0</u>

(continued)

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
 December 31, 2016

	Property Management	Drug Law Enforcement	Enforcement & Education	Ashland Public Transportation	Municipal Court Computer
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Income Taxes	0	0	0	0	0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	103,610	0
Fines and Forfeitures	0	3,303	1,338	0	121,735
Intergovernmental	0	0	0	350,929	0
Interest	0	0	0	0	0
Rent	13,388	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	0	3,046	0
<i>Total Revenues</i>	<u>13,388</u>	<u>3,303</u>	<u>1,338</u>	<u>457,585</u>	<u>121,735</u>
Expenditures					
Current:					
General Government	21,094	0	0	531,717	0
Security of Persons and Property	0	6,678	257	0	105,358
Public Health	0	0	0	0	0
Leisure Time Services	0	0	0	0	0
Community Development	0	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	9,615	0	48,725	0
<i>Total Expenditures</i>	<u>21,094</u>	<u>16,293</u>	<u>257</u>	<u>580,442</u>	<u>105,358</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,706)</u>	<u>(12,990)</u>	<u>1,081</u>	<u>(122,857)</u>	<u>16,377</u>
Other Financing Sources (Uses)					
Proceeds from Sales of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	117,033	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>117,033</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(7,706)	(12,990)	1,081	(5,824)	16,377
<i>Fund Balances Beginning of Year</i>	<u>29,497</u>	<u>23,793</u>	<u>19,984</u>	<u>393,071</u>	<u>194,138</u>
<i>Total Fund Balances</i>	<u>\$ 21,791</u>	<u>\$ 10,803</u>	<u>\$ 21,065</u>	<u>\$ 387,247</u>	<u>\$ 210,515</u>

(continued)

Indigent Drivers	Municipal Probation	Police Donations	Home Arrest	Community Corrections	Municipal Court Special Program	CCA Monitoring	Mayor's Underprivileged Children
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
21,639	226,051	0	0	0	249,528	10,701	0
0	0	0	0	110,547	0	0	0
0	0	0	0	0	0	0	10
0	0	0	0	0	0	0	0
0	0	3,000	0	0	0	0	5,769
0	15	0	0	0	0	0	0
<u>21,639</u>	<u>226,066</u>	<u>3,000</u>	<u>0</u>	<u>110,547</u>	<u>249,528</u>	<u>10,701</u>	<u>5,779</u>
0	0	0	0	0	0	0	10,440
27,833	191,418	2,007	0	112,693	214,365	5,149	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	41,016	0	0	29,140	0	0
<u>27,833</u>	<u>191,418</u>	<u>43,023</u>	<u>0</u>	<u>112,693</u>	<u>243,505</u>	<u>5,149</u>	<u>10,440</u>
<u>(6,194)</u>	<u>34,648</u>	<u>(40,023)</u>	<u>0</u>	<u>(2,146)</u>	<u>6,023</u>	<u>5,552</u>	<u>(4,661)</u>
0	0	0	0	0	0	0	0
0	0	0	0	6,188	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,188</u>	<u>0</u>	<u>0</u>	<u>0</u>
(6,194)	34,648	(40,023)	0	4,042	6,023	5,552	(4,661)
<u>40,400</u>	<u>10,706</u>	<u>49,540</u>	<u>1,728</u>	<u>26,486</u>	<u>374,329</u>	<u>1,114</u>	<u>5,588</u>
<u>\$ 34,206</u>	<u>\$ 45,354</u>	<u>\$ 9,517</u>	<u>\$ 1,728</u>	<u>\$ 30,528</u>	<u>\$ 380,352</u>	<u>\$ 6,666</u>	<u>\$ 927</u>

(continued)

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
December 31, 2016

	Indigent Driver's Interlock	Continuing Education	Industrial Park	Emergency Grounds Maintenance	Total
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 301,348
Income Taxes	0	0	0	0	1,209,190
Special Assessments	0	0	0	181	181
Charges for Services	0	0	0	0	516,171
Fines and Forfeitures	17,564	0	0	0	654,269
Intergovernmental	0	1,840	0	0	1,656,801
Interest	0	0	0	0	5,264
Rent	0	0	56,536	0	71,724
Contributions and Donations	0	0	0	0	16,385
Other	0	0	0	224	26,690
<i>Total Revenues</i>	<u>17,564</u>	<u>1,840</u>	<u>56,536</u>	<u>405</u>	<u>4,458,023</u>
Expenditures					
Current:					
General Government	0	0	63,687	0	626,938
Security of Persons and Property	0	0	0	0	862,420
Public Health	0	0	0	2,685	2,685
Leisure Time Services	0	0	0	0	765,642
Community Development	0	0	0	0	69,470
Transportation	0	0	0	0	1,377,628
Capital Outlay	0	0	0	0	649,547
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>63,687</u>	<u>2,685</u>	<u>4,354,330</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>17,564</u>	<u>1,840</u>	<u>(7,151)</u>	<u>(2,280)</u>	<u>103,693</u>
Other Financing Sources (Uses)					
Proceeds from Sales of Capital Assets	0	0	73,058	0	73,058
Transfers In	0	0	0	0	123,221
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>73,058</u>	<u>0</u>	<u>196,279</u>
<i>Net Change in Fund Balances</i>	17,564	1,840	65,907	(2,280)	299,972
<i>Fund Balances Beginning of Year</i>	<u>138,045</u>	<u>3,975</u>	<u>74,378</u>	<u>29,367</u>	<u>3,037,045</u>
<i>Total Fund Balances</i>	<u>\$ 155,609</u>	<u>\$ 5,815</u>	<u>\$ 140,285</u>	<u>\$ 27,087</u>	<u>\$ 3,337,017</u>

City of Ashland
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016

	Capital Improvement	Traffic Signal Improvement	Total
Assets			
Equity and Pooled Cash and Investments	\$ 282,741	\$ 485,627	\$ 768,368
Liabilities			
Contracts Payable	\$ 0	\$ 447	\$ 447
Fund Balances			
Restricted	282,741	485,180	767,921
<i>Total Liabilities and Fund Balances</i>	\$ 282,741	\$ 485,627	\$ 768,368

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
December 31, 2016

	Capital Improvement	Traffic Signal Improvement	Total
Revenues			
Interest	\$ 6,432	\$ 0	\$ 6,432
Expenditures			
Current:			
Security of Persons and Property	210,858	0	210,858
Capital Outlay	49,861	7,820	57,681
Debt Service:	0	0	0
Issuance Costs	0	7,000	7,000
<i>Total Expenditures</i>	<u>260,719</u>	<u>14,820</u>	<u>275,539</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(254,287)</u>	<u>(14,820)</u>	<u>(269,107)</u>
Other Financing Sources (Uses)			
Bond Anticipation Notes Issued	<u>0</u>	<u>500,000</u>	<u>500,000</u>
<i>Net Change in Fund Balances</i>	(254,287)	485,180	230,893
<i>Fund Balances Beginning of Year</i>	<u>537,028</u>	<u>0</u>	<u>537,028</u>
<i>Total Fund Balances</i>	<u>\$ 282,741</u>	<u>\$ 485,180</u>	<u>\$ 767,921</u>

**Individual Fund Schedules of
Revenues, Expenditures and Changes
in Fund Balance – Budget (Non-GAAP
Basis) and Actual Governmental
Funds – Major and Nonmajor**

CITY OF ASHLAND, OHIO

Fund Descriptions – Major Funds

Major General Fund

The general fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Funds being reported as part of the General Fund

The following funds are legally budgeted as separate special revenue funds but are being reported as part of the general fund for GAAP reporting purposes.

City Income Tax Administration – To account for receipts from the assessment of a 1.50% income tax, which are used to cover the cost of operating the collection department and issuing refunds to taxpayers for overpayments.

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 524,674	\$ 540,512	\$ 15,838
Income Taxes	7,995,300	8,359,057	363,757
Other Local Taxes	6,157	5,432	(725)
Charges for Services	862,746	814,216	(48,530)
Licenses and Permits	47,881	70,901	23,020
Fines and Forfeitures	675,428	569,504	(105,924)
Intergovernmental	415,366	389,564	(25,802)
Interest	8,500	23,515	15,015
Contributions and Donations	750	864	114
Other	149,021	91,832	(57,189)
<i>Total Revenues</i>	<u>10,685,823</u>	<u>10,865,397</u>	<u>179,574</u>
Expenditures			
Current:			
General Government			
Mayor			
Personal Services	49,783	43,934	5,849
Other	7,431	6,241	1,190
Total Mayor	<u>57,214</u>	<u>50,175</u>	<u>7,039</u>
Director of Finance			
Personal Services	73,442	63,992	9,450
Other	128,489	120,799	7,690
Total Director of Finance	<u>201,931</u>	<u>184,791</u>	<u>17,140</u>
Director of Law			
Personal Services	99,930	85,922	14,008
Other	27,894	25,928	1,966
Total Director of Law	<u>127,824</u>	<u>111,850</u>	<u>15,974</u>
Department of Human Services			
Personal Services	47,354	31,951	15,403
Other	15,210	8,598	6,612
Total Department of Human Services	<u>62,564</u>	<u>40,549</u>	<u>22,015</u>
Council			
Personal Services	20,944	14,033	6,911
Other	703,274	627,005	76,269
Total Council	<u>724,218</u>	<u>641,038</u>	<u>83,180</u>

(Continued)

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund - (Continued)
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Municipal Court Clerk			
Personal Services	1,106,719	1,041,789	64,930
Other	150,232	125,456	24,776
Total Municipal Court Clerk	1,256,951	1,167,245	89,706
Technical Services Department			
Personal Services	45,931	10,758	35,173
Other	78,617	67,466	11,151
Total Technical Services Department	124,548	78,224	46,324
Municipal Building Maintenance			
Personal Services	11,179	10,285	894
Other	63,975	53,635	10,340
Total Municipal Building Maintenance	75,154	63,920	11,234
Justice Center Maintenance			
Personal Services	40,198	29,556	10,642
Other	103,711	91,513	12,198
Total Justice Center Maintenance	143,909	121,069	22,840
Engineer			
Personal Services	37,122	30,330	6,792
Other	70,113	66,734	3,379
Total Engineer	107,235	97,064	10,171
General Miscellaneous			
Personal Services	220,064	201,548	18,516
Other	550,849	457,833	93,016
Total General Miscellaneous	770,913	659,381	111,532
Total General Government	3,652,461	3,215,306	437,155
Security of Persons and Property			
Police Department			
Personal Services	3,158,511	2,856,479	302,032
Other	289,270	228,794	60,476
Total Police Department	3,447,781	3,085,273	362,508
Fire Department			
Personal Services	3,185,015	3,031,884	153,131
Other	319,196	262,072	57,124
Total Fire Department	3,504,211	3,293,956	210,255

(Continued)

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund - (Continued)
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Street Lighting			
Other	160,906	137,972	22,934
Total Security of Persons and Property	7,112,898	6,517,201	595,697
Public Health			
Health Department			
Personal Services	233,847	220,131	13,716
Other	95,355	86,886	8,469
Total Public Health	329,202	307,017	22,185
Community Development			
Building and Zoning			
Personal Services	161,206	152,097	9,109
Other	5,601	3,902	1,699
Total Building and Zoning	166,807	155,999	10,808
Economic Development			
Personal Services	100	62	38
Other	43,539	41,677	1,862
Total Economic Development	43,639	41,739	1,900
Total Community Development	210,446	197,738	12,708
<i>Total Expenditures</i>	11,305,007	10,237,262	1,067,745
<i>Excess of Revenues Over (Under) Expenditures</i>	(619,184)	628,135	1,247,319
Other Financing Sources (Uses)			
Advances In	0	7,726	7,726
Advances Out	(7,726)	(7,726)	0
Transfers Out	(175,101)	(153,221)	21,880
<i>Total Other Financing Sources (Uses)</i>	(182,827)	(153,221)	29,606
<i>Net Change in Fund Balance</i>	(802,011)	474,914	1,276,925
<i>Fund Balance Beginning of Year</i>	809,584	809,584	0
<i>Fund Balance End of Year</i>	\$ 7,573	\$ 1,284,498	\$ 1,276,925

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Income Tax Administration Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Tax	\$ 615,000	\$ 504,090	\$ (110,910)
Other	0	1,284	1,284
<i>Total Revenues</i>	<u>615,000</u>	<u>505,374</u>	<u>(109,626)</u>
Expenditures			
Current:			
General Government			
City Income Tax			
Personal Services	264,536	233,351	31,185
Other	350,464	272,023	78,441
<i>Total Expenditures</i>	<u>615,000</u>	<u>505,374</u>	<u>109,626</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Income Taxes	\$ 574,375	\$ 600,507	\$ 26,132
Charges for Services	24,500	18,606	(5,894)
Fines and Forfeitures	7,800	2,410	(5,390)
Intergovernmental	867,482	861,969	(5,513)
Interest	4,346	4,900	554
Other	35,000	11,810	(23,190)
<i>Total Revenues</i>	<u>1,513,503</u>	<u>1,500,202</u>	<u>(13,301)</u>
Expenditures			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	1,292,538	1,134,415	158,123
Other	567,609	273,937	293,672
<i>Total Expenditures</i>	<u>1,860,147</u>	<u>1,408,352</u>	<u>451,795</u>
<i>Net Change in Fund Balance</i>	(346,644)	91,850	438,494
<i>Fund Balance Beginning of Year</i>	490,413	490,413	0
Prior Year Encumbrances Appropriated	7,664	7,664	0
<i>Fund Balance End of Year</i>	<u>\$ 151,433</u>	<u>\$ 589,927</u>	<u>\$ 438,494</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 57,145	\$ 69,889	\$ 12,744
Interest	370	354	(16)
<i>Total Revenues</i>	<u>57,515</u>	<u>70,243</u>	<u>12,728</u>
Expenditures			
Debt Service:			
Principal Retirements	80,000	0	80,000
Interest and Fiscal Charges	9,094	0	9,094
<i>Total Expenditures</i>	<u>89,094</u>	<u>0</u>	<u>89,094</u>
<i>Net Change in Fund Balance</i>	(31,579)	70,243	101,822
<i>Fund Balance Beginning of Year</i>	<u>31,579</u>	<u>31,579</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 101,822</u>	<u>\$ 101,822</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Tax Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Intergovernmental	<u>\$ 100,000</u>	<u>\$ 46,443</u>	<u>\$ (53,557)</u>
Expenditures			
Current:			
Transportation			
Capital Outlay			
Other	<u>100,000</u>	<u>40,079</u>	<u>59,921</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>6,364</u>	<u>6,364</u>
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 6,364</u></u>	<u><u>\$ 6,364</u></u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Permissive Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 78,500	\$ 97,917	\$ 19,417
Expenditures			
Current:			
Transportation			
Capital Outlay			
Other	94,704	34,403	60,301
<i>Excess of Revenues Over (Under) Expenditures</i>	(16,204)	63,514	79,718
Other Financing Sources (Uses)			
Advances In	2,519	2,519	0
Advances Out	(2,519)	(2,519)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0
<i>Net Change in Fund Balance</i>	(16,204)	63,514	79,718
<i>Fund Balance Beginning of Year</i>	16,204	16,204	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 79,718	\$ 79,718

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bandshell Improvements Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures			
Current:			
Leisure Time Services			
Other	\$ 28,219	\$ 17,000	\$ 11,219
<i>Net Change in Fund Balance</i>	(28,219)	(17,000)	11,219
<i>Fund Balance Beginning of Year</i>	28,219	28,219	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 11,219</u>	<u>\$ 11,219</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park and Recreation Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 135,000	\$ 134,646	\$ (354)
Income Taxes	620,325	648,548	28,223
Charges for Services	65,053	73,890	8,837
Intergovernmental	22,177	22,602	425
Contributions and Donations	1,200	1,200	0
Other	14,471	9,800	(4,671)
<i>Total Revenues</i>	<u>858,226</u>	<u>890,686</u>	<u>32,460</u>
Expenditures			
Current:			
Leisure Time Services			
Personal Services	393,748	321,140	72,608
Other	512,299	431,123	81,176
Total Leisure Time Services	<u>906,047</u>	<u>752,263</u>	<u>153,784</u>
Capital Outlay			
Leisure Time Services	50,000	21,900	28,100
<i>Total Expenditures</i>	<u>956,047</u>	<u>774,163</u>	<u>181,884</u>
<i>Net Change in Fund Balance</i>	(97,821)	116,523	214,344
<i>Fund Balance Beginning of Year</i>	235,470	235,470	0
<i>Fund Balance End of Year</i>	<u>\$ 137,649</u>	<u>\$ 351,993</u>	<u>\$ 214,344</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Nature Preserve Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Rent	\$ 900	\$ 1,800	\$ 900
Expenditures			
Current:			
Leisure Time Services			
Other	8,122	1,278	6,844
<i>Net Change in Fund Balance</i>	(7,222)	522	7,744
<i>Fund Balance Beginning of Year</i>	7,222	7,222	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 7,744	\$ 7,744

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/Rescue Training Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Contributions and Donations	\$ 5,000	\$ 6,416	\$ 1,416
Expenditures			
Current:			
Security of Persons and Property			
Other	12,106	8,203	3,903
<i>Net Change in Fund Balance</i>	(7,106)	(1,787)	5,319
<i>Fund Balance Beginning of Year</i>	7,106	7,106	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 5,319</u>	<u>\$ 5,319</u>

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire/Rescue Equipment Fund
For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 320,065	\$ 320,065	\$ 0
Expenditures			
Capital Outlay			
Other	543,961	516,960	27,001
<i>Net Change in Fund Balance</i>	(223,896)	(196,895)	27,001
<i>Fund Balance Beginning of Year</i>	223,896	223,896	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 27,001	\$ 27,001

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 375,000	\$ 68,387	\$ (306,613)
Expenditures			
Current:			
Community Development			
Other	375,000	50,224	324,776
<i>Total Expenditures</i>	375,000	50,224	324,776
<i>Excess of Revenues Over (Under) Expenditures</i>	0	18,163	18,163
Other Financing Sources			
Advances In	300,000	300,000	0
Advances Out	(300,000)	(300,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0
<i>Net Change in Fund Balance</i>	0	18,163	18,163
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 18,163	\$ 18,163

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Regional Development Housing Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 0	\$ 4,928	\$ 4,928
Expenditures			
Current:			
Community Development			
Other	84,683	1,083	83,600
<i>Net Change in Fund Balance</i>	(84,683)	3,845	88,528
<i>Fund Balance Beginning of Year</i>	84,683	84,683	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 88,528	\$ 88,528

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Firemens Pension Fund
For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 87,850	\$ 83,351	\$ (4,499)
Intergovernmental	12,150	10,972	(1,178)
<i>Total Revenues</i>	<u>100,000</u>	<u>94,323</u>	<u>(5,677)</u>
Expenditures			
Current:			
Security of Persons and Property			
Personal Services	<u>100,000</u>	<u>94,323</u>	<u>5,677</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Policemens Pension Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 87,850	\$ 83,351	\$ (4,499)
Intergovernmental	12,150	10,974	(1,176)
<i>Total Revenues</i>	<u>100,000</u>	<u>94,325</u>	<u>(5,675)</u>
Expenditures			
Current:			
Security of Persons and Property			
Personal Services	<u>100,000</u>	<u>94,325</u>	<u>5,675</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Property Management Fund
For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
Revenues			
Rent	\$ 0	\$ 13,388	\$ 13,388
Expenditures			
Current:			
General Government			
Other	29,497	21,094	8,403
<i>Net Change in Fund Balance</i>	(29,497)	(7,706)	21,791
<i>Fund Balance Beginning of Year</i>	29,497	29,497	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 21,791	\$ 21,791

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 9,019	\$ 3,303	\$ (5,716)
Expenditures			
Current:			
Security of Persons and Property			
Other	32,812	16,293	16,519
<i>Net Change in Fund Balance</i>	(23,793)	(12,990)	10,803
<i>Fund Balance Beginning of Year</i>	23,793	23,793	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 10,803</u>	<u>\$ 10,803</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 1,200	\$ 1,338	\$ 138
Expenditures			
Current:			
Security of Persons and Property			
Other	21,184	257	20,927
<i>Net Change in Fund Balance</i>	(19,984)	1,081	21,065
<i>Fund Balance Beginning of Year</i>	19,984	19,984	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 21,065</u>	<u>\$ 21,065</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ashland Public Transportation Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 48,577	\$ 104,837	\$ 56,260
Intergovernmental	482,280	416,245	(66,035)
Other	0	3,046	3,046
<i>Total Revenues</i>	<u>530,857</u>	<u>524,128</u>	<u>(6,729)</u>
Expenditures			
Current:			
General Government			
Public Transit			
Other	800,746	587,882	212,864
Coordination			
Personal Services	45,145	36,817	8,328
<i>Total Expenditures</i>	<u>845,891</u>	<u>624,699</u>	<u>221,192</u>
<i>Deficiency of Revenues Under Expenditures</i>	<u>(315,034)</u>	<u>(100,571)</u>	<u>214,463</u>
Other Financing Sources			
Transfers In	117,033	117,033	0
<i>Net Change in Fund Balance</i>	(198,001)	16,462	214,463
<i>Fund Balance Beginning of Year</i>	<u>298,969</u>	<u>298,969</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 100,968</u>	<u>\$ 315,431</u>	<u>\$ 214,463</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Computer Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 140,855	\$ 125,225	\$ (15,630)
Expenditures			
Current:			
Security of Persons and Property			
Personal Services	17,760	7,451	10,309
Other	305,788	97,947	207,841
<i>Total Expenditures</i>	<u>323,548</u>	<u>105,398</u>	<u>218,150</u>
<i>Net Change in Fund Balance</i>	(182,693)	19,827	202,520
<i>Fund Balance Beginning of Year</i>	<u>182,693</u>	<u>182,693</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 202,520</u>	<u>\$ 202,520</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	<u>\$ 25,450</u>	<u>\$ 21,499</u>	<u>\$ (3,951)</u>
Expenditures			
Current:			
Security of Persons and Property			
Other	<u>64,782</u>	<u>27,833</u>	<u>36,949</u>
<i>Net Change in Fund Balance</i>	(39,332)	(6,334)	32,998
<i>Fund Balance Beginning of Year</i>	<u>39,332</u>	<u>39,332</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 32,998</u>	<u>\$ 32,998</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Probation Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 178,770	\$ 218,819	\$ 40,049
Other	0	15	15
<i>Total Revenues</i>	<u>178,770</u>	<u>218,834</u>	<u>40,064</u>
Expenditures			
Current:			
Security of Persons and Property			
Personal Services	202,030	185,232	16,798
Other	15,525	10,892	4,633
<i>Total Expenditures</i>	<u>217,555</u>	<u>196,124</u>	<u>21,431</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(38,785)</u>	<u>22,710</u>	<u>61,495</u>
Other Financing Sources			
Transfers In	35,440	0	(35,440)
<i>Net Change in Fund Balance</i>	<u>(3,345)</u>	<u>22,710</u>	<u>26,055</u>
<i>Fund Balance at Beginning of Year</i>	<u>3,345</u>	<u>3,345</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 0</u>	<u>\$ 26,055</u>	<u>\$ 26,055</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Donations Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Contributions and Donations	\$ 5,000	\$ 3,000	\$ (2,000)
Expenditures			
Current:			
Security of Persons and Property			
Other	56,658	45,141	11,517
<i>Net Change in Fund Balance</i>	<u>(51,658)</u>	<u>(42,141)</u>	<u>9,517</u>
<i>Fund Balance Beginning of Year</i>	<u>51,658</u>	<u>51,658</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>9,517</u>	<u>\$ 9,517</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Home Arrest Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures			
Current:			
Security of Persons and Property			
Other	\$ 1,728	\$ 0	\$ 1,728
<i>Net Change in Fund Balance</i>	(1,728)	0	1,728
<i>Fund Balance Beginning of Year</i>	<u>1,728</u>	<u>1,728</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 1,728</u>	<u>\$ 1,728</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Corrections Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 110,547	\$ 110,547	\$ 0
Expenditures			
Current:			
Security of Persons and Property			
Community Corrections			
Personal Services	82,115	79,460	2,655
Other	28,646	27,751	895
<i>Total Expenditures</i>	110,761	107,211	3,550
<i>Excess of Revenues Over (Under) Expenditures</i>	(214)	3,336	3,550
Other Financing Sources (Uses)			
Transfers In	0	6,188	6,188
Advance In	7,726	7,726	0
Advance Out	(7,726)	(7,726)	0
<i>Total Other Financing Sources (Uses)</i>	0	6,188	6,188
<i>Net Change in Fund Balance</i>	(214)	9,524	9,738
<i>Fund Balance Beginning of Year</i>	214	214	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 9,738	\$ 9,738

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Program Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 200,600	\$ 260,540	\$ 59,940
Expenditures			
Current:			
Security of Persons and Property			
Personal Services	257,141	190,218	66,923
Other	291,748	49,928	241,820
<i>Total Expenditures</i>	<u>548,889</u>	<u>240,146</u>	<u>308,743</u>
<i>Net Change in Fund Balance</i>	(348,289)	20,394	368,683
<i>Fund Balance Beginning of Year</i>	<u>348,289</u>	<u>348,289</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 368,683</u>	<u>\$ 368,683</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
CCA Monitoring Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 7,200	\$ 10,701	\$ 3,501
Expenditures			
Current:			
Security of Persons and Property			
Personal Services	3,600	3,381	219
Other	4,783	1,804	2,979
<i>Total Expenditures</i>	8,383	5,185	3,198
<i>Net Change in Fund Balance</i>	(1,183)	5,516	6,699
<i>Fund Balance Beginning of Year</i>	1,183	1,183	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 6,699	\$ 6,699

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Underprivileged Children Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Interest	\$ 0	\$ 10	\$ 10
Contributions and Donations	5,274	5,769	495
<i>Total Revenues</i>	5,274	5,779	505
Expenditures			
Current:			
General Government			
Other	10,862	10,440	422
<i>Net Change in Fund Balance</i>	(5,588)	(4,661)	927
<i>Fund Balance Beginning of Year</i>	5,588	5,588	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 927	\$ 927

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Driver's Interlock Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 18,294	\$ 17,564	\$ (730)
Expenditures			
Current:			
Security of Persons and Property			
Other	156,339	0	156,339
<i>Net Change in Fund Balance</i>	(138,045)	17,564	155,609
<i>Fund Balance Beginning of Year</i>	138,045	138,045	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 155,609</u>	<u>\$ 155,609</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Continuing Education Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Intergovernmental	\$ 2,000	\$ 1,840	\$ (160)
Expenditures			
Current:			
Security of Person and Property			
Other	<u>5,975</u>	<u>0</u>	<u>5,975</u>
<i>Net Change in Fund Balance</i>	(3,975)	1,840	5,815
<i>Fund Balance Beginning of Year</i>	<u>3,975</u>	<u>3,975</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 5,815</u>	<u>\$ 5,815</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Industrial Park Fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Rent	\$ 62,519	\$ 56,536	\$ (5,983)
Expenditures			
Current:			
General Government			
Other	136,897	63,687	73,210
<i>Excess of Revenues Over (Under) Expenditures</i>	(74,378)	(7,151)	67,227
Other Financing Sources			
Proceeds from Sale of Capital Assets	0	73,058	73,058
<i>Net Change in Fund Balance</i>	(74,378)	65,907	140,285
<i>Fund Balance Beginning of Year</i>	74,378	74,378	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 140,285</u>	<u>\$ 140,285</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Grounds Maintenance Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Special Assessments	\$ 1,000	\$ 181	\$ (819)
Other	0	224	224
<i>Total Revenues</i>	<u>1,000</u>	<u>405</u>	<u>(595)</u>
Expenditures			
Current:			
Public Health			
Other	30,367	2,685	27,682
<i>Net Change in Fund Balance</i>	(29,367)	(2,280)	27,087
<i>Fund Balance Beginning of Year</i>	<u>29,367</u>	<u>29,367</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 27,087</u>	<u>\$ 27,087</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 224,000	\$ 228,084	\$ 4,084
Intergovernmental	29,481	29,264	(217)
<i>Total Revenues</i>	<u>253,481</u>	<u>257,348</u>	<u>3,867</u>
Expenditures			
Debt Service			
Principal Retirements	170,000	165,000	5,000
Interest and Fiscal Charges	42,000	40,519	1,481
<i>Total Expenditures</i>	<u>212,000</u>	<u>205,519</u>	<u>6,481</u>
<i>Net Change in Fund Balance</i>	41,481	51,829	10,348
<i>Fund Balance Beginning of Year</i>	<u>366,784</u>	<u>366,784</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 408,265</u></u>	<u><u>\$ 418,613</u></u>	<u><u>\$ 10,348</u></u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues			
Interest	\$ 0	\$ 6,432	\$ 6,432
Expenditures			
Capital Outlay			
Other	315,097	295,637	19,460
Other Financing Sources (Uses)			
Advances In	142,598	142,598	0
Advances Out	(142,598)	(142,598)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(315,097)	(289,205)	25,892
<i>Fund Balance Beginning of Year</i>	537,028	537,028	0
Prior Year Encumbrances Appropriated	34,918	34,918	0
<i>Fund Balance End of Year</i>	<u>\$ 256,849</u>	<u>\$ 282,741</u>	<u>\$ 25,892</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Traffic Signal Improvement fund
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures			
Capital Outlay			
Other	\$ 493,000	\$ 7,373	\$ 485,627
Debt Service			
Issuance Costs	<u>7,000</u>	<u>7,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>500,000</u>	<u>14,373</u>	<u>485,627</u>
Other Financing Sources			
Advances In	500,000	0	(500,000)
Bond Anticipation Notes Issued	<u>0</u>	<u>500,000</u>	<u>500,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	485,627	485,627
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 485,627</u>	<u>\$ 485,627</u>

Combining Statements for Nonmajor Enterprise Funds

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CITY OF ASHLAND, OHIO

Fund Descriptions – Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Stormwater Management Utility – To account for the deposit, control and expenses of moneys from sales and transfers to cover the operation of the managing stormwater.

Brookside Swimming Pool - To account for the deposit, control and expenses of moneys from sales and transfers to cover the operation of the swimming pool.

Brookside Golf Course - To account for the deposit, control and expenses of moneys from sales and transfers to cover the operation of the golf course.

City of Ashland
Combining Statement of Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016

	Stormwater Management Utility	Brookside Swimming Pool	Brookside Golf Course	Total
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Investments	\$ 487,471	\$ 27,806	\$ 17,430	\$ 532,707
Cash and Investments in Segregated Accounts	0	0	548	548
Materials and Supplies Inventory	0	0	78,107	78,107
Prepaid Items	1,683	0	5,239	6,922
Accounts Receivable	8,568	0	0	8,568
<i>Total Current Assets</i>	<u>497,722</u>	<u>27,806</u>	<u>101,324</u>	<u>626,852</u>
<i>Non-Current Assets</i>				
Non-Depreciable Capital Assets	26,950	37,120	695,866	759,936
Depreciable Capital Assets, Net	2,758,252	72,494	102,420	2,933,166
<i>Total Non-Current Assets</i>	<u>2,785,202</u>	<u>109,614</u>	<u>798,286</u>	<u>3,693,102</u>
<i>Total Assets</i>	<u>3,282,924</u>	<u>137,420</u>	<u>899,610</u>	<u>4,319,954</u>
Deferred Outflows of Resources				
Pension	29,118	23,867	99,401	152,386
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	5,460	0	0	5,460
Accrued Wages	1,177	0	3,228	4,405
Intergovernmental Payable	841	0	2,499	3,340
Compensated Absences Payable	0	0	233	233
<i>Total Current Liabilities</i>	<u>7,478</u>	<u>0</u>	<u>5,960</u>	<u>13,438</u>
<i>Long-Term Liabilities</i>				
Compensated Absences Payable - Net of Current Portion	0	0	16,375	16,375
Net Pension Liability (See Note 11)	76,138	62,406	259,911	398,455
<i>Total Long-Term Liabilities</i>	<u>76,138</u>	<u>62,406</u>	<u>276,286</u>	<u>414,830</u>
<i>Total Liabilities</i>	<u>83,616</u>	<u>62,406</u>	<u>282,246</u>	<u>428,268</u>
Deferred Inflows of Resources				
Pension	1,517	1,243	5,177	7,937
Net Position				
Net Investment in Capital Assets	2,785,202	109,614	798,286	3,693,102
Unrestricted	441,707	(11,976)	(86,698)	343,033
<i>Total Net Position</i>	<u>\$ 3,226,909</u>	<u>\$ 97,638</u>	<u>\$ 711,588</u>	<u>\$ 4,036,135</u>

City of Ashland
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016

	Stormwater Management Utility	Brookside Swimming Pool	Brookside Golf Course	Total
Operating Revenues				
Charges for Services	\$ 519,395	\$ 73,493	\$ 349,082	\$ 941,970
Operating Expenses				
Personal Services	182,646	70,201	319,716	572,563
Contractual Services	175,323	0	46,472	221,795
Materials and Supplies	6,297	18,972	125,874	151,143
Utilities	0	7,917	19,823	27,740
Depreciation	65,316	2,978	32,995	101,289
Other	46,921	0	0	46,921
<i>Total Operating Expenses</i>	476,503	100,068	544,880	1,121,451
<i>Operating Income (Loss)</i>	42,892	(26,575)	(195,798)	(179,481)
Non-Operating Revenues (Expenses)				
Loss on Disposal of Capital Assets	(6,150)	0	0	(6,150)
<i>Income (Loss) Before Transfers</i>	36,742	(26,575)	(195,798)	(185,631)
Transfers In	0	0	30,000	30,000
<i>Change in Net Position</i>	36,742	(26,575)	(165,798)	(155,631)
<i>Net Position at Beginning of Year</i>	3,190,167	124,213	877,386	4,191,766
<i>Net Position at End of Year</i>	\$ 3,226,909	\$ 97,638	\$ 711,588	\$ 4,036,135

City of Ashland
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016

	Stormwater Management Utility	Brookside Swimming Pool	Brookside Golf Course	Totals
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 518,192	\$ 73,493	\$ 349,082	\$ 940,767
Cash Payments to Suppliers for Goods and Services	(4,059)	(18,972)	(130,562)	(153,593)
Cash Payments to Employees for Services and Benefits	(173,295)	(58,413)	(305,419)	(537,127)
Cash Payments for Contractual Services	(173,784)	(7,917)	(71,534)	(253,235)
Other Cash Payments	(46,921)	0	0	(46,921)
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>120,133</u>	<u>(11,809)</u>	<u>(158,433)</u>	<u>(50,109)</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>30,000</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	<u>(67,397)</u>	<u>0</u>	<u>0</u>	<u>(67,397)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	52,736	(11,809)	(128,433)	(87,506)
<i>Cash and Investments Beginning of Year</i>	<u>434,735</u>	<u>39,615</u>	<u>146,411</u>	<u>620,761</u>
<i>Cash and Investments End of Year</i>	<u>\$ 487,471</u>	<u>\$ 27,806</u>	<u>\$ 17,978</u>	<u>\$ 533,255</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	\$ 42,892	\$ (26,575)	\$ (195,798)	\$ (179,481)
Adjustments:				
Depreciation	65,316	2,978	32,995	101,289
(Increase) Decrease in Assets:				
Accounts Receivable	(1,203)	0	0	(1,203)
Prepaid Items	(1,683)	0	(5,239)	(6,922)
Net Pension Asset	121	86	473	680
Deferred Outflows - Pension	(20,656)	(17,868)	(66,442)	(104,966)
Materials and Supplies Inventory	0	0	(4,688)	(4,688)
Increase (Decrease) in Liabilities:				
Accounts Payable	5,460	0	0	5,460
Accrued Wages	254	0	856	1,110
Net Pension Liability	29,239	29,154	77,238	135,631
Deferred Inflows - Pension	656	633	1,824	3,113
Compensated Absences Payable	0	0	1,160	1,160
Intergovernmental Payable	(263)	(217)	(812)	(1,292)
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>\$ 120,133</u>	<u>\$ (11,809)</u>	<u>\$ (158,433)</u>	<u>\$ (50,109)</u>

Combining Statements for Fiduciary Funds

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CITY OF ASHLAND, OHIO

Fund Descriptions - Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agency for individuals, private organizations, other governments, and/or funds. The following is the City's fiduciary fund type:

Agency Funds

Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

Municipal Court - To account for all municipal court receipts held prior to being disbursed to the various funds according to ordinance and state law.

Performance Bonds - To account for revenue received from performance bonds on contract bids and the return of performance bonds.

Brookside Golf Course Gift Certificates - To account for the deposit, control and expenditure of gift certificates offered by the golf course.

Employee Deductions - To account for the funds from the employee share of health insurance deducted from their paychecks. This is paid with the city portion when the health insurance bill comes due.

Section 125 – To account for the deposit, control and expenditures of money to be used for section 125 (cafeteria plan).

City of Ashland
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

	<u>Municipal Court</u>	<u>Performance Bonds</u>	<u>Brookside Golf Course Gift Certificates</u>	<u>Employee Deductions</u>	<u>Section 125</u>	<u>Total</u>
Assets						
Equity in Pooled Cash and Investments	\$ 0	\$ 1,300	\$ 11,915	\$ 20,116	\$ 5,530	\$ 38,861
Cash and Investments in Segregated Accounts	93,259	0	0	0	0	93,259
Prepays	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,868</u>	<u>0</u>	<u>37,868</u>
<i>Total Assets</i>	<u>\$ 93,259</u>	<u>\$ 1,300</u>	<u>\$ 11,915</u>	<u>\$ 57,984</u>	<u>\$ 5,530</u>	<u>\$ 169,988</u>
Liabilities						
Undistributed Monies	<u>\$ 93,259</u>	<u>\$ 1,300</u>	<u>\$ 11,915</u>	<u>\$ 57,984</u>	<u>\$ 5,530</u>	<u>\$ 169,988</u>

City of Ashland
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2016

	Beginning Balance	Additions	Reductions	Balance 12/31/2016
Municipal Court				
Assets				
Cash and Investments in Segregated Accounts	\$ 96,336	\$ 3,077	\$ 6,154	\$ 93,259
Liabilities				
Undistributed Monies	\$ 96,336	\$ 0	\$ 3,077	\$ 93,259
Performance Bonds				
Assets				
Equity in Pooled Cash and Investments	\$ 1,300	\$ 0	\$ 0	\$ 1,300
Liabilities				
Undistributed Monies	\$ 1,300	\$ 0	\$ 0	\$ 1,300
Brookside Golf Course Gift Certificates				
Assets				
Equity in Pooled Cash and Investments	\$ 12,270	\$ 4,854	\$ 5,209	\$ 11,915
Liabilities				
Undistributed Monies	\$ 12,270	\$ 4,854	\$ 5,209	\$ 11,915
Employee Deductions				
Assets				
Equity in Pooled Cash and Investments	\$ 17,942	\$ 444,122	\$ 441,948	\$ 20,116
Prepaid Items	0	37,868	0	37,868
<i>Total Assets</i>	<u>\$ 17,942</u>	<u>\$ 481,990</u>	<u>\$ 441,948</u>	<u>\$ 57,984</u>
Liabilities				
Undistributed Monies	\$ 17,942	\$ 40,042	\$ 0	\$ 57,984
Section 125				
Assets				
Equity in Pooled Cash and Investments	\$ 8,578	\$ 182,244	\$ 185,292	\$ 5,530
Liabilities				
Undistributed Monies	\$ 8,578	\$ 0	\$ 3,048	\$ 5,530
All Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 40,090	\$ 631,220	\$ 632,449	\$ 38,861
Cash and Investments in Segregated Accounts	96,336	3,077	6,154	93,259
Prepaid Items	0	37,868	0	37,868
<i>Total Assets</i>	<u>\$ 136,426</u>	<u>\$ 672,165</u>	<u>\$ 638,603</u>	<u>\$ 169,988</u>
Liabilities				
Undistributed Monies	\$ 136,426	\$ 44,896	\$ 11,334	\$ 169,988

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City of Ashland, Ohio

Statistical Section



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Statistical Section

This part of the City of Ashland, Ohio’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city’s overall financial health. These tables are presented in accordance with Governmental Accounting Standards Board (GASB) Statement 44, *Economic Condition Reporting: The Statistical Section*.

Contents

Tables

Revenue Capacity

These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax, and the municipal income tax.

S2-S8

Debt Capacity

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and to help the City’s ability to issue additional debt in the future.

S9-S12

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

S13-S14

Financial Trends

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

S15-S21

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

S22-S25

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF ASHLAND, OHIO

Revenue Capacity

Assessed Value and Estimated Actual Value of Taxable Property

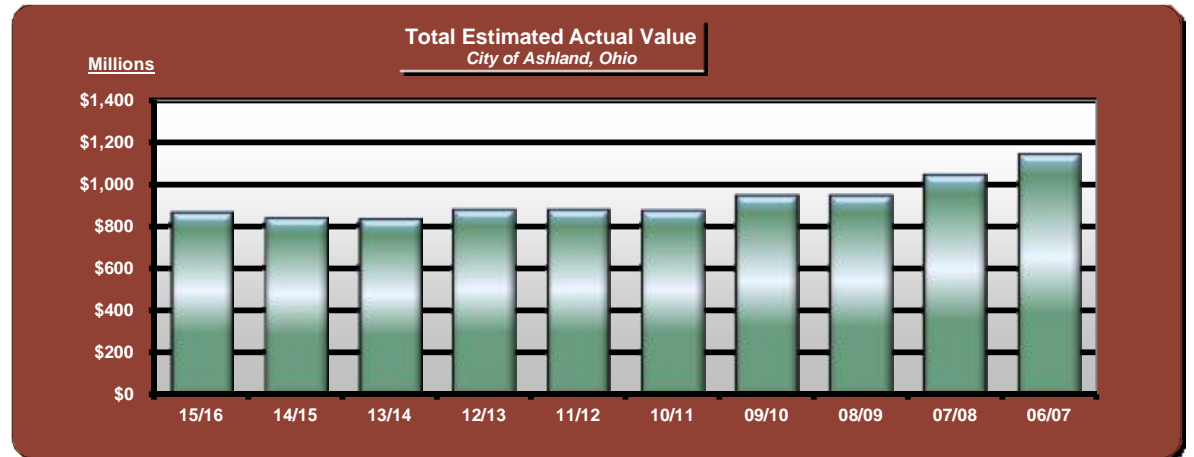
Last Ten Years

Tax Year/Collection Year	Real Property Assessed Values			Tangible Personal Property Assessed Values			Total		Ratio	Direct Tax Rate
	Residential/Agricultural	Other Real Property	Estimated Actual Value	Tangible Personal Property	Public Utilities	Estimated Actual Value	Assessed Values	Estimated Actual Value		
15/16	\$ 197,188,310	\$ 98,796,470	\$ 845,670,800	\$ 0	\$ 16,564,150	\$ 18,822,898	\$ 312,548,930	\$ 864,493,698	36.15%	3.90
14/15	197,160,650	91,015,030	823,359,086	0	12,771,140	14,512,659	300,946,820	837,871,745	35.92%	3.90
13/14	196,866,320	90,132,510	819,996,657	0	11,810,580	13,421,114	298,809,410	833,417,771	35.85%	3.90
12/13	211,721,700	92,636,780	869,595,657	0	10,177,360	11,565,182	314,535,840	881,160,839	35.70%	3.90
11/12	211,790,810	92,639,290	869,800,286	0	9,315,660	10,585,977	313,745,760	880,386,263	35.64%	3.90
10/11	211,442,550	90,550,190	862,836,400	0	8,462,390	9,616,352	310,455,130	872,452,752	35.58%	3.90
09/10	231,041,550	97,065,350	937,448,286	249,600	8,110,370	11,213,130	336,466,870	948,661,415	35.47%	3.90
08/09	231,385,550	95,823,450	934,882,857	540,440	7,968,850	13,379,031	335,718,290	948,261,889	35.40%	3.90
07/08	231,461,610	91,522,560	922,811,914	14,399,868	7,739,260	123,993,558	345,123,298	1,046,805,472	32.97%	3.90
06/07	221,436,630	86,915,050	881,004,800	31,913,261	7,557,520	263,894,179	347,822,461	1,144,898,979	30.38%	3.90

Real property is appraised every six years by the County Auditor with a triennial update. The assessed value of real property is 35 percent of estimated actual value. Personal property tax is assessed on all personal property used in business in Ohio. The assessed value of public utilities personal property is 88%. All other types of tangible personal property were assessed at 12.50% in 2006.

House Bill No.66 was signed into law on June 30,2005. House Bill No.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Source: Ashland County, Ohio: County Auditor



CITY OF ASHLAND, OHIO

Revenue Capacity

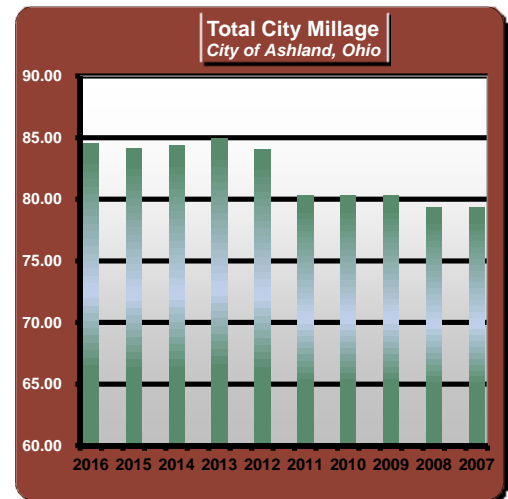
Direct and Overlapping Property Tax Rates

(Per \$1,000 of Assessed Valuation)

Last Ten Collection Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Inside Millage										
Operating	2.00	2.00	2.00	2.00	2.00	2.00	2.30	2.00	2.10	2.43
Debt	0.80	0.80	0.80	0.80	0.80	0.80	0.50	0.80	0.70	0.37
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total Unvoted Millage	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Outside Millage										
Recreation	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Voted Millage	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Millage	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Overlapping Rates by Taxing District										
Ashland County	9.60	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10
Ashland School District	65.95	66.05	66.25	66.85	65.95	62.25	62.25	62.25	62.25	62.25
Ashland County Vocational School	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Ashland Public Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
City of Ashland	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Total	84.55	84.15	84.35	84.95	84.05	80.35	80.35	80.35	79.35	79.35

Source: Ashland County, Ohio: County Auditor



CITY OF ASHLAND, OHIO

Revenue Capacity

Principal Property Tax Payers
2016 and 2007

January 1, 2016			January 1, 2007		
Taxpayer	Assessed Valuation	Total Assessed Valuation	Taxpayer	Assessed Valuation	Total Assessed Valuation
American Transmission	\$ 7,381,060	3.74%	Ohio Edison Company	\$ 4,093,110	1.85%
Ohio Edison Company	6,272,600	3.18%	Wal-Mart Real Estate	3,045,010	1.38%
WIL Reasearch Laboratories	5,045,010	2.56%	Myers Pump Company	2,433,070	1.10%
Wal-Mart Real Estate	2,970,210	1.51%	American Transmission	3,045,010	1.38%
Columbia Gas of Ohio Inc	2,929,100	1.49%	Samariton Regional Hospital	2,327,640	1.05%
Packaging Corp of America	2,185,320	1.11%	Home Depot U.S.A., Inc.	1,909,850	0.86%
Samariton Regional Hospital	2,131,900	1.08%	Baker Properties	1,603,090	0.72%
Eagleview Realty LLC	2,046,970	1.04%	Brethern Care, Inc.	1,445,140	0.65%
Kingston of Ashland LLC	1,957,830	0.99%	Ashland 250 Apartments	1,268,380	0.57%
Spirit Masters Funding X LLC	1,877,620	0.95%	Wurster Properties, Inc.	1,245,290	0.56%
	<u>\$ 34,797,620</u>	<u>17.65%</u>		<u>\$ 22,415,590</u>	<u>10.12%</u>
Total Assessed Valuation	\$ 197,188,310		Total Assessed Valuation	\$ 221,436,630	

Note: Property is assessed at 35 percent of fair market value. Real property taxes paid in 2016 are based on January 1, 2015 values.

Source: Ashland County, Ohio: County Auditor

CITY OF ASHLAND, OHIO

Revenue Capacity

Property Tax Levies and Collections

Last Ten Years

Collection Year	Real and Public Utility				Tangible Personal Property				Total		
	Billed	Taxes Collected	Percent Collected	Delinquent Tax Collections	Billed	Taxes Collected	Percent Collected	Delinquent Tax Collections	Billed	Taxes Collected	Percent Collected
2016	\$ 1,238,286	\$ 1,167,652	94%	\$ 70,634	\$ 59,031	\$ 17,779	30%	\$ 41,252	\$ 1,297,317	\$ 1,185,431	91.38%
2015	1,205,037	1,136,115	94%	68,922	50,373	9,121	18%	41,252	1,255,410	1,145,236	91.22%
2014	1,260,507	1,189,444	94%	71,063	66,471	25,219	38%	41,252	1,326,978	1,214,663	91.54%
2013	1,276,661	1,213,048	95%	63,613	66,481	25,229	38%	41,252	1,343,142	1,238,277	92.19%
2012	1,250,233	1,190,504	95%	59,729	75,677	32,658	43%	43,019	1,325,910	1,223,162	92.25%
2011	1,322,799	1,243,416	94%	79,383	107,097	60,745	57%	46,352	1,429,896	1,304,161	91.21%
2010	1,347,008	1,278,898	95%	68,110	263,637	188,354	71%	75,283	1,610,645	1,467,252	91.10%
2009	1,235,677	1,163,614	94%	72,063	232,359	189,211	81%	43,148	1,468,036	1,352,825	92.15%
2008	1,224,642	1,187,330	97%	37,312	135,293	133,408	99%	1,885	1,359,935	1,320,738	97.12%
2007	1,122,409	1,092,877	97%	29,532	264,854	197,855	75%	66,999	1,387,263	1,320,284	95.17%

Note: Special assessments are not included. The County information does not provide the applicable year when a delinquency is collected. Thus the "taxes collected" represent the total collections for the year instead of total collections of a particular tax year. As a result, "percent collected" can exceed 100% in any particular year.

Source: Ashland County, Ohio: County Auditor and County Treasurer

Note: Amounts include homestead and rollback.

CITY OF ASHLAND, OHIO

Revenue Capacity

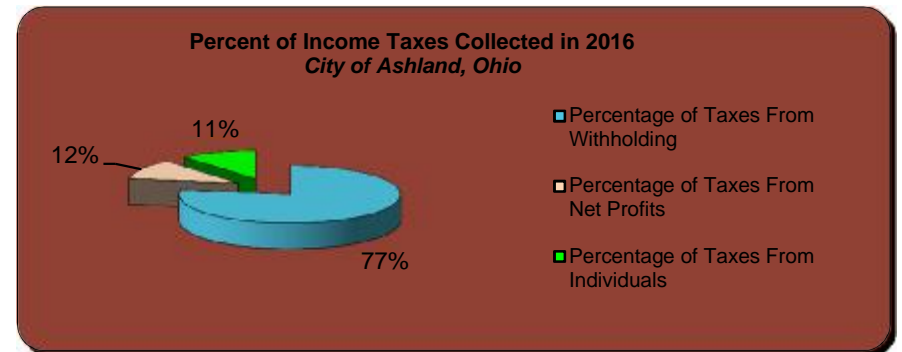
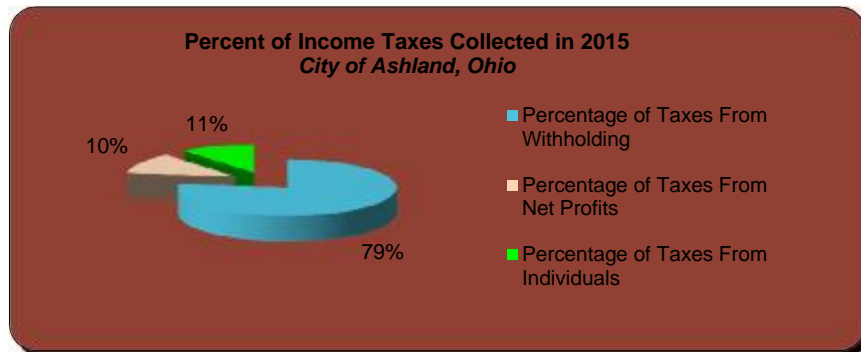
Income Tax Revenue Base and Collections

Last Ten Years

Tax Year	Tax Rate	Total Tax Collected	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2016	1.50%	\$ 10,112,202	\$ 7,847,293	77.60%	\$ 1,141,099	11.28%	\$ 1,123,811	11.10%
2015	1.50%	9,399,470	7,247,001	77.10%	1,124,402	11.96%	1,028,067	10.93%
2014	1.50%	8,736,909	6,933,190	79.36%	849,839	9.73%	953,880	10.91%
2013	1.50%	8,732,624	6,642,534	76.07%	1,170,615	13.41%	919,475	10.52%
2012	1.50%	8,287,703	6,653,686	80.28%	725,896	8.76%	908,121	10.95%
2011	1.50%	8,149,985	6,392,565	78.44%	895,581	10.99%	862,139	10.57%
2010	1.50%	7,790,359	6,100,321	78.31%	859,000	11.03%	831,033	10.66%
2009	1.50%	7,839,674	6,104,518	77.87%	840,097	10.72%	895,059	11.42%
2008	1.50%	8,400,872	6,509,919	77.49%	1,014,856	12.08%	876,097	10.43%
2007	1.50%	8,554,563	6,434,318	75.22%	1,226,463	14.34%	893,782	10.45%

% Represents percent of total tax collected

Source: Income Tax Department, City of Ashland, Ohio



CITY OF ASHLAND, OHIO

Revenue Capacity

Income Tax Statistics

Last Ten Years

Income Averages for City of Ashland Tax Years 2007-2016					
Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2016	\$ 0-24,999	\$ 3,467	47%	\$ 36,701,169	13%
2016	25,000-49,999	1,922	26%	69,639,291	25%
2016	50,000-74,999	919	12%	56,215,440	20%
2016	75,000-99,999	471	6%	40,526,465	14%
2016	Over 100,000	503	7%	80,802,419	28%
Total		\$ 7,282		\$ 283,884,784	
2015	\$ 0-24,999	3,583	49%	\$ 38,306,161	14%
2015	25,000-49,999	1,906	26%	69,262,863	25%
2015	50,000-74,999	921	13%	55,874,100	20%
2015	75,000-99,999	456	6%	39,192,263	14%
2015	Over 100,000	501	7%	79,781,730	28%
Total		7,367		\$ 282,417,117	
2014	\$ 0-24,999	3,595	49%	\$ 38,154,346	14%
2014	25,000-49,999	1,864	26%	67,410,073	25%
2014	50,000-74,999	929	13%	56,344,290	21%
2014	75,000-99,999	436	6%	37,242,956	14%
2014	Over 100,000	484	7%	74,245,282	27%
Total		7,308		\$ 273,396,947	
2013	\$ 0-24,999	3,645	50%	\$ 38,308,650	14%
2013	25,000-49,999	1,804	25%	65,186,986	24%
2013	50,000-74,999	938	13%	57,207,439	21%
2013	75,000-99,999	441	6%	37,789,521	14%
2013	Over 100,000	<u>449</u>	6%	<u>69,802,861</u>	26%
Total		7,277		\$ 268,295,457	
2012	\$ 0-24,999	2,833	50%	\$ 28,828,448	14%
2012	25,000-49,999	1,416	25%	50,919,845	25%
2012	50,000-74,999	753	13%	46,197,828	22%
2012	75,000-99,999	316	6%	27,588,551	13%
2012	Over 100,000	349	6%	53,878,136	26%
Total		5,667		\$ 207,412,808	

(Continued)

CITY OF ASHLAND, OHIO

Revenue Capacity

Income Tax Statistics

Last Ten Years

(Continued)

Income Averages for City of Ashland Tax Years 2006-2015

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2011	\$ 0-24,999	2,891	50%	\$ 29,761,998	13%
2011	25,000-49,999	1,413	25%	51,281,096	23%
2011	50,000-74,999	745	13%	45,499,287	21%
2011	75,000-99,999	345	6%	29,571,974	13%
2011	Over 100,000	<u>342</u>	6%	<u>65,605,458</u>	30%
<i>Total</i>		5,736		\$ 221,719,813	
2010	\$ 0-24,999	5,177	58%	\$ 38,033,159	14%
2010	25,000-49,999	1,863	21%	67,485,742	26%
2010	50,000-74,999	952	11%	58,033,920	22%
2010	75,000-99,999	404	4%	34,869,996	13%
2010	Over 100,000	<u>534</u>	6%	<u>64,669,769</u>	25%
<i>Total</i>		8,930		\$ 263,092,586	
2009	\$ 0-24,999	3,033	51%	\$ 31,583,688	15%
2009	25,000-49,999	1,516	26%	54,889,979	26%
2009	50,000-74,999	722	12%	44,004,013	21%
2009	75,000-99,999	309	5%	26,633,712	13%
2009	Over 100,000	<u>332</u>	6%	<u>52,424,949</u>	25%
<i>Total</i>		5,912		\$ 209,536,341	
2008	\$ 0-24,999	3,684	51%	\$ 31,671,250	15%
2008	25,000-49,999	1,843	26%	54,521,265	26%
2008	50,000-74,999	874	12%	44,404,815	21%
2008	75,000-99,999	379	5%	26,572,982	13%
2008	Over 100,000	<u>399</u>	6%	<u>53,781,821</u>	25%
<i>Total</i>		7,179		\$ 210,952,133	
2007	\$ 0-24,999	4,043	52%	\$ 41,693,849	15%
2007	25,000-49,999	1,986	26%	71,818,388	27%
2007	50,000-74,999	969	12%	58,940,634	22%
2007	75,000-99,999	394	5%	33,915,792	13%
2007	Over 100,000	<u>389</u>	5%	<u>60,649,201</u>	23%
<i>Total</i>		7,781		\$ 267,017,864	

Source: Income Tax Department, City of Ashland, Ohio

City of Ashland, Ohio

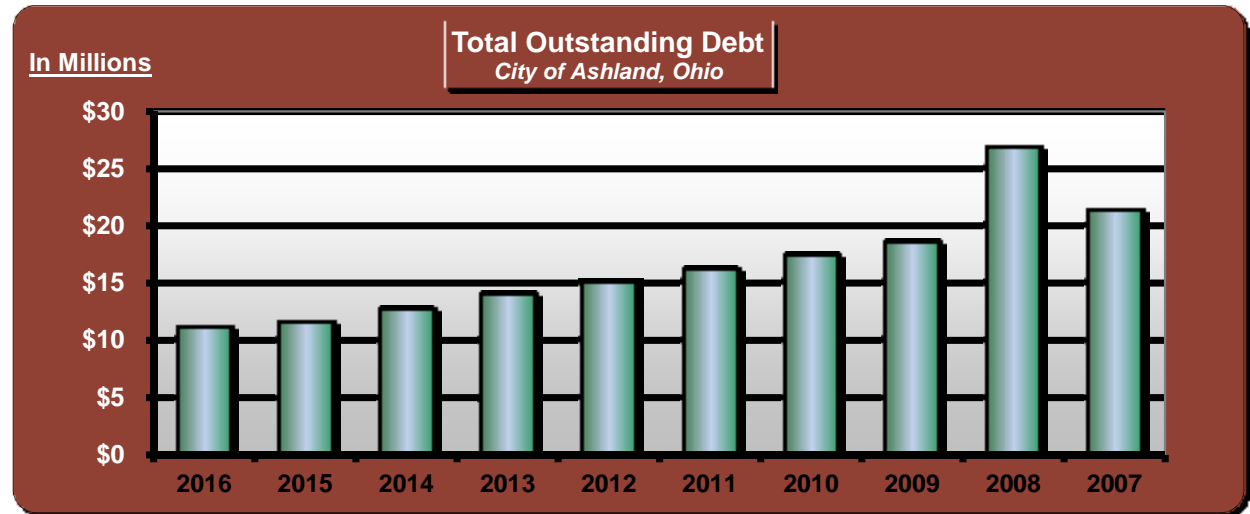
Debt Capacity

Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita
Last Ten Years

Year	Governmental Activities				Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	ODOT Loan	Bond Anticipation Notes	OPWC Loan	General Obligation Bonds	Bond Anticipation Notes	OWDA Loan	OPWC Loan			
2016	\$ 1,290,684	\$ 0	\$ 500,000	\$ 0	\$ 9,362,184	\$ 0	\$ 0	\$ 0	\$ 11,152,868	2.78%	\$ 548
2015	1,457,267	0	0	0	10,182,498	0	0	0	11,639,765	2.86%	572
2014	1,623,850	77,290	0	0	11,086,893	0	0	0	12,788,033	3.18%	628
2013	1,985,435	141,454	0	0	11,981,289	0	0	0	14,108,178	3.46%	682
2012	2,266,000	203,736	0	0	12,581,913	0	0	0	15,051,649	3.75%	739
2011	2,597,000	267,702	0	0	13,354,935	0	0	0	16,219,637	4.04%	797
2010	2,959,000	329,791	0	0	14,071,957	0	0	100,816	17,461,564	5.12%	858
2009	2,247,000	390,060	555,000	0	7,673,000	7,145,000	476,793	107,244	18,594,097	5.22%	875
2008	2,367,000	412,603	1,376,000	22,017	8,083,000	13,800,000	775,547	40,356	26,876,523	7.55%	1,265
2007	2,484,000	475,974	997,000	31,027	8,481,000	7,850,000	1,059,906	5,163	21,384,070	6.00%	1,006

Source: Ashland City Finance Dept

Note: Personal income and Population based on 2000 and 2010 Census (See S13)



City of Ashland, Ohio

Debt Capacity

Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Less: Amounts Available in Debt Service Fund (4)	Net General Bonded Debt	Percentage of Estimated Actual Value of Taxable Property	Net General Bonded Debt Per Capita
2016	20,362	\$ 864,493,698	\$ 11,152,868	\$ 441,631	\$ 10,711,237	1.24%	526
2015	20,362	837,871,745	11,639,765	366,784	11,272,981	1.35%	554
2014	20,362	833,417,771	12,710,743	323,259	12,387,484	1.49%	608
2013	20,362	881,160,839	13,966,724	264,491	13,702,233	1.56%	673
2012	20,362	880,386,263	14,847,913	199,846	14,648,067	1.66%	719
2011	20,362	872,452,752	15,951,935	151,652	15,800,283	1.81%	776
2010	20,362	948,661,415	17,030,957	190,480	16,840,477	1.78%	827
2009	21,249	948,261,889	17,620,000	60,721	17,559,279	1.85%	826
2008	21,249	1,046,805,472	25,626,000	0	25,626,000	2.45%	1,206
2007	21,249	1,144,898,979	19,812,000	13,783	19,798,217	1.73%	932

(1) U.S. Census Bureau

(2) Ashland County, Ohio: County Auditor

(3) General Obligation Bonds supported by property taxes.

(4) Amount restricted in the general obligation bond retirement fund.

CITY OF ASHLAND, OHIO

Debt Capacity

Direct and Overlapping Governmental Activities Debt

As of December 31, 2016

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashland
Direct - City of Ashland			
General Obligation Bonds	\$1,790,684	100.00%	\$1,790,684
<i>City of Ashland</i>	1,790,684		1,790,684
Overlapping			
Ashland City School District			
General Obligation Bonds	27,809,728	67.40%	18,743,757
<i>Total Overlapping Debt</i>	27,809,728		18,743,757
Total	\$29,600,412		\$20,534,441

Source: Ashland County, Ohio: County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the city by its total valuation.

City of Ashland, Ohio

Debt Capacity

Legal Debt Margin Information

Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Bonded Debt Outstanding:										
General Obligation Bonds	\$ 10,652,868	\$ 11,639,765	\$ 12,710,743	\$ 13,966,724	\$ 14,847,913	\$ 15,951,935	\$ 17,030,957	\$ 9,920,000	\$ 10,450,000	\$ 10,965,000
Bond Anticipation Notes	500,000	0	0	0	0	0	0	7,700,000	15,176,000	8,847,000
Total	\$ 11,152,868	\$ 11,639,765	\$ 12,710,743	\$ 13,966,724	\$ 14,847,913	\$ 15,951,935	\$ 17,030,957	\$ 17,620,000	\$ 25,626,000	\$ 19,812,000
Percentage of Estimated Actual Property Value Assessed Property Value	1.29%	1.39%	1.56%	1.59%	1.69%	1.83%	1.80%	1.86%	1.55%	1.73%
	\$ 312,548,930	\$ 300,946,820	\$ 298,809,410	\$ 314,535,840	\$ 313,745,760	\$ 310,455,130	\$ 336,466,870	\$ 335,718,290	\$ 345,194,668	\$ 347,822,461
Total Debt Per Capita	\$ 598	\$ 572	\$ 628	\$ 682	\$ 721	\$ 797	\$ 858	\$ 875	\$ 1,265	\$ 1,006
Less:										
General Obligation Bonds- Business-Type Funds	9,220,000	\$ 10,182,498	\$ 11,086,893	\$ 11,981,289	\$ 12,581,913	\$ 13,354,935	\$ 14,071,957	\$ 7,673,000	\$ 8,083,000	\$ 8,481,000
Bond Anticipation Notes - Business-Type Funds	0	0	0	0	0	0	0	7,145,000	13,800,000	7,850,000
Amount Available in Debt service Fund	441,631	366,784	323,259	264,491	199,846	151,652	190,480	60,722	0	13,783
Total Net Debt Applicable to Limit	\$ 1,491,237	\$ 1,090,483	\$ 1,300,591	\$ 1,720,944	\$ 2,066,154	\$ 2,445,348	\$ 2,768,520	\$ 2,741,278	\$ 3,743,000	\$ 3,467,217
Overall Legal Debt Limit										
10 1/2% of Assessed Valuation	\$ 32,817,638	\$ 31,599,416	\$ 31,374,988	\$ 33,026,263	\$ 32,943,305	\$ 32,597,789	\$ 35,329,021	\$ 35,250,420	\$ 36,245,440	\$ 36,521,358
Legal Debt Margin Within 10 1/2% Limitations	31,326,401	30,508,933	30,074,397	31,305,319	30,877,151	30,152,441	32,560,501	32,509,142	32,502,440	33,054,141
Legal Debt Margin as a Percentage of the Debt Limit	95.46%	96.55%	95.85%	94.79%	93.73%	92.50%	92.16%	92.22%	89.67%	90.51%
Unvoted Debt Limitation										
5 1/2% of Assessed Valuation	17,190,191	16,552,075	16,434,518	17,299,471	17,256,017	17,075,032	18,505,678	18,464,506	18,985,707	19,130,235
Total Net Debt Applicable to Limit	1,491,237	1,090,483	1,300,591	1,720,944	2,066,154	2,445,348	2,768,520	2,741,278	3,743,000	3,467,217
Net Debt Within 5 1/2% Limitations	\$ 15,698,954	\$ 15,461,592	\$ 15,133,927	\$ 15,578,527	\$ 15,189,863	\$ 14,629,684	\$ 15,737,158	\$ 15,723,228	\$ 15,242,707	\$ 15,663,018
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	91.33%	93.41%	92.09%	90.05%	88.03%	85.68%	85.04%	85.15%	80.29%	81.88%

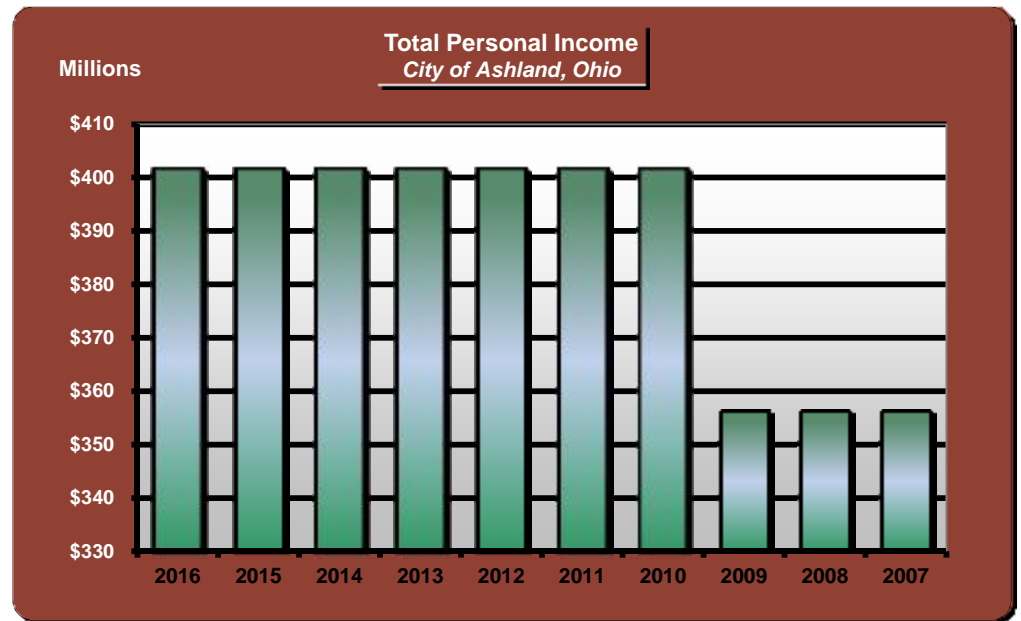
Note: Direct Debt Limitation is based on Section 133, The Uniform Bond Act of the Ohio Revised Code, Total debt limit should not exceed 10.5% of net assessed property value. Total unvoted debt limit should not exceed 5.5% of net assessed property value.

CITY OF ASHLAND, OHIO

Demographic and Economic Information Demographic and Economic Statistics Last Ten Years

Year	Population (1)	Total Personal Income	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)	Bachelor's Degree or Higher (%) (1)	School Enrollment (1)	Unemployment Rate (1)	Total Assessed Property Value (2)
2016	20,362 b	\$ 401,640,450	\$ 19,725 b	\$ 37,776 b	36.1 b	25.9 b	6,064 b	7.2 b	\$ 312,548,930
2015	20,362 b	401,640,450	19,725 b	37,776 b	36.1 b	25.9 b	6,064 b	7.2 b	300,946,820
2014	20,362 b	401,640,450	19,725 b	37,776 b	36.1 b	25.9 b	6,064 b	7.2 b	298,809,410
2013	20,362 b	401,640,450	19,725 b	37,776 b	36.1 b	25.9 b	6,064 b	7.2 b	314,535,840
2012	20,362 b	401,640,450	19,725 b	37,776 b	36.1 b	25.9 b	6,064 b	7.2 b	313,745,760
2011	20,362 b	401,640,450	19,725 b	37,776 b	36.1 b	25.9 b	6,064 b	7.2 b	310,455,130
2010	20,362 b	401,640,450	19,725 b	37,776 b	36.1 b	25.9 b	6,064 b	7.2 b	336,466,870
2009	21,249 a	356,133,240	16,760 a	34,250 a	34.8 a	19.6 a	6,104 a	5.6 a	335,718,290
2008	21,249 a	356,133,240	16,760 a	34,250 a	34.8 a	19.6 a	6,104 a	5.6 a	345,123,298
2007	21,249 a	356,133,240	16,760 a	34,250 a	34.8 a	19.6 a	6,104 a	5.6 a	360,378,697

- (1) **Source:** U.S. Census Bureau
 (a) 2000 Federal Census Demographic Profile
 (b) From 2010 Federal Census Demographic Profile
 (2) Ashland County, Ohio: County Auditor



CITY OF ASHLAND, OHIO

Demographic and Economic Information

Principal Employers

Current Year and Nine Years Ago

2016			2007		
Employer*	Employees	Percentage of Total City Employment	Employer*	Employees	Percentage of Total City Employment
Charles River Lab	779	3.10%	Ashland University	2,426	10.42%
Samaritan Hospital/Prof	816	3.25%	Pentair Flow Tech	640	2.75%
Ashland University	2,332	2.27%	Samaritan Hospital	532	2.29%
Ashland City Schools	571	2.27%	Ashland City Schools	678	2.91%
Pentair Flow Tech	306	1.22%	Hospira Inc	418	1.80%
State of Ohio	300	1.19%	Wil Research Lab	275	1.18%
Ashland County Auditor	488	1.94%	Ashland County Auditor	543	2.33%
Ball Bounce & Sport	409	1.63%	State of Ohio	282	1.21%
Packaging Corp	197	0.78%	Archway Cookies	334	1.43%
City of Ashland	336	1.34%	City of Ashland	382	1.64%
Total	6,534	25.99%	Total	6,510	27.96%
Total City Employees	25,140		Total City Employees	23,282	

Source: Income Tax Department, City of Ashland, Ohio

* Employers are listed by gross wages paid.

City of Ashland, Ohio

Financial Trends Information

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	2016	2015	Restated 2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net Investment in Capital Assets	\$ 23,179,172	\$ 22,716,236	\$ 17,422,128	\$ 16,588,886	\$ 16,986,579	\$ 17,429,633	\$ 16,855,976	\$ 17,480,892	\$ 17,364,157	\$ 17,464,839
Restricted	4,516,239	4,753,974	4,154,526	5,112,823	4,870,075	5,247,071	4,697,276	5,041,024	5,354,993	5,917,701
Unrestricted	(9,255,298)	(8,705,512)	(9,209,131)	1,954,192	2,201,835	2,667,214	2,865,621	2,541,609	1,405,084	2,943,854
Total Governmental Activities Net Position	18,440,113	18,764,698	12,367,523	23,655,901	24,058,489	25,343,918	24,418,873	25,063,525	24,124,234	26,326,394
Business-Type Activities										
Net Investment in Capital Assets	25,872,307	25,687,775	25,785,110	25,443,512	24,787,398	24,249,832	23,585,113	22,448,977	19,848,064	19,156,906
Unrestricted	8,715,869	7,805,611	6,805,975	7,201,270	6,262,735	5,382,269	4,551,881	4,134,822	6,181,991	6,250,563
Total Business-Type Activities Net Position	34,588,176	33,493,386	32,591,085	32,644,782	31,050,133	29,632,101	28,136,994	26,583,799	26,030,055	25,407,469
Primary Government										
Net Investment in Capital Assets	\$ 49,051,479	48,404,011	43,207,238	42,032,398	41,773,977	41,679,465	40,441,089	39,929,869	37,212,221	36,621,745
Restricted	4,516,239	4,753,974	4,154,526	5,112,823	4,870,075	5,247,071	4,697,276	5,041,024	5,354,993	5,917,701
Unrestricted	(539,429)	(899,901)	(2,403,156)	9,155,462	8,464,570	8,049,483	7,417,502	6,676,431	7,587,075	9,194,417
Total Primary Government Net Position	\$ 53,028,289	\$ 52,258,084	\$ 44,958,608	\$ 56,300,683	\$ 55,108,622	\$ 54,976,019	\$ 52,555,867	\$ 51,647,324	\$ 50,154,289	\$ 51,733,863

Note: 2014 balances were restated due to the implementation of GASB Statement No. 68.

City of Ashland, Ohio

Financial Trends Information

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 692,816	\$ 828,098	\$ 881,080	\$ 806,924	\$ 889,651	\$ 1,514,835	\$ 1,487,776	\$ 1,331,320	\$ 1,324,950	\$ 1,621,076
Security of Persons and Property	1,832,208	1,743,374	1,565,029	1,415,299	1,557,252	1,572,044	1,512,569	1,461,705	1,435,562	1,381,724
Public Health	46,367	168,653	68,751	174,157	238,699	216,045	241,702	399,078	67,220	62,497
Leisure Time Services	75,691	68,246	76,904	71,538	70,282	67,664	64,942	91,685	90,603	56,366
Transportation	21,016	21,114	31,361	24,044	249	305,695	319,728	364,678	222,551	315,859
Community Development	70,880	0	0	0	0	0	23,527	0	0	0
Operating Grants, Contributions and Interest	1,537,755	2,281,600	1,787,826	2,054,374	1,854,051	2,642,624	2,361,638	2,678,173	2,057,660	2,978,931
Capital Grants, Contributions and Interest	1,258,208	6,233,097	1,180,004	766,359	304,663	513,400	42,698	0	0	41,447
Total Governmental Activities Program Revenues	5,534,941	11,344,182	5,590,955	5,312,695	4,914,847	6,832,307	6,054,580	6,326,639	5,198,546	6,457,900
Business-Type Activities:										
Charges for Services:										
Water	3,377,257	3,313,754	3,595,280	3,640,755	3,298,482	3,571,678	3,540,445	3,616,111	3,520,505	3,520,855
Sewer	4,006,464	3,939,375	3,919,125	3,958,563	3,751,473	3,578,750	3,307,884	3,023,932	2,964,354	3,077,761
Sanitation	1,754,455	1,761,540	1,827,009	1,825,909	1,844,651	1,884,653	1,830,742	1,776,691	1,769,983	1,766,002
Other	941,970	963,237	945,384	965,428	1,015,271	959,143	1,026,093	1,047,545	530,781	507,956
Operating Grants, Contributions and Interest	0	251	0	0	0	0	0	2,128	371	258
Capital Grants, Contributions and Interest	158,210	0	82,089	290,546	297,557	295,005	453,322	317,918	708,451	702,950
Total Business-Type Activities Program Revenues	10,238,356	9,978,157	10,368,887	10,681,201	10,207,434	10,289,229	10,158,486	9,784,325	9,494,445	9,575,782
Total Primary Government Program Revenues	15,773,297	21,322,339	15,959,842	15,993,896	15,122,281	17,121,536	16,213,066	16,110,964	14,692,991	16,033,682
Expenses										
Governmental Activities:										
General Government	4,627,063	4,100,811	4,551,037	4,556,731	4,873,750	5,341,766	5,618,313	4,901,152	5,605,535	4,968,816
Security of Persons and Property	8,674,504	7,968,424	7,529,505	6,976,843	6,961,052	6,836,097	6,965,365	7,171,283	7,237,405	6,784,358
Public Health	316,857	302,764	300,114	296,042	297,364	315,944	325,085	307,075	278,645	278,792
Leisure Time Services	874,829	868,634	939,238	894,106	1,131,083	1,181,955	1,323,969	1,197,605	1,181,681	1,155,718
Transportation	2,491,259	2,527,069	2,322,553	2,947,541	2,446,458	2,785,525	2,601,886	2,294,355	3,075,759	2,145,360
Community Development	276,464	353,745	634,148	446,357	574,802	455,576	465,674	363,379	607,586	280,071
Interest and Fiscal Charges	53,318	50,464	60,821	73,794	112,685	127,022	141,477	217,392	143,350	203,089
Issuance Costs	0	0	0	33,073	0	0	0	33,243	0	0
Total Governmental Activities Expenses	17,314,294	16,171,911	16,337,416	16,224,487	16,397,194	17,043,885	17,441,769	16,485,484	18,129,961	15,816,204
Business-Type Activities:										
Water	3,300,071	3,421,921	3,303,647	3,656,554	3,372,372	3,470,157	3,546,848	3,750,067	3,564,277	3,220,773
Sewer	3,091,306	2,965,673	3,082,994	2,772,679	2,939,944	2,862,379	2,797,203	2,524,962	3,087,637	3,403,143
Sanitation	1,539,953	1,588,917	1,522,213	1,517,356	1,666,114	1,718,055	1,640,119	1,676,694	1,777,164	1,733,145
Other	1,121,451	1,273,854	961,090	1,036,704	978,837	887,047	816,880	1,353,645	831,373	669,767
Total Business-Type Activities Expenses	9,052,781	9,250,365	8,869,944	8,983,293	8,957,267	8,937,638	8,801,050	9,305,368	9,260,451	9,026,828
Total Primary Government Expenses	26,367,075	25,422,276	25,207,360	25,207,780	25,354,461	25,981,523	26,242,819	25,790,852	27,390,412	24,843,032

City of Ashland, Ohio

Financial Trends Information

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expense)/Revenue										
Governmental Activities	(11,779,353)	(4,827,729)	(10,746,461)	(10,911,792)	(11,482,347)	(10,211,578)	(11,387,189)	(10,158,845)	(12,931,415)	(9,358,304)
Business-Type Activities	1,185,575	727,792	1,498,943	1,697,908	1,250,167	1,351,591	1,357,436	478,957	233,994	548,954
Total Primary Government Net Expense	\$ (10,593,778)	\$ (4,099,937)	\$ (9,247,518)	\$ (9,213,884)	\$ (10,232,180)	\$ (8,859,987)	\$ (10,029,753)	\$ (9,679,888)	\$ (12,697,421)	\$ (8,809,350)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	1,072,104	990,421	1,085,428	1,116,594	1,076,792	1,139,664	1,081,107	1,164,661	1,298,913	1,243,168
Income Taxes	9,746,581	9,606,783	8,795,942	8,591,625	8,420,635	8,287,362	7,927,209	8,117,515	8,265,781	8,493,569
Hotel Lodging Tax	5,432	6,925	6,157	0	0	0	0	0	0	0
Grants and Entitlements	395,430	434,638	442,197	692,572	718,298	1,513,673	1,424,438	1,050,112	940,906	1,512,283
Investment Earnings	23,515	5,378	7,869	7,443	14,052	53,567	111,566	273,954	367,013	641,645
Gain on Sale of Capital Assets	0	162,151	0	0	0	0	0	0	0	0
Miscellaneous	118,808	188,127	345,660	272,473	133,248	284,674	369,791	560,446	238,118	282,585
Transfers	92,898	(169,519)	(180,399)	(143,793)	(166,107)	(135,213)	(171,574)	(68,552)	(381,476)	(179,214)
Total Governmental Activities	11,454,768	11,224,904	10,502,854	10,536,914	10,196,918	11,143,727	10,742,537	11,098,136	10,729,255	11,994,036
Business-Type Activities:										
Miscellaneous	2,113	4,990	240,756	26	1,758	8,303	24,185	6,235	7,116	4,057
Transfers	(92,898)	169,519	180,399	143,793	166,107	135,213	171,574	68,552	381,476	179,214
Total Business-Type Activities	(90,785)	174,509	421,155	143,819	167,865	143,516	195,759	74,787	388,592	183,271
Total Primary Government	11,363,983	11,399,413	10,924,009	10,680,733	10,364,783	11,287,243	10,938,296	11,172,923	11,117,847	12,177,307
Change in Net Position										
Governmental Activities	(324,585)	6,397,175	(243,607)	(374,878)	(1,285,429)	932,149	(644,652)	939,291	(2,202,160)	2,635,732
Business-Type Activities	1,094,790	902,301	1,920,098	1,841,727	1,418,032	1,495,107	1,553,195	553,744	622,586	732,225
Primary Government Change in Net Position	\$ 770,205	\$ 7,299,476	\$ 1,676,491	\$ 1,466,849	\$ 132,603	\$ 2,427,256	\$ 908,543	\$ 1,493,035	(\$1,579,574)	\$3,367,957

Note: 2014 amounts were not adjusted to reflect the implementation of GASB Statement No. 68.

City of Ashland, Ohio

Financial Trends Information

Program Revenues by Function/Program

Last Ten Years

(accrual basis of accounting)

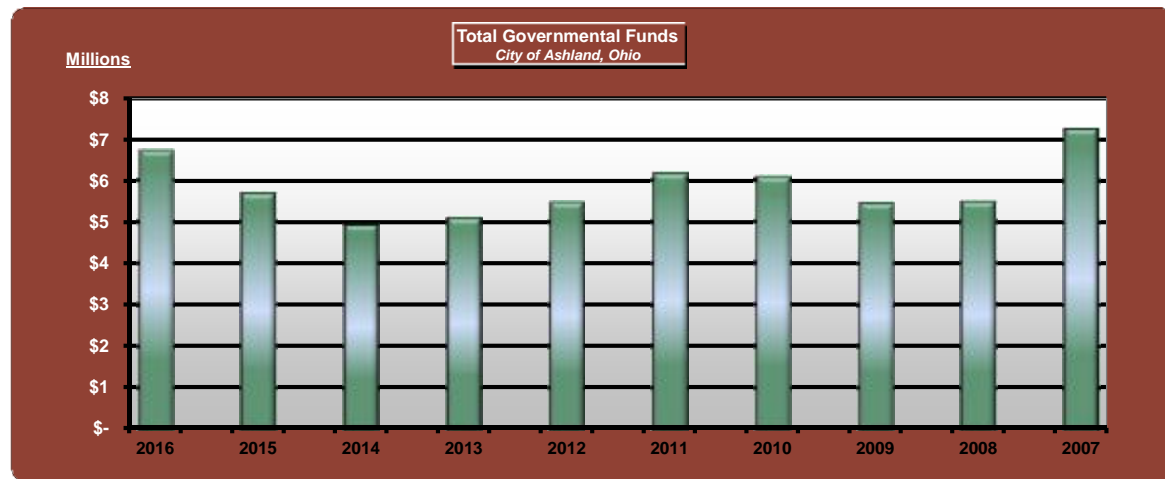
Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
General Government	\$ 1,100,774	\$ 1,320,930	\$ 1,290,762	\$ 1,174,124	\$ 1,292,531	\$ 1,989,892	\$ 2,016,535	\$ 1,741,248	\$ 1,718,322	\$ 2,100,217
Security of Persons and Property	1,982,292	1,998,403	1,783,807	1,501,904	1,700,731	1,756,354	1,778,552	1,644,348	1,670,050	1,560,439
Public Health	46,367	168,653	68,751	174,157	238,699	216,045	241,702	399,078	67,220	62,497
Leisure Time Services	98,887	88,310	125,179	95,251	114,681	621,367	250,486	537,183	137,803	110,129
Community Development	76,672	436,555	789	419,439	132,963	568,170	276,327	393,603	72,701	645,823
Transportation	2,229,949	7,331,331	2,321,667	1,947,820	1,435,242	1,680,479	1,490,978	1,611,179	1,532,450	1,978,795
Total Governmental Activities	5,534,941	11,344,182	5,590,955	5,312,695	4,914,847	6,832,307	6,054,580	6,326,639	5,198,546	6,457,900
Business-Type Activities:										
Water	3,377,257	3,313,754	3,677,369	3,931,301	3,370,224	3,724,563	3,607,516	3,618,546	4,208,372	3,652,078
Sewer	4,164,674	3,939,626	3,919,125	3,958,563	3,977,288	3,657,377	3,694,135	3,341,164	2,984,938	3,649,488
Sanitation	1,754,455	1,761,540	1,827,009	1,825,909	1,844,651	1,884,653	1,830,742	1,776,691	1,769,983	1,766,002
Other	941,970	963,237	945,384	965,428	1,015,271	1,022,636	1,026,093	1,047,924	531,152	508,214
Total Business-Type Activities	10,238,356	9,978,157	10,368,887	10,681,201	10,207,434	10,289,229	10,158,486	9,784,325	9,494,445	9,575,782
Total Primary Government	\$ 15,773,297	\$ 21,322,339	\$ 15,959,842	\$ 15,993,896	\$ 15,122,281	\$ 17,121,536	\$ 16,213,066	\$ 16,110,964	\$ 14,692,991	\$ 16,033,682

City of Ashland, Ohio

Financial Trends Information

Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Nondspendable	\$ 307,073	\$ 107,612	\$ 92,636	\$ 93,163	\$ 81,683	\$ 85,412	N/A	N/A	N/A	N/A
Committed	0	0	0	0	4,758	3,020	N/A	N/A	N/A	N/A
Assigned	1,834,530	1,419,439	738,152	1,291,982	1,360,086	129,698	N/A	N/A	N/A	N/A
Unassigned	72,871	237,704	497,540	(3,850)	(10,857)	1,874,507	N/A	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	\$ 10,419	\$ 19,913	\$ 36,406	\$ 111,382
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	2,014,052	1,828,275	1,225,356	2,696,509
Total General Fund	2,214,474	1,764,755	1,328,328	1,381,295	1,435,670	2,092,637	2,024,471	1,848,188	1,261,762	2,807,891
All Other Governmental Funds										
Nondspendable	338,353	225,667	210,879	171,544	232,366	249,725	N/A	N/A	N/A	N/A
Restricted	3,535,070	2,994,860	2,998,800	3,511,353	3,348,469	3,369,915	N/A	N/A	N/A	N/A
Committed	650,128	720,330	416,315	549,195	500,714	480,217	N/A	N/A	N/A	N/A
Unassigned	0	0	0	(498,280)	(25,580)	(1,982)	N/A	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	399,249	207,892	258,666	231,726
Unreserved, Reported in:										
Special Revenue Funds	N/A	N/A	N/A	N/A	N/A	N/A	2,531,803	2,252,686	2,809,493	3,355,117
Debt Service Funds	N/A	N/A	N/A	N/A	N/A	N/A	214,217	87,459	14,542	88,472
Capital Projects Funds	N/A	N/A	N/A	N/A	N/A	N/A	925,284	1,077,765	1,158,387	798,838
Total All Other Governmental Funds	4,523,551	3,940,857	3,625,994	3,733,812	4,055,969	4,097,875	4,070,553	3,625,802	4,241,088	4,474,153
Total Governmental Funds	\$ 6,738,025	\$ 5,705,612	\$ 4,954,322	\$ 5,115,107	\$ 5,491,639	\$ 6,190,512	\$ 6,095,024	\$ 5,473,990	\$ 5,502,850	\$ 7,282,044



Note: The City implemented GASB Statement No. 54 in 2011.

City of Ashland, Ohio

Financial Trends Information

Changes in Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2016	2015	2014	2013	2012	2011
Revenues						
Property Taxes	\$ 1,069,944	\$ 1,037,877	\$ 1,081,501	\$ 1,109,885	\$ 1,099,577	\$ 1,157,321
Income Taxes	9,805,548	9,555,688	8,658,845	8,692,865	8,312,982	8,166,672
Other Local Taxes	5,432	6,925	6,157	0	0	0
Charges for Services	1,411,311	1,328,682	1,313,538	1,098,153	1,489,025	2,543,025
Licenses and Permits	70,901	54,541	43,066	23,778	21,867	28,051
Fines and Forfeitures	1,207,144	1,210,238	1,238,736	1,302,343	1,179,434	1,063,998
Intergovernmental	2,072,702	2,813,080	4,367,505	3,032,039	3,055,646	4,123,298
Special Assessments	181	358	3,389	0	0	0
Rental Income	71,724	68,091	79,450	82,961	73,910	72,191
Interest	35,211	10,154	12,566	14,752	21,087	53,951
Contributions and Donations	17,249	74,995	12,947	10,189	36,317	259,920
Other	118,806	188,127	338,583	272,473	139,277	195,116
Total Revenues	15,886,153	16,348,756	17,156,283	15,639,438	15,429,122	17,663,543
Expenditures						
Current:						
General Government	4,208,474	3,919,903	4,338,231	4,396,524	4,673,945	5,119,520
Security of Persons and Property	7,557,265	7,504,586	7,180,490	6,674,863	6,676,321	6,510,302
Public Health	301,367	304,879	300,114	296,042	297,364	315,944
Leisure Time Services	765,642	775,495	837,813	802,092	997,974	1,056,252
Community Development	264,303	353,130	631,993	437,033	579,507	445,004
Transportation	1,377,628	1,823,620	1,579,847	2,209,772	1,736,326	1,957,277
Capital Outlay	709,600	775,173	1,950,716	563,219	506,080	1,561,427
Debt Service:						
Principal Retirements	165,000	242,290	424,164	418,282	394,966	424,089
Interest and Fiscal Charges	40,519	49,756	60,376	77,852	111,947	126,813
Issuance Costs	7,000	0	0	33,073	0	0
Total Expenditures	15,396,798	15,748,832	17,303,744	15,908,752	15,974,430	17,516,628
Excess of Revenues Over (Under) Expenditures	489,355	599,924	(147,461)	(269,314)	(545,308)	146,915
Other Financing Sources (Uses)						
Bond and Note Issuances	500,000	0	0	0	0	0
Issuance of Loans	0	0	0	0	0	0
Premium on Debt Issued	0	0	0	15,829	0	0
Refunding Bonds Issued	0	0	0	1,790,000	0	0
Proceeds from Sale of Capital Assets	73,058	322,975	9,182	0	0	90,890
Transfers In	123,221	306,000	193,528	123,185	197,378	773,806
Transfers Out	(153,221)	(477,609)	(216,034)	(266,978)	(350,943)	(909,019)
Payment to Refunded Bond Escrow Agent	0	0	0	(1,769,254)	0	0
Total Other Financing Sources (Uses)	543,058	151,366	(13,324)	(107,218)	(153,565)	(44,323)
Net Change in Fund Balances	\$1,032,413	\$751,290	(\$160,785)	(\$376,532)	(\$698,873)	\$102,592
Debt Service as a Percentage of Noncapital Expenditures	1.54%	3.17%	3.13%	3.45%	3.28%	3.45%

	2010	2009	2008	2007
\$	1,052,925	\$ 1,158,112	\$ 1,285,673	\$ 1,317,357
	7,927,130	7,840,484	8,231,759	8,578,034
	0	0	0	0
	2,440,271	2,666,577	2,116,113	2,216,258
	27,785	53,418	34,102	40,911
	1,067,750	1,082,464	1,098,332	1,159,926
	3,966,281	3,259,390	3,745,252	3,806,575
	23,527	0	0	0
	63,380	52,643	367,013	641,645
	111,602	274,215	51,934	0
	47,668	98,519	47,290	71,661
	289,756	503,340	228,172	157,148
	17,018,075	16,989,162	17,205,640	17,989,515
	5,455,386	5,044,994	5,372,569	5,054,855
	6,707,997	7,026,459	6,980,721	6,658,923
	325,085	307,075	304,456	278,792
	1,213,926	1,058,094	1,051,707	1,037,444
	483,674	364,060	606,201	280,593
	1,833,595	1,480,092	2,169,051	2,236,464
	861,743	1,065,698	1,012,083	910,820
	183,269	414,560	1,186,381	614,001
	117,998	213,663	169,428	166,864
	20,026	33,243	0	0
	17,202,699	17,007,938	18,852,597	17,238,756
	(184,624)	(18,776)	(1,646,957)	750,759
	835,000	0	250,000	997,000
	0	0	0	13,964
	30,629	57,106	9,944	16,117
	0	0	0	0
	48,486	0	0	367,716
	542,449	725,959	846,829	142,340
	(650,906)	(793,149)	(1,239,010)	(232,214)
	0	0	0	0
	805,658	(10,084)	(132,237)	1,304,923
	\$621,034	(\$28,860)	(\$1,779,194)	\$2,055,682
	1.85%	3.95%	7.60%	5.13%

City of Ashland, Ohio

Operating Information

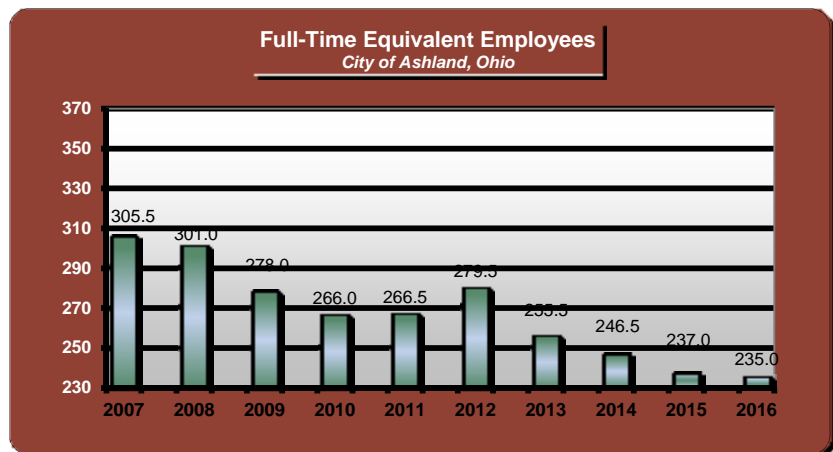
Full-Time Equivalent City Government Employees by Function/Program Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
General Government:										
Council	3.5	3.5	3.5	3	3	3	3	3	3	3
Mayor	4	3	3	2.5	2.5	2.5	2.5	2.5	2	2
Finance	5	5.5	6	5	5	5	5	5	5	5
Law	4	5	4	5	4	4.5	4.5	5	5	
Engineering	5.5	5	5	4	4	4	4	4	5	
Building and Zoning	3.5	4	2.5	2	2	2	2	2.5	2.5	2.5
Human Resources	3	3	2.5	2	2	2	2	2	2	2
Income Tax	4	4	3.5	4	4	4	4	3	3	3
Municipal Court	29	34.5	35.5	30	41	39.5	34.5	34	27.5	28
Municipal Court Community Corrections	2	2	2	2	2	2	2	2	2	2
Municipal Court Probation	4	4	3	3	2	2	2	1	0	0
Security of Persons and Property:										
Police	42.5	44	38.5	40	36	32	34.5	33.5	35	35.5
Fire	40	39	37	35	36	35	37	34	36	34
Recreation:										
Golf Course	20.5	18	15	11	12.5	31.5	12.5	13	11	12
Park	31.5	26	23	16.5	19.5	19.5	16	14	12.5	14
Swimming Pool	8	8.5	10	10.5	9	10	10	10	10.5	13
Service:										
Building Maintenance	2	2	2	1	1	1	1	1	1	1
Economic Development	0	0	0	0	0	0	0	0	0	0
Justice Center Maintenance	1	1	1	1.5	1	1	1	1	1	1
Maintenance	1	1	1	1	1	1	0	0	0	0
Sanitation	20	18	14	18	14	13	11	10	9	12
Sewer	6	5	4	6	5	5	5	5	5	5
Street Maintenance	18	21	20	20	18	15	18	16	18	18
Technical Services	2	2	2	2	2	2	2	2	2	2
Water Distribution	14.5	15	12	13	13	12	14	13	15	15
Water Pollution	21	14	15	14	14	15	15	17	11	12
Water Treatment	10	13	13	14	13	16	13	13	13	13
Total Number of Employees	305.5	301.0	278.0	266.0	266.5	279.5	255.5	246.5	237.0	235.0

Source: Finance Division, City of Ashland, Ohio

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee. Count taken from W-2s.

Some employees have more than one W-2.



CITY OF ASHLAND, OHIO

Operating Information

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2016	2015	2014	2013	2012
General Government					
Construction Permits Issued (1)	10	7	8	15	9
Estimated Value of Construction (1) **	\$ 6,080,367	\$ 21,951,000	\$ 1,833,000	\$ 36,431,000	\$ 1,624,000
Total Cases Filed (2)	8,685	10,287	12,117	11,212	12,325
Fines Collected (2)	\$ 2,965,795	\$ 3,027,596	\$ 3,319,318	\$ 3,477,423	\$ 3,307,294
Economic Development Projects (3)	85	85	70	75	54
Purchase Orders Issued (4)	3,053	3,373	3,316	3,568	977
Number of W-2 Forms Issued (4)	336	321	317	322	326
Police (5)					
Total Incidents	16,471	14,050	15,182	15,240	16,660
Total Arrests	1,160	1,352	1,917	1,252	1,339
Hours of Training	501	255	519	394	530
Total Citations	467	680	714	879	1,086
Parking Tickets	129	317	383	285	250
Parking Ticket Fines Collected	\$ 2,125	\$ 6,135	\$ 7,345	\$ 5,550	\$ 4,905
Fire (6)					
Fire Calls	709	695	622	541	641
EMS Calls	3,516	3,288	3,091	2,897	3,058
Total People Reached (Fire Safety Classes)	719	1,660	1,321	732	767
Hours of Training	0	4,016	6,269	4,170	4,679
Fire Loss	\$ 557,550	\$ 837,095	\$ 867,945	\$ 1,286,837	\$ 572,215
Public Service					
Tons of snow melting salt used (7)	1,768	4,103	4,545	3,589	2,419
Leaves picked up (cubic yards) (7)	6,087	6,547	8,562	5,637	6,707
Diesel Fuel Used (gal.) (7)*	36,155	39,529	35,215	35,476	35,483
Unleaded Fuel Used (gal.) (7)*	58,077	59,949	56,995	59,409	58,964
Total Water Customers (8)	7,459	7,417	7,422	7,354	7,257
Water Receipts (8)	\$ 3,252,330	\$ 3,212,132	\$ 3,183,643	\$ 3,188,513	\$ 3,244,157
Sewer Receipts (8)	\$ 3,947,990	\$ 3,912,822	\$ 3,898,115	\$ 3,834,517	\$ 3,766,871
Refuse Receipts (8)	\$ 1,642,504	\$ 1,621,356	\$ 1,643,962	\$ 1,654,312	\$ 1,795,853
Number of trees removed (9)	304	470	611	217	272
Number of trees planted (9)	84	90	59	121	110
Transports (10)	29,700	30,573	35,360	34,741	32,116
Miles Transported (10)	151,736	154,024	155,901	159,207	162,417
Recreation (11)					
Number of Brookside Pool Memberships	149	124	123	118	166
Number of Parks	15	15	15	15	15
Size of Parks (Acres)	443	443	443	443	443
Number of Golf Courses	1	1	1	1	1

(Continued)

CITY OF ASHLAND, OHIO

Operating Information

Operating Indicators by Function/Program

Last Ten Years

(Continued)

Function/Program	2011	2010	2009	2008	2007
General Government					
Construction Permits Issued (1)	6	9	10	56	95
Estimated Value of Construction (1)	\$ 1,083,000	\$ 1,213,300	\$ 22,987,925	\$ 6,634,485	\$ 21,240,687
Total Cases Filed (2)	13,265	11,265	11,866	9,612	11,807
Fines Collected (2)	\$ 3,068,278	\$ 3,076,082	\$ 2,933,817	\$ 923,245	\$ 2,838,741
Economic Development Projects (3)	40	46	45	42	40
Purchase Orders Issued (4)	546	735	473	582	656
Number of W-2 Forms Issued (4)	332	336	346	375	382
Police (5)					
Total Incidents	16,554	16,939	18,704	21,028	14,699
Total Arrests	390	1,319	1,208	518	1,515
Hours of Training	785	1,592	549	2,305	1,167
Total Citations	935	1,264	1,082	671	1,180
Parking Tickets	305	378	379	518	1,452
Parking Ticket Fines Collected	\$ 7,220	\$ 7,235	\$ 7,863	\$ 10,098	\$ 1,170
Fire (6)					
Fire Calls	572	543	538	595	592
EMS Calls	3,230	2,988	3,016	3,021	3,336
Total People Reached (Fire Safety Classes)	601	386	1,678	1,134	2,018
Hours of Training	3,304	3,792	4,931	7,317	7,396
Fire Loss	\$ 5,952,090	\$ 902,210	\$ 919,800	\$ 1,298,840	\$ 398,950
Public Service					
Tons of snow melting salt used (7)	4,927	4,041	4,800	8,996	3,537
Leaves picked up (cubic yards) (7)	4,823	6,240	8,818	5,558	7,957
Diesel Fuel Used (gal.) (7)*	36,371	35,942	30,245	1,112	11,181
Unleaded Fuel Used (gal.) (7)*	56,164	53,594	49,236	4,548	6,794
Total Water Customers (8)	7,613	7,820	7,218	7,248	7,924
Water Receipts (8)	\$ 2,967,778	\$ 3,109,373	\$ 3,214,130	\$ 3,230,076	\$ 2,937,860
Sewer Receipts (8)	\$ 3,276,106	\$ 3,179,785	\$ 2,854,567	\$ 2,389,225	\$ 2,446,003
Refuse Receipts (8)	\$ 1,538,533	\$ 1,684,341	\$ 1,706,628	\$ 1,702,745	\$ 1,719,232
Number of trees removed (9)	302	176	185	315	228
Number of trees planted (9)	309	275	219	183	245
Transports (10)	34,012	33,899	27,158	28,430	24,334
Miles Transported (10)	138,830	130,611	129,990	155,565	176,677
Recreation (11)					
Number of Brookside Pool Memberships	159	129	147	201	212
Number of Parks	15	15	14	13	13
Size of Parks (Acres)	443	443	418	388	388
Number of Golf Courses	1	1	1	1	1

* Fuel statistics are estimates.

** Construction Estimate unavailable for one of the Commercial/Industrial sites.

Sources: (1) City of Ashland Building and Zoning Department
 (2) City of Ashland Municipal Court
 (3) City of Ashland Economic Development
 (4) City of Ashland Finance Division
 (5) City of Ashland Police Department

(6) City of Ashland Fire Department
 (7) City of Ashland Street Department
 (8) City of Ashland Water and Sanitation Division
 (9) City of Ashland Arborist Division
 (10) City of Ashland Transit Division
 (11) City of Ashland Park Division

Note: Economic Development is not part of City. Funded by city, county, & private investors.

CITY OF ASHLAND, OHIO

Operating Information

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government										
(1) Square Footage Occupied (Municipal Bld)	21,726	21,726	21,726	21,726	21,726	21,726	21,726	21,726	21,726	21,726
(3) Engineering Vehicles	2	2	2	2	1	2	2	2	2	5
(3) Other Departmental Vehicles	7	7	6	6	7	7	7	6	10	10
Police										
(1) Stations	1	1	1	1	1	1	1	1	1	1
(1) Square Footage of Building	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
(3) Vehicles	18	22	22	23	21	19	23	20	31	31
Fire Station										
(1) Stations	1	1	1	1	1	1	1	1	1	1
(1) Square Footage of Building	15,377	15,377	15,377	15,377	15,377	15,377	15,377	15,377	15,377	15,377
(3) Vehicles	17	18	18	18	17	17	16	18	19	19
Other Public Works										
(4) Streets (miles)	91	91	115	115	115	115	115	97	97	95
* Streetlights	*	*	*	*	*	*	*	*	*	*
(4) Traffic Signals (includes flashing)	38	38	39	38	38	37	37	31	31	31
(3) Public Service Vehicles	83	86	87	82	79	80	85	89	130	130
Recreation										
(2) Number of Parks	15	15	15	15	15	15	15	14	13	13
(3) Vehicles	23	22	23	29	32	35	36	22	29	29
Water										
(1) Water mains (miles)	104	104	104	104	104	104	104	104	103	103
(1) Fire hydrants	923	921	921	921	921	920	920	920	916	910
Wastewater										
(1) Sanitary Sewers (miles)	100	100	100	100	100	100	100	100	97	96
(1) Storm Sewers (miles)	68	67	67	67	67	66	66	66	66	64
Transit										
(3) Vehicles	9	8	8	9	9	9	9	10	11	10

Source:

- (1) Ashland City Engineering Dept
- (2) Ashland City Park Dept
- (3) Ashland City Finance Dept - Asset Report
- (4) Street Dept (2011 - included flashing signals also)
- * Streetlights are owned by the Electric Company

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**CITY OF ASHLAND
ASHLAND COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

LARRY PAXTON, DIRECTOR OF FINANCE

**CITY OF ASHLAND
ASHLAND COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

City of Ashland
Ashland County
206 Claremont Avenue
Ashland, Ohio 44805

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ashland, Ashland County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Ashland's basic financial statements and have issued our report thereon dated July 21, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Ashland's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Ashland's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Ashland's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Members of Council and Mayor
City of Ashland

Compliance and Other Matters

As part of reasonably assuring whether the City of Ashland's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City of Ashland's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Ashland's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
July 21, 2017



Dave Yost • Auditor of State

CITY OF ASHLAND

ASHLAND COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 24, 2017