

# City of Ashland, Ohio

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**For Year Ended December 31, 2013**

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# 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, 2013 through December 31, 2013. 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

July 30, 2014



# **City of Ashland, Ohio**

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2013

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



# Introductory Section







*City of Ashland  
Comprehensive Annual Financial Report  
Year Ended December 31, 2013*

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**CITY OF ASHLAND**  
Finance Division  
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Ashland, Ohio 44805 (419) 289-8170  
FAX: (419) 281-0400

**Larry D. Paxton**  
Finance Director

## **City of Ashland**

June 20, 2014

Dear Fellow Citizens, City Council Members, Business Partners and Interested Parties;

### ***The Comprehensive Annual Financial Report***

This is the City of Ashland's Comprehensive Annual Financial Report for the year ending December 31, 2013. As a part of our commitment to good government, and a requirement of the State of Ohio, we have prepared this report for your review and consideration. In conjunction with preparing this report we are obligated to file it with the Auditor of State's office within one hundred and fifty (150) days after the end of the calendar year. It is our hope that you find this report most informative of your community's activities and initiatives. The City prepares this report pursuant to generally accepted accounting principles (GAAP). This 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 statistical sections. 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). It provides a narrative of the financial statements, including an introduction, overview and analysis of information contained within this report.

The annual audit for the City was performed in cooperation with the Honorable State Auditor David Yost Columbus Regional Office and the IPA firm Julian & Grube Inc. a Certified Public Accounting firm. The City also employed Rea & Associates, Inc., a Certified Public Accounting firm to assist in the preparation of the financial statements included within this report.

Julian & Grube, Inc. has issued an unmodified (“clean”) opinion for the City of Ashland’s financial statements for the year ended December 31, 2013. The independent auditor’s report is located in the front of the financial section of this report.

### ***Profile of the Government***

The City of Ashland, Ohio was incorporated in 1884 and is located in the North Central part of the State of Ohio. The City’s 10.9976 square miles area is home to a population of 20,632. Located within Ashland County, the City is the largest municipal government within the county and is home to the Ashland County Government offices. The City of Ashland is a municipal corporation formed under the laws of the State of Ohio and, as such, operates with its’ own Charter. The Charter was adopted June 18, 1914 and has undergone several amendments, over the last several years. The City’s management team consists of a Mayor serving as the Chief Executive officer as well as the Chief Service & Safety Director. A Director of Law serving as chief legal advisor and prosecutor. A Director of Finance serving as chief financial officer. The Council President serves as the head of the legislative branch and presiding over all City Council meetings. The Council President is elected as an at large position. The citizens also elect four individuals from their prospective wards to serve as their individually elected representatives on City Council. A Municipal Court Judge is also elected, but serves both the City and the County in matters other than Juvenile and Common Pleas Court actions. All of these public servants serve the community as independently elected officials but strive to work well with each other in an effort to build a better and safer community. All officials are elected to staggered four-year terms, except the Judge who is elected to a six year term. The purpose of the staggered terms is so that not all of the government leaders are elected at the same time.

The City provides a full range of services as directed by its Charter. These services include Police & Fire protection, 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 budget adoption process, taxing authority, and / or the City’s obligation to fund those activities.

Annual tax budgets are prepared for the coming year for all funds and departments and approved by July 15<sup>th</sup> by City council. Spending appropriations are prepared and adopted annually on or before March 31<sup>st</sup> for each year. The spending appropriation builds upon the tax budget which establishes revenues streams. The City appropriates from a budgetary line item control level for all funds and activates.

### ***Financial Management Initiatives***

The City utilizes accounting policies, and procedures that operate within the preemptions of the Charter of the City of Ashland, State and Federal laws and guidelines as well as Government Accounting Standards Board (GASB) pronouncements. These initiatives include the development of best practices for management, the procurement of goods and services, disaster minimization, investments management, cash management, software management and the development of business relationships with outside vendors. In 2013 the City took the initiative of refinancing its long term 2003 municipal bonds and in doing so lowered its future interest expense by approximately \$60,000 annually. The City calculates operating revenues and expenditures with three year projections. This practice helps the City in projecting funding level requirements and stabilizes programs for the future initiatives.

### ***Major Initiatives***

In 2013 the City continued to move forward with several infrastructure projects including the replacement of old outdated and undersized waterlines, partially funded by a \$475,000 US EPA infrastructure grant. The paving of U.S. Route 42 bypass around the City funded through a \$489,280 Ohio Public Works Commission grant. A \$346,000 storm sewer improvement project on the North side of town solely funded by the City of Ashland storm water surcharges the residents pay each month. The City also does approximately \$300,000 of street resurfacing annually.

### ***Internal Controls***

It is the management of the City that is fully responsible for the completeness and reliability of the information contained in this report. The City uses a comprehensive framework of internal controls 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 objective of the framework of this report is to provide with reasonable, assurance that this report is free from any material misstatements to the best of our 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 The City of Ashland for its Comprehensive Annual Financial Report for the calendar year ended December 31, 2012. This was the sixth consecutive year the City of Ashland has achieved this prestigious award for financial reporting. To achieve this award the City prepares and publishes an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both general accepted accounting principles and all applicable legal requirements. The award is valid for a period of one year. The preparation of this report would not have been possible without the hard work and dedication of the Finance Division, and the various managers, directors and employees

who contributed to this report. We also wish to express our appreciation to the members of City council who support our goals to strive for excellence and continuous improvement in the finances of our government.

Respectfully submitted,

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  
For the year ended December 31, 2013

**City Officials**

**Ruth G. Detrow**

1/1/1982 – 12/31/1985 (Council)  
9/20/2002 – present (Council)

**Duane Fishpaw**

9/3/1980 – 11/25/2011 (Fireman) (Retired as Assistant Fire Chief)  
1/01/2012 – present (Council)

**Robert M. Valentine**

Employed seasonally: 1974 (Laborer), 1978 (Sewer), 1979 (Park)  
1/1/2006 – present (Council)

**Sandra Hedlund Tunnell**

1/1/2010 - present (Council)

**Stephen L. Stuart**

2/5/2008 – present (Council)

**Glen P. Stewart**

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

**John Good**

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

**Richard P. Wolfe II**

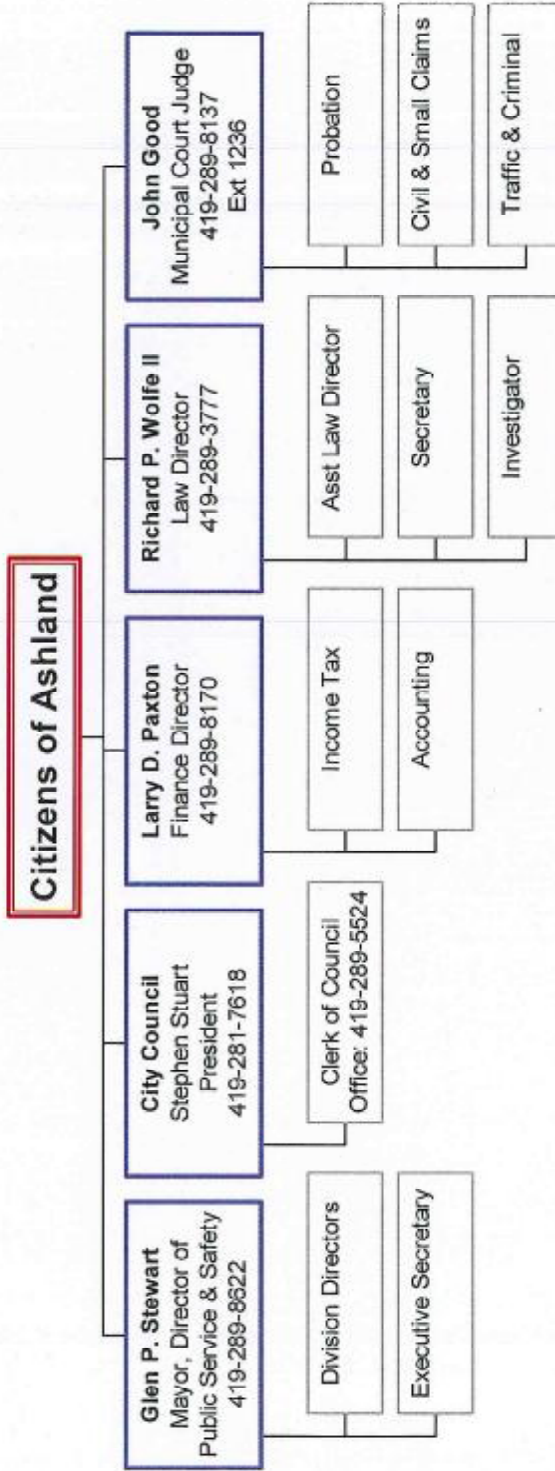
2/11/1974 – 12/31/1975 (Asst Law Director)  
1/1/1976 – present (Law Director)

**Larry D. Paxton**

5/1/2006 – 1/6/2007 (Assistant Director of Finance)  
1/6/2007– 1/28/2009 (Assistant to the City Engineer)  
1/28/2009 – 6/1/2009 (Acting Director of Engineering)  
6/1/2009 – 11/20/2009 (Assistant to the City Engineer)  
11/20/2009 – Present (Director of Finance)



# 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, 2012**

Executive Director/CEO

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# Financial Section







# 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, 2013 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.

### ***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, 2013, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Street Maintenance and Repair Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

City of Ashland  
Independent Auditor's Report

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2013, the City of Ashland adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

***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*, 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2014, 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.



Julian & Grube, Inc.  
June 20, 2014



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**City of Ashland**  
**Ashland County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*(Unaudited)*

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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, 2013. 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 2013 are as follows:

- In total, net position increased \$1,466,849, which represents a 3 percent increase from 2012. Net position of governmental activities decreased \$374,878. Net position of business-type activities increased \$1,841,727.
- Total capital assets decreased \$579,151 in 2013. Capital assets of governmental activities decreased \$751,103 and capital assets of business-type activities increased \$171,952.
- Outstanding debt decreased from \$15,051,649 to \$14,108,178 due to principal payments made during the year and refunding of general obligation bonds.

***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 2013 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, street maintenance and repair fund and US Rt. 42 paving fund are by far the most significant funds. 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, 2013*  
*(Unaudited)*

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A question typically asked about the City's finances "How did we do financially during 2013?" 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 funds are the general fund, the street maintenance and repair fund and the US Rt. 42 paving 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, 2013*  
*(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 2013 compared to 2012:

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	Restated 2012	2013	Restated 2012	2013	Restated 2012
<b>Assets</b>						
Current and Other Assets	10,016,383	9,739,882	7,628,552	6,762,384	\$ 17,644,935	\$ 16,502,266
Capital Assets	18,677,502	19,428,605	37,294,185	37,122,233	55,971,687	56,550,838
<i>Total Assets</i>	<u>28,693,885</u>	<u>29,168,487</u>	<u>44,922,737</u>	<u>43,884,617</u>	<u>73,616,622</u>	<u>73,053,104</u>
Deferred Outflows of Resources	38,273	0	130,616	0	168,889	0
<b>Liabilities</b>						
Long-Term Liabilities	2,805,771	3,155,968	12,134,500	12,743,105	14,940,271	15,899,073
Other Liabilities	1,190,873	917,242	274,071	338,457	1,464,944	1,255,699
<i>Total Liabilities</i>	<u>3,996,644</u>	<u>4,073,210</u>	<u>12,408,571</u>	<u>13,081,562</u>	<u>16,405,215</u>	<u>17,154,772</u>
Deferred Inflows of Resources	1,079,613	1,064,498	0	0	1,079,613	1,064,498
<b>Net Position</b>						
Net Investment in Capital Assets	16,588,886	16,958,869	25,443,512	24,540,320	42,032,398	41,499,189
Restricted	5,112,823	4,870,075	0	0	5,112,823	4,870,075
Unrestricted	1,954,192	2,201,835	7,201,270	6,262,735	9,155,462	8,464,570
<i>Total Net Position</i>	<u>\$ 23,655,901</u>	<u>\$ 24,030,779</u>	<u>\$ 32,644,782</u>	<u>\$ 30,803,055</u>	<u>\$ 56,300,683</u>	<u>\$ 54,833,834</u>

At year end, capital assets represented 76 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 \$42,032,398 at December 31, 2013, with \$16,588,886 in governmental activities and \$25,443,512 in business-type activities. These capital assets are used to 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, \$5,112,823 or 9 percent represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position of \$9,155,462 may be used to meet the City's ongoing obligations to citizens and creditors.

Current assets of governmental activities increased \$276,501 due to an increase several CDBG grants as well as an OPWC grant. Current liabilities increased \$273,631 due to the timing difference of payroll and pension payments compared to 2012.

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Business type activities/enterprise funds saw an increase of \$866,168 in current and other assets. This increase is due to a rate increase in utility rates billed to customers.

Table 2 shows the changes in net position for 2013 and 2012.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services	\$ 2,491,962	\$ 2,756,133	\$ 10,390,655	\$ 9,909,877	\$ 12,882,617	\$ 12,666,010
Operating Grants	2,054,374	1,854,051	0	0	2,054,374	1,854,051
Capital Grants	766,359	304,663	290,546	297,557	1,056,905	602,220
<i>General Revenues:</i>						
Property Taxes	1,116,594	1,076,792	0	0	1,116,594	1,076,792
Income Taxes	8,591,625	8,420,635	0	0	8,591,625	8,420,635
Grants and Entitlements	692,572	718,298	0	0	692,572	718,298
Investment Earnings	7,443	14,052	26	0	7,469	14,052
Miscellaneous	272,473	133,248	0	1,758	272,473	135,006
<i>Total Revenues</i>	<u>15,993,402</u>	<u>15,277,872</u>	<u>10,681,227</u>	<u>10,209,192</u>	<u>26,674,629</u>	<u>25,487,064</u>
<b>Program Expenses</b>						
General Government	4,556,731	4,873,750	0	0	4,556,731	4,873,750
Security of Persons and Property	6,976,843	6,961,052	0	0	6,976,843	6,961,052
Public Health	296,042	297,364	0	0	296,042	297,364
Leisure Time Services	894,106	1,131,083	0	0	894,106	1,131,083
Community Development	446,357	574,802	0	0	446,357	574,802
Transportation	2,947,541	2,446,458	0	0	2,947,541	2,446,458
Issuance Costs	33,073	0	0	0	33,073	0
Interest and Fiscal Charges	73,794	112,685	0	0	73,794	112,685
<i>Enterprise Operations:</i>						
Water	0	0	3,656,554	3,372,372	3,656,554	3,372,372
Sewer	0	0	2,772,679	2,939,944	2,772,679	2,939,944
Sanitation	0	0	1,517,356	1,666,114	1,517,356	1,666,114
Stormwater Management	0	0	359,408	293,053	359,408	293,053
Golf Course	0	0	596,807	609,321	596,807	609,321
Swimming Pool	0	0	80,489	76,463	80,489	76,463
<i>Total Program Expenses</i>	<u>16,224,487</u>	<u>16,397,194</u>	<u>8,983,293</u>	<u>8,957,267</u>	<u>25,207,780</u>	<u>25,354,461</u>
<i>Increase (Decrease) in Net Position</i>	(231,085)	(1,119,322)	1,697,934	1,251,925	1,466,849	132,603
Transfers	(143,793)	(166,107)	143,793	166,107	0	0
<i>Change in Net Position</i>	<u>(374,878)</u>	<u>(1,285,429)</u>	<u>1,841,727</u>	<u>1,418,032</u>	<u>1,466,849</u>	<u>132,603</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 entitlements, charges for services and investment interest.

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.

General revenues include grants and entitlements, such as local government funds. With the combination of property tax, income tax and intergovernmental funding all expenses in the governmental activities are funded. The City monitors its sources of revenues very closely for fluctuations.

The City saw a \$715,530 increase in governmental revenue in 2013. This is largely due to an increase in grants due to several CDBG grants and an OPWC grant in 2013.

Police and fire represent the largest expense of the Governmental Activities. This expense of \$6,976,843 represents 43 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 \$2,947,541, or 18 percent of total governmental activities expenses, during 2013.

The City also maintains a health department (public health) and a park (leisure time services) within the City. These areas had expenses of \$1,190,148 in 2013 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 2013, charges for services of \$10,390,655 accounted for 97 percent of the business type revenues. The total expenses for the utilities were \$8,983,293 thus leaving an increase in net position of \$1,697,934 (before transfers) for the business-type activities.

***The City's Funds***

***Governmental Funds***

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$15,639,438 and expenditures of \$15,908,752. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

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The general fund's net change in fund balance for year end 2013 was a decrease of \$54,375. This decrease is an improvement compared to 2012 change in fund balance. In 2013 revenues were increased and expenditures were reduced.

The street maintenance and repair fund's net change in fund balance for year end 2013 was a decrease of \$8,112.

The US Rt. 42 paving fund's net change in fund balance for year end 2013 a decrease of \$498,280. This decrease is due to an OPWC grant not being received at the end of 2013.

***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 \$1,378,958, unrestricted net position of the sanitation fund was \$1,063,660 and the unrestricted net position of the sewer fund was \$4,254,170. The total growth in net position for these funds was \$274,747, \$308,553 and \$1,185,884, respectively. The sewer fund consistently sees a large increase each year. Other 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 2013, the City amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the Director of Finance. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

For the general fund, the actual budget basis revenue was \$9,837,387, representing a decrease of \$938,437 under the final budget estimate of \$10,775,824. Most of this difference was attributable to an overestimation of charges for services. The final budget revenues were \$1,059,565 higher than original budget revenues of \$9,716,259. Estimates were adjusted as income tax receipts were significantly higher than originally anticipated.

Final expenditure appropriations of \$11,237,384 were \$1,503,072 higher than the actual expenditures of \$9,734,312 as cost savings were recognized for general government and security of persons and property throughout the year. Final expenditure appropriations were \$779,537 higher than the original budget appropriations of \$10,457,847. The City was able to increase the budget as more revenue became available.



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**Capital Assets and Debt Administration**

**Capital Assets**

At the end of year 2013, the City had \$55,971,687 invested in capital assets. A total of \$18,677,502 of this was for governmental activities and \$37,294,185 being attributable to business-type activities. Table 3 shows fiscal year 2013 balances compared with 2012.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 7,010,051	\$ 7,010,051	\$ 3,734,692	\$ 3,734,692	\$ 10,744,743	\$ 10,744,743
Construction in Progress	21,358	53,222	0	360,775	21,358	413,997
Buildings and Improvements	4,690,540	4,887,269	7,526,051	7,793,894	12,216,591	12,681,163
Equipment	801,274	960,497	1,476,922	1,672,127	2,278,196	2,632,624
Vehicles	1,838,969	1,773,070	872,680	536,305	2,711,649	2,309,375
Streets	2,794,529	3,240,300	0	0	2,794,529	3,240,300
Bridges	577,990	650,143	0	0	577,990	650,143
Street Lighting	942,791	854,053	0	0	942,791	854,053
Infrastructure	0	0	23,683,840	23,024,440	23,683,840	23,024,440
<i>Total</i>	<u>\$ 18,677,502</u>	<u>\$ 19,428,605</u>	<u>\$ 37,294,185</u>	<u>\$ 37,122,233</u>	<u>\$ 55,971,687</u>	<u>\$ 56,550,838</u>

The \$751,103 decrease in capital assets of governmental activities was attributable to current year depreciation and disposals exceeding additional purchases. The \$171,952 increase in capital assets of business-type activities is due to current year additional purchases exceeding depreciation and disposals. See Note 10 for additional information about the capital assets of the City.

**Debt**

The outstanding debt for the City as of December 31, 2013 was \$14,108,178. See Note 15 for additional details. Table 4 summarizes outstanding debt.

**Table 4**  
**Outstanding Debt, at December 31**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 1,970,000	\$ 2,266,000	\$ 11,785,000	\$ 12,424,000	\$ 13,755,000	\$ 14,690,000
Premium on Bonds	15,435	0	196,289	157,913	211,724	157,913
ODOT Loans	141,454	203,736	0	0	141,454	203,736
<i>Total</i>	<u>\$ 2,126,889</u>	<u>\$ 2,469,736</u>	<u>\$ 11,981,289</u>	<u>\$ 12,581,913</u>	<u>\$ 14,108,178</u>	<u>\$ 15,051,649</u>

On September 10, 2013, the City issued \$7,890,000 various purpose refunding bonds. The bonds consist of serial bonds with a varying interest rate of 2.00-4.00 percent with a final maturity of December 31, 2023. The bonds advance refunded \$7,635,000 of outstanding 2003 various purpose general obligation bonds.

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***Economic Factors***

In 2013 the City of Ashland continued to feel the effects of a sluggish national economy. Unemployment rates lingering slightly above 7 percent with some improvement during the end of the year. The City's collection of withholding taxes declined slightly, while business profit taxes far exceeded expectations with individual taxes showing slight gains. Overall, 2013 income tax collection far exceeded its anticipated targets. This revenue stream is crucial to the operation of the City's general fund, service division and the parks division. At this writing there are currently three different pieces of legislation that have been introduced in the state legislation that will either restrict and or eliminate of some of the collection of this tax in the future.

These proposals along with the already enacted elimination of tangible personal property taxes, estate taxes and the continuing reduction of the local government revenue sharing funds by the state, present a financial challenge for the City in the future. All other non-general fund revenues continued to produce according to projections.

Because of these real or impending financial opportunities, the City continues to closely monitor and scrutinize its operating revenues and expenditures. All aspects of the City's operations are continually reviewed for both productivity and efficiencies. The City continues to reduce operating expenses where possible while dealing with increased demand for its services, particularly within our safety services sector. The City continues to enjoy a stable and cooperative relationship with its workforce while making minor adjustments to its staffing levels.

In 2013 the City continued its efforts to restructure and retire its debt by refunding its 2003 issued bonds. By refinancing this \$7,890,000 in 2003 issued bonds the City saved approximately \$60,000 annually in interest costs. This refunding in conjunction with the 2010 issued bonds enables the City to retire over a million dollars in long-term debt annually. This debt retirement program benefits the community by developing a strong and sound financial plan for debt retirement, while establishing a solid cash flow pattern. As a part of this process Moody's rating service established an A1 bond rating for the 2003 bonds to be refunded. This rating is different than what the 2010 bond issue received which was AAA rated at that time. The 2013 rating was based on a couple of issues. First, that the local economy is sensitive and has been impacted by the national economy, and how some of the City's employers may be struggling a little bit because of these economic conditions. The second item identified is the possible underfunding of the State's sponsored pension funds as a potential liability to the City in the future. It identified that the City could possibly be responsible for additional participation or assessment in the future if the state does not address this issue. Because of this strong rating being assigned to it the City was able obtain a substantial savings in interest cost by refinancing this old issue.

During the year the City completed two major infrastructure projects. One being a \$106,427 traffic signal upgraded at an important intersection in the City. The second project included the installation of a new \$338,924 storm sewer system to a neighborhood that previously had not been serviced by one. Also the City entered into a joint venture with the Ohio Department of Transportation to plan for a major \$7 million dollar intersection upgrade at US. RT. 42 & 250 and ST. RT. 96. The City has applied for and been awarded \$2.1 million in grants and a \$500,000 loan for this project. This intersection upgrade project is a major undertaking and is scheduled to begin construction in the first quarter of 2015.

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The City also continued to see development and expansion in its Industrial Park located on the North side of town. The Barbasol Shaving Cream plant completed its second expansion, doubling its size and production. Novatex North America Inc., a manufacturing facility specializing in infant care products also completed their expansion doubling their plant size and production. Ashland Conveyor, a manufacturing plant specializing in material moving conveyor products began its third year in business at its new facility. Packaging Corporation of America specializing in corrugated cardboard materials began improvements to its facility, increasing their production and office complex. Chesterland Productions, LLC, built a new 234,000 sq. ft. warehousing complex located on Westlake drive so that Compak Inc. could expand their operations in Ashland.

The challenge for the City going forward will be to continue to meet the needs of our community, our stakeholders, and our employees while operating with constrained revenue sources. We believe our task requires a disciplined and balanced approach in controlling and possibly reducing costs, while at the same time exploring new avenues of possible revenue streams. We have taken a proactive approach of contacting the Auditor of State's office on local government services to assist us as well as others with this endeavor.

***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](mailto:paxton.larry@ashland-ohio.com)

**City of Ashland**  
**Ashland County, Ohio**  
*Statement of Net Position*  
*December 31, 2013*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 4,642,234	\$ 6,380,539	\$ 11,022,773
Cash and Investments in Segregated Accounts	0	2,855	2,855
Accounts Receivable	216,447	1,076,661	1,293,108
Intergovernmental Receivable	1,821,012	0	1,821,012
Taxes Receivable	3,071,983	0	3,071,983
Prepaid Items	123,581	56,551	180,132
Materials and Supplies Inventory	141,126	111,946	253,072
Non-Depreciable Capital Assets	7,031,409	3,734,692	10,766,101
Depreciable Capital Assets, Net	11,646,093	33,559,493	45,205,586
<i>Total Assets</i>	<u>28,693,885</u>	<u>44,922,737</u>	<u>73,616,622</u>
<b>Deferred Outflow of Resources</b>			
Deferred Charges on Refunding	38,273	130,616	168,889
<b>Liabilities</b>			
Accounts Payable	59,080	44,269	103,349
Accrued Wages	318,843	109,377	428,220
Intergovernmental Payable	776,327	88,376	864,703
Accrued Interest Payable	6,906	32,049	38,955
Accrued Vacation Leave Payable	29,717	0	29,717
Long-Term Liabilities:			
Due Within One Year	445,258	886,876	1,332,134
Due in More Than One Year	2,360,513	11,247,624	13,608,137
<i>Total Liabilities</i>	<u>3,996,644</u>	<u>12,408,571</u>	<u>16,405,215</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Year	1,079,613	0	1,079,613
<b>Net Position</b>			
Net Investment in Capital Assets	16,588,886	25,443,512	42,032,398
Restricted For:			
Debt Service	301,335	0	301,335
Capital Outlay	837,075	0	837,075
Roads and Bridges	1,751,718	0	1,751,718
Parks and Recreation	392,960	0	392,960
Police and Fire	42,726	0	42,726
Public Transportation	174,893	0	174,893
Municipal Court Programs	758,769	0	758,769
Community Development	600,120	0	600,120
Other Purposes	253,227	0	253,227
Unrestricted	1,954,192	7,201,270	9,155,462
<i>Total Net Position</i>	<u>\$ 23,655,901</u>	<u>\$ 32,644,782</u>	<u>\$ 56,300,683</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, 2013

	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
<b>Governmental Activities</b>							
General Government	\$ 4,556,731	\$ 806,924	\$ 367,200	\$ 0	\$ (3,382,607)	\$ 0	\$ (3,382,607)
Security of Persons and Property	6,976,843	1,415,299	86,605	0	(5,474,939)	0	(5,474,939)
Public Health	296,042	174,157	0	0	(121,885)	0	(121,885)
Leisure Time Services	894,106	71,538	23,713	0	(798,855)	0	(798,855)
Community Development	446,357	0	419,439	0	(26,918)	0	(26,918)
Transportation	2,947,541	24,044	1,157,417	766,359	(999,721)	0	(999,721)
Issuance Costs	33,073	0	0	0	(33,073)	0	(33,073)
Interest and Fiscal Charges	73,794	0	0	0	(73,794)	0	(73,794)
<i>Total Governmental Activities</i>	<u>16,224,487</u>	<u>2,491,962</u>	<u>2,054,374</u>	<u>766,359</u>	<u>(10,911,792)</u>	<u>0</u>	<u>(10,911,792)</u>
<b>Business-Type Activities</b>							
Water	3,656,554	3,640,755	0	290,546	0	274,747	274,747
Sewer	2,772,679	3,958,563	0	0	0	1,185,884	1,185,884
Sanitation	1,517,356	1,825,909	0	0	0	308,553	308,553
Stormwater Management	359,408	521,720	0	0	0	162,312	162,312
Golf Course	596,807	400,715	0	0	0	(196,092)	(196,092)
Swimming Pool	80,489	42,993	0	0	0	(37,496)	(37,496)
<i>Total Business-Type Activities</i>	<u>8,983,293</u>	<u>10,390,655</u>	<u>0</u>	<u>290,546</u>	<u>0</u>	<u>1,697,908</u>	<u>1,697,908</u>
<i>Total Primary Government</i>	<u>\$ 25,207,780</u>	<u>\$ 12,882,617</u>	<u>\$ 2,054,374</u>	<u>\$ 1,056,905</u>	<u>(10,911,792)</u>	<u>1,697,908</u>	<u>(9,213,884)</u>
<b>General Revenues:</b>							
Property Taxes Levied for:							
General Purposes					559,592	0	559,592
Police and Fire Pension					175,476	0	175,476
Park and Recreation					139,900	0	139,900
Debt Service					241,626	0	241,626
Income Taxes Levied for:							
General Purposes					7,184,365	0	7,184,365
Street Maintenance and Repair					658,029	0	658,029
Park and Recreation					749,231	0	749,231
Grants and Entitlements not Restricted to Specific Programs					692,572	0	692,572
Investment Earnings					7,443	0	7,443
Miscellaneous					272,473	26	272,499
<i>Total General Revenues</i>					<u>10,680,707</u>	<u>26</u>	<u>10,680,733</u>
Transfers					(143,793)	143,793	0
<i>Change in Net Position</i>					(374,878)	1,841,727	1,466,849
<i>Net Position Beginning of Year - Restated (See Note 3)</i>					<u>24,030,779</u>	<u>30,803,055</u>	<u>54,833,834</u>
<i>Net Position End of Year</i>					<u>\$ 23,655,901</u>	<u>\$ 32,644,782</u>	<u>\$ 56,300,683</u>

See accompanying notes to the basic financial statements.

**City of Ashland**  
**Ashland County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2013*

	General	Street Maintenance and Repair	US Rt. 42 Paving Fund	All Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 814,636	\$ 1,045,187	\$ 0	\$ 2,782,411	\$ 4,642,234
Accounts Receivable	162,314	5,961	0	48,172	216,447
Intergovernmental Receivable	311,643	395,734	498,280	615,355	1,821,012
Taxes Receivable	2,246,196	117,669	0	708,118	3,071,983
Prepaid Items	93,163	14,079	0	16,339	123,581
Materials and Supplies Inventory	0	141,126	0	0	141,126
<i>Total Assets</i>	<u>\$ 3,627,952</u>	<u>\$ 1,719,756</u>	<u>\$ 498,280</u>	<u>\$ 4,170,395</u>	<u>\$ 10,016,383</u>
<b>Liabilities</b>					
Accounts Payable	\$ 14,451	\$ 1,618	\$ 0	\$ 43,011	\$ 59,080
Accrued Wages	274,791	31,235	0	12,817	318,843
Intergovernmental Payable	236,595	24,303	498,280	17,149	776,327
<i>Total Liabilities</i>	<u>525,837</u>	<u>57,156</u>	<u>498,280</u>	<u>72,977</u>	<u>1,154,250</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	552,154	0	0	527,459	1,079,613
Unavailable Revenue	1,168,666	320,160	498,280	680,307	2,667,413
<i>Total Deferred Inflows of Resources</i>	<u>1,720,820</u>	<u>320,160</u>	<u>498,280</u>	<u>1,207,766</u>	<u>3,747,026</u>
<b>Fund Balances</b>					
Nonspendable	93,163	155,205	0	16,339	264,707
Restricted	0	1,187,235	0	2,324,118	3,511,353
Committed	0	0	0	549,195	549,195
Assigned	1,291,982	0	0	0	1,291,982
Unassigned	(3,850)	0	(498,280)	0	(502,130)
<i>Total Fund Balances</i>	<u>1,381,295</u>	<u>1,342,440</u>	<u>(498,280)</u>	<u>2,889,652</u>	<u>5,115,107</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 3,627,952</u>	<u>\$ 1,719,756</u>	<u>\$ 498,280</u>	<u>\$ 4,170,395</u>	<u>\$ 10,016,383</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, 2013*

<b>Total Governmental Fund Balances</b>		\$ 5,115,107
<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.		18,677,502
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	\$ 109,659	
Income Tax	901,262	
Intergovernmental	1,580,780	
Charges for Services	75,712	2,667,413
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(6,906)
Unamortized balances of bond related transactions are not recorded in the funds. Unamortized deferred charges on refundings		38,273
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(1,985,435)	
ODOT Loan	(141,454)	
Accrued Vacation Leave Payable	(29,717)	
Compensated Absences	(678,882)	(2,835,488)
<i>Net Position of Governmental Activities</i>		\$ 23,655,901

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, 2013*

	General	Street Maintenance and Repair	US Rt. 42 Paving Fund	All Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 556,118	\$ 0	\$ 0	\$ 553,767	\$ 1,109,885
Income Taxes	7,310,117	648,248	0	734,500	8,692,865
Charges for Services	595,662	18,749	0	483,742	1,098,153
Licenses and Permits	23,778	0	0	0	23,778
Fines and Forfeitures	713,617	5,485	0	583,241	1,302,343
Intergovernmental	807,256	870,511	0	1,354,272	3,032,039
Interest	7,443	6,710	0	599	14,752
Rent	10,200	0	0	72,761	82,961
Contributions and Donations	437	0	0	9,752	10,189
Other	226,146	25,285	0	21,042	272,473
<i>Total Revenues</i>	<u>10,250,774</u>	<u>1,574,988</u>	<u>0</u>	<u>3,813,676</u>	<u>15,639,438</u>
<b>Expenditures</b>					
Current:					
General Government	3,698,683	0	0	697,841	4,396,524
Security of Persons and Property	5,886,283	0	0	788,580	6,674,863
Public Health	294,058	0	0	1,984	296,042
Leisure Time Services	0	0	0	802,092	802,092
Community Development	159,147	0	0	277,886	437,033
Transportation	0	1,583,100	498,280	128,392	2,209,772
Capital Outlay	0	0	0	563,219	563,219
Debt Service:					
Principal Retirement	0	0	0	418,282	418,282
Interest and Fiscal Charges	0	0	0	77,852	77,852
Bond Issuance Costs	0	0	0	33,073	33,073
<i>Total Expenditures</i>	<u>10,038,171</u>	<u>1,583,100</u>	<u>498,280</u>	<u>3,789,201</u>	<u>15,908,752</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>212,603</u>	<u>(8,112)</u>	<u>(498,280)</u>	<u>24,475</u>	<u>(269,314)</u>
<b>Other Financing Sources (Uses)</b>					
Refunding Bonds Issued	0	0	0	1,790,000	1,790,000
Premium on Debt Issuance	0	0	0	15,829	15,829
Payment to Refunded Bond Escrow Agent	0	0	0	(1,769,254)	(1,769,254)
Transfers In	0	0	0	123,185	123,185
Transfers Out	(266,978)	0	0	0	(266,978)
<i>Total Other Financing Sources (Uses)</i>	<u>(266,978)</u>	<u>0</u>	<u>0</u>	<u>159,760</u>	<u>(107,218)</u>
<i>Net Change in Fund Balance</i>	(54,375)	(8,112)	(498,280)	184,235	(376,532)
<i>Fund Balance Beginning of Year</i>	<u>1,435,670</u>	<u>1,350,552</u>	<u>0</u>	<u>2,705,417</u>	<u>5,491,639</u>
<i>Fund Balance End of Year (Deficit)</i>	<u>\$ 1,381,295</u>	<u>\$ 1,342,440</u>	<u>\$ (498,280)</u>	<u>\$ 2,889,652</u>	<u>\$ 5,115,107</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, 2013*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ (376,532)
<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. This is the amount by which depreciation exceeded additions in the current period.		
Capital Asset Additions	\$ 563,219	
Current Year Depreciation	<u>(1,301,032)</u>	(737,813)
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.		
		(13,290)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	6,709	
Income Tax	(101,240)	
Charges for Services	(15,269)	
Intergovernmental	<u>463,764</u>	353,964
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	356,000	
ODOT Loan	<u>62,282</u>	418,282
Issuance of refunding bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net position as long-term liabilities.		
Payment to Refunded Bond Escrow Agent	1,730,000	
Proceeds of Refunding Bonds	(1,790,000)	
Premium on Refunding Bonds	(15,829)	
Refunding Loss	<u>39,254</u>	(36,575)
Premiums on bonds and deferred charges related to the issuance of bonds are amortized over the life of the issuance in the statement of activities.		
Premiums on Bonds	394	
Deferred Charges on Refundings	<u>(981)</u>	(587)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued Interest Payable		4,645
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	5,678	
Compensated Absences	<u>7,350</u>	<u>13,028</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ (374,878)</u></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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 520,882	\$ 547,244	\$ 556,118	\$ 8,874
Income Taxes	6,204,000	7,072,560	6,860,217	(212,343)
Charges for Services	1,483,603	1,495,423	640,022	(855,401)
Licenses and Permits	21,789	22,649	23,778	1,129
Fines and Forfeitures	715,030	715,290	706,154	(9,136)
Intergovernmental	681,932	833,839	805,965	(27,874)
Interest	11,000	11,000	7,443	(3,557)
Rent	10,200	10,200	10,200	0
Contributions and Donations	325	325	437	112
Other	67,498	67,294	227,053	159,759
<i>Total Revenues</i>	<u>9,716,259</u>	<u>10,775,824</u>	<u>9,837,387</u>	<u>(938,437)</u>
<b>Expenditures</b>				
Current:				
General Government	4,093,389	4,325,742	3,232,994	1,092,748
Security of Persons and Property	5,902,279	6,437,512	6,047,113	390,399
Public Health	305,311	309,311	294,652	14,659
Community Development	156,868	164,819	159,553	5,266
<i>Total Expenditures</i>	<u>10,457,847</u>	<u>11,237,384</u>	<u>9,734,312</u>	<u>1,503,072</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(741,588)</u>	<u>(461,560)</u>	<u>103,075</u>	<u>564,635</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(205,288)	(363,288)	(266,978)	96,310
<i>Net Change in Fund Balance</i>	(946,876)	(824,848)	(163,903)	660,945
<i>Fund Balance Beginning of Year</i>	945,758	945,758	945,758	0
Prior Year Encumbrances Appropriated	1,198	1,198	1,198	0
<i>Fund Balance End of Year</i>	<u>\$ 80</u>	<u>\$ 122,108</u>	<u>\$ 783,053</u>	<u>\$ 660,945</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*  
*Street Maintenance and Repair Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Income Taxes	\$ 593,878	\$ 659,000	\$ 670,132	\$ 11,132
Charges for Services	245,370	0	12,788	12,788
Fines and Forfeitures	4,800	4,800	5,485	685
Intergovernmental	915,000	884,000	867,910	(16,090)
Interest	6,105	6,105	6,710	605
Other	289,000	580,900	25,285	(555,615)
<i>Total Revenues</i>	<u>2,054,153</u>	<u>2,134,805</u>	<u>1,588,310</u>	<u>(546,495)</u>
<b>Expenditures</b>				
Current:				
Transportation	<u>2,637,715</u>	<u>2,690,715</u>	<u>1,551,750</u>	<u>1,138,965</u>
<i>Net Change in Fund Balance</i>	(583,562)	(555,910)	36,560	592,470
<i>Fund Balance Beginning of Year</i>	958,319	958,319	958,319	0
Prior Year Encumbrances Appropriated	<u>40,308</u>	<u>40,308</u>	<u>40,308</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 415,065</u></u>	<u><u>\$ 442,717</u></u>	<u><u>\$ 1,035,187</u></u>	<u><u>\$ 592,470</u></u>

See accompanying notes to the basic financial statements.

**City of Ashland**  
**Ashland County, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2013*

	Enterprise Funds				Total
	Water	Sewer	Sanitation	All Other Enterprise Funds	
<b>Assets</b>					
<i>Current Assets:</i>					
Equity in Pooled Cash and Investments	\$ 1,018,914	\$ 3,797,182	\$ 1,082,847	\$ 481,596	\$ 6,380,539
Cash and Investments in Segregated Accounts	0	0	0	2,855	2,855
Accounts Receivable	463,358	585,870	20,850	6,583	1,076,661
Prepaid Items	23,712	24,982	7,857	0	56,551
Materials and Supplies Inventory	41,623	0	0	70,323	111,946
<i>Total Current Assets</i>	<u>1,547,607</u>	<u>4,408,034</u>	<u>1,111,554</u>	<u>561,357</u>	<u>7,628,552</u>
<i>Non-Current Assets:</i>					
Non-Depreciable Capital Assets	2,744,609	77,708	73,274	839,101	3,734,692
Depreciable Capital Assets, Net	11,496,077	18,554,304	547,348	2,961,764	33,559,493
<i>Total Non-Current Assets</i>	<u>14,240,686</u>	<u>18,632,012</u>	<u>620,622</u>	<u>3,800,865</u>	<u>37,294,185</u>
<i>Total Assets</i>	<u>15,788,293</u>	<u>23,040,046</u>	<u>1,732,176</u>	<u>4,362,222</u>	<u>44,922,737</u>
<b>Deferred Outflow of Resources</b>					
Deferred Charges on Refunding	85,309	45,307	0	0	130,616
<b>Liabilities</b>					
<i>Current Liabilities:</i>					
Accounts Payable	9,418	7,270	9,883	17,698	44,269
Accrued Wages	50,003	34,960	13,144	11,270	109,377
Intergovernmental Payable	35,536	29,606	13,440	9,794	88,376
Accrued Interest Payable	10,510	21,539	0	0	32,049
Compensated Absences Payable	5,177	3,335	3,015	349	11,876
General Obligation Bonds Payable	435,000	440,000	0	0	875,000
<i>Total Current Liabilities</i>	<u>545,644</u>	<u>536,710</u>	<u>39,482</u>	<u>39,111</u>	<u>1,160,947</u>
<i>Long-Term Liabilities:</i>					
Compensated Absences Payable - Net of Current Portion	58,005	57,154	8,412	17,764	141,335
General Obligation Bonds Payable - Net of Current Portion	4,147,931	6,958,358	0	0	11,106,289
<i>Total Long-Term Liabilities</i>	<u>4,205,936</u>	<u>7,015,512</u>	<u>8,412</u>	<u>17,764</u>	<u>11,247,624</u>
<i>Total Liabilities</i>	<u>4,751,580</u>	<u>7,552,222</u>	<u>47,894</u>	<u>56,875</u>	<u>12,408,571</u>
<b>Net Position</b>					
Net Investment in Capital Assets	9,743,064	11,278,961	620,622	3,800,865	25,443,512
Unrestricted	1,378,958	4,254,170	1,063,660	504,482	7,201,270
<i>Total Net Position</i>	<u>\$ 11,122,022</u>	<u>\$ 15,533,131</u>	<u>\$ 1,684,282</u>	<u>\$ 4,305,347</u>	<u>\$ 32,644,782</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, 2013*

	Enterprise Funds				Total
	Water	Sewer	Sanitation	All Other Enterprise Funds	
<b>Operating Revenues</b>					
Charges for Services	\$ 3,640,755	\$ 3,958,563	\$ 1,825,909	\$ 965,428	\$ 10,390,655
Other	0	0	0	26	26
<i>Total Operating Revenues</i>	<u>3,640,755</u>	<u>3,958,563</u>	<u>1,825,909</u>	<u>965,454</u>	<u>10,390,681</u>
<b>Operating Expenses</b>					
Personal Services	1,634,273	1,244,953	739,496	465,691	4,084,413
Contractual Services	318,284	81,435	569,079	172,396	1,141,194
Materials and Supplies	712,811	398,801	150,189	245,498	1,507,299
Utilities	259,476	142,959	8,127	29,593	440,155
Depreciation	521,611	599,317	50,465	82,805	1,254,198
Other	5,352	102	0	40,721	46,175
<i>Total Operating Expenses</i>	<u>3,451,807</u>	<u>2,467,567</u>	<u>1,517,356</u>	<u>1,036,704</u>	<u>8,473,434</u>
<i>Operating Income (Loss)</i>	<u>188,948</u>	<u>1,490,996</u>	<u>308,553</u>	<u>(71,250)</u>	<u>1,917,247</u>
<b>Non-Operating Revenues (Expense)</b>					
Capital Grants and Contributions	290,546	0	0	0	290,546
Loss on Disposal of Capital Assets	(2,299)	(5,572)	0	0	(7,871)
Bond Issuance Costs	(73,632)	(39,079)	0	0	(112,711)
Interest and Fiscal Charges	(128,816)	(260,461)	0	0	(389,277)
<i>Total Non-Operating Revenues (Expense)</i>	<u>85,799</u>	<u>(305,112)</u>	<u>0</u>	<u>0</u>	<u>(219,313)</u>
<i>Income (Loss) Before Transfers</i>	<u>274,747</u>	<u>1,185,884</u>	<u>308,553</u>	<u>(71,250)</u>	<u>1,697,934</u>
Transfers In	0	0	0	143,793	143,793
<i>Change in Net Position</i>	<u>274,747</u>	<u>1,185,884</u>	<u>308,553</u>	<u>72,543</u>	<u>1,841,727</u>
<i>Net Position Beginning of Year - Reatated (See Note 3)</i>	<u>10,847,275</u>	<u>14,347,247</u>	<u>1,375,729</u>	<u>4,232,804</u>	<u>30,803,055</u>
<i>Net Position End of Year</i>	<u>\$ 11,122,022</u>	<u>\$ 15,533,131</u>	<u>\$ 1,684,282</u>	<u>\$ 4,305,347</u>	<u>\$ 32,644,782</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, 2013

	Enterprise Funds				Totals
	Water	Sewer	Sanitation	All Other Enterprise Funds	
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$ 3,570,688	\$ 3,863,153	\$ 1,811,649	\$ 961,932	\$10,207,422
Cash Received from Other Operating Receipts	0	0	0	26	26
Cash Payments to Suppliers for Goods and Services	(677,113)	(395,239)	(150,189)	(204,161)	(1,426,702)
Cash Payments to Employees for Services and Benefits	(1,632,587)	(1,259,461)	(784,050)	(467,867)	(4,143,965)
Cash Payments for Contractual Services	(579,724)	(224,361)	(568,660)	(201,989)	(1,574,734)
Other Cash Payments	(5,352)	(102)	0	(40,721)	(46,175)
<i>Net Cash Provided by Operating Activities</i>	<u>675,912</u>	<u>1,983,990</u>	<u>308,750</u>	<u>47,220</u>	<u>3,015,872</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	0	0	0	143,793	143,793
<b>Cash Flows from Capital and Related Financing Activities</b>					
Capital Grants	290,546	0	0	0	290,546
Proceeds of Refunding Bonds	3,985,000	2,115,000	0	0	6,100,000
Proceeds of General Obligation Bonds	35,097	18,644	0	0	53,741
Payment for Capital Acquisitions	(555,556)	(58,057)	(416,618)	(413,139)	(1,443,370)
Payment to Refunded Bond Escrow Agent	(3,944,496)	(2,094,469)	0	0	(6,038,965)
Principal Payments on Debt	(412,000)	(422,000)	0	0	(834,000)
Bond Issuance Costs	(73,632)	(39,079)	0	0	(112,711)
Interest Payments on Debt	(140,005)	(272,471)	0	0	(412,476)
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>(815,046)</u>	<u>(752,432)</u>	<u>(416,618)</u>	<u>(413,139)</u>	<u>(2,397,235)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(139,134)	1,231,558	(107,868)	(222,126)	762,430
<i>Cash and Investments Beginning of Year</i>	<u>1,158,048</u>	<u>2,565,624</u>	<u>1,190,715</u>	<u>706,577</u>	<u>5,620,964</u>
<i>Cash and Investments End of Year</i>	<u>\$ 1,018,914</u>	<u>\$ 3,797,182</u>	<u>\$ 1,082,847</u>	<u>\$ 484,451</u>	<u>\$ 6,383,394</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>					
Operating Income (Loss)	\$ 188,948	\$ 1,490,996	\$ 308,553	\$ (71,250)	\$ 1,917,247
Adjustments:					
Depreciation	521,611	599,317	50,465	82,805	1,254,198
(Increase) Decrease in Assets:					
Accounts Receivable	(70,067)	(95,410)	(4,260)	(3,496)	(173,233)
Prepaid Items	(1,964)	33	(1,337)	0	(3,268)
Materials and Supplies Inventory	49,124	0	0	23,639	72,763
Increase (Decrease) in Liabilities:					
Accounts Payable	(13,426)	3,562	(117)	17,698	7,717
Accrued Wages	4,755	(617)	(5,661)	(560)	(2,083)
Compensated Absences Payable	7,686	5,453	(20,994)	(126)	(7,981)
Matured Compensated Absences Payable	0	(14,831)	(12,043)	0	(26,874)
Intergovernmental Payable	(10,755)	(4,513)	(5,856)	(1,490)	(22,614)
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 675,912</u>	<u>\$ 1,983,990</u>	<u>\$ 308,750</u>	<u>\$ 47,220</u>	<u>\$ 3,015,872</u>

**Noncash Capital Financing Activities:**

The City purchased capital assets on account in the amount of \$9,349 in 2012.

See accompanying notes to the basic financial statements.

**City of Ashland**  
**Ashland County, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*December 31, 2013*

	Private Purpose Trust	Agency Funds
<b>Assets</b>		
Equity in Pooled Cash and Investments	\$ 5,608	\$ 64,311
Cash and Investments in Segregated Accounts	0	241,792
<i>Total Assets</i>	<u>5,608</u>	<u>\$ 306,103</u>
<b>Liabilities</b>		
Undistributed Monies	0	\$ 306,103
<i>Total Liabilities</i>	<u>0</u>	<u>\$ 306,103</u>
<b>Net Position</b>		
Held in Trust for Private Purposes	<u>\$ 5,608</u>	

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, 2013*

	Private Purpose Trust
<b>Additions</b>	
Interest	\$ 1
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	500
<i>Change in Net Position</i>	(499)
<i>Net Position Beginning of Year</i>	6,107
<i>Net Position End of Year</i>	\$ 5,608

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, 2013*

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**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, Finance Director, and Law Director are elected.

In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments, and organizations making up the City (the primary government) and its potential component units consistent with Government Accounting Standards Board Statements No. 14, “*The Financial Reporting Entity*” and No. 39, “*Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14.*”

The City provides various services including 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 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 19.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (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.

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***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 are the City's major governmental funds:

***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.

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***Street Maintenance and Repair Fund*** – The street maintenance and repair special revenue fund is used to account for the costs associated with maintaining the streets and public roads. The street maintenance and repair fund receives revenue from income taxes, interest, grants and other miscellaneous sources.

***US Rt. 42 Paving*** – To account for funds received for paying the costs of street paving.

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.

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***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.

***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.

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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. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7.) 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.

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 Outflows/Inflows 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.

In addition to liabilities, the statement of financial position reports 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 as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the 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 taxes, homestead and roll back, income taxes, and intergovernmental local, state monies and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

***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 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."

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

During 2013, investments were limited to certificates of deposit and interest in STAROhio (the State Treasury Asset Reserve of Ohio).

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2013.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2013 amounted to \$7,443, which includes \$5,863 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 6, Deposits and Investments.

***F. Prepaid Items***

Prepayments made to vendors for services that will benefit periods beyond December 31, 2013 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 was 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 fair market values as of the date received. The City maintains a capitalization threshold of \$5,000 for its capital assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or

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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:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
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 all employees ages thirty-eight or older with eight 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.

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***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 and compensated absences 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 fiscal year. Bonds and long-term loans are recognized as a liability on the government fund financial statements when due.

***K. Net Position***

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net invested 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, 2013, 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.

***L. 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 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.



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*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.

***M. 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.

***N. Interfund Activity***

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

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.

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***O. 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.

***P. 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.

***Q. 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 Finance Director. 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 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.

**NOTE 3: IMPLEMENTATION OF NEW ACCOUNTING POLICIES**

For the year ended December 31, 2013, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*," GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," and GASB Statement No. 66, "*Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*."

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GASB Statement No. 61 improves guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the City.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The implementation of GASB Statement No. 65 resulted in debt issuance costs being expensed rather than being deferred. This had the following effect on net position as previously reported:

	<u>Water</u>	<u>Sewer</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
Net Position Previously Reported	\$ 10,925,419	\$ 14,516,181	\$ 25,441,600	\$ 24,058,489
Unamortized Debt Issuance Costs	<u>(78,144)</u>	<u>(168,934)</u>	<u>(247,078)</u>	<u>(27,710)</u>
Restated Net Position at January 1, 2013	<u>\$ 10,847,275</u>	<u>\$ 14,347,247</u>	<u>\$ 25,194,522</u>	<u>\$ 24,030,779</u>

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the City.

**NOTE 4: ACCOUNTABILITY**

The following fund had a deficit balance as of December 31, 2013:

	<u>Deficit Fund Balance</u>
Major Fund:	
Capital Projects - US Rt 42 Paving	\$ 498,280

The deficit in this fund resulted from adjustments for accrued liabilities. The general fund is liable for any deficits in the fund and will provide operating transfers when cash is required, not when accruals occur.

**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (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.

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The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund and the street maintenance and repair fund are 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. 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 and the street maintenance and repair fund.

	General Fund	Street Maintenance and Repair Fund
GAAP Basis	\$ (54,375)	\$ (8,112)
Revenue Accruals	36,347	13,322
Expenditure Accruals	(122,964)	41,350
Encumbrances	(31,145)	(10,000)
Funds Budgeted Elsewhere**	8,234	0
Budget Basis	<u>\$ (163,903)</u>	<u>\$ 36,560</u>

\*\* 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 city maintenance fund and city income tax fund.

**NOTE 6: DEPOSITS AND INVESTMENTS**

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

Active monies 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.

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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;
6. The State Treasurer's investment pool (STAROhio 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 twenty-five 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.

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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 2013, 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 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.

At year-end, the carrying amount of the City's deposits was \$10,862,705. Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of December 31, 2013, \$9,195,342 of the City's bank balance of \$11,161,281 was exposed to custodial credit risk as discussed above, while \$1,965,939 was covered by Federal Deposit Insurance Corporation.

**Investments**

As of December 31, 2013, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>6 Months or Less</u>
STAROhio	<u>\$ 474,634</u>	<u>\$ 474,634</u>

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

STAROhio 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. Ohio law requires STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAROhio as of December 31, 2013, is 53 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** Standard & Poor’s has assigned STAROhio a AAA rating. Ohio law requires that STAROhio 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.

**Concentration of Credit Risk** The following table includes the percentage to total of each investment type held by the City at December 31, 2013:

Investment Type	Fair Value	Percent of Total
STAROhio	\$ 474,634	100.00%

**NOTE 7: PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of the 2012 taxes.

2013 real property taxes were levied after October 1, 2013 on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

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House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased 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 2010. The tax was 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 are being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of these reimbursements.

The full tax rate for all City operations for the year ended December 31, 2013 was \$3.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2013 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 211,721,700
Public Utilities - Real	92,636,780
Public Utilities - Personal	<u>10,177,360</u>
Total Assessed Value	<u>\$ 314,535,840</u>

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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Ashland. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility real and tangible personal property taxes, and outstanding delinquencies which became measurable as of December 31, 2013, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2013 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 reported as deferred in flows of resources – unavailable revenue.

**NOTE 8: RECEIVABLES**

Receivables at December 31, 2013 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.



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**NOTE 9: 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.

**NOTE 10: CAPITAL ASSETS**

A summary of changes in capital assets during 2013 follows:

	Balance 1/1/2013	Additions	Transfers	Deletions	Balance 12/31/2013
<b>Governmental Activities:</b>					
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$ 7,010,051	\$ 0	\$ 0	\$ 0	\$ 7,010,051
Construction in Progress	53,222	120,674	0	(152,538)	21,358
<i>Total Capital Assets, Not Being Depreciated</i>	<u>7,063,273</u>	<u>120,674</u>	<u>0</u>	<u>(152,538)</u>	<u>7,031,409</u>
<i>Capital Assets, Being Depreciated:</i>					
Buildings and Improvements	9,384,920	0	0	0	9,384,920
Equipment	3,172,577	54,595	(5,034)	(175,335)	3,046,803
Vehicles	5,348,705	387,950	0	(17,090)	5,719,565
Streets	23,963,522	0	0	0	23,963,522
Bridges	2,526,671	0	0	0	2,526,671
Street Lighting	1,411,689	152,538	0	0	1,564,227
<i>Total Capital Assets, Being Depreciated</i>	<u>45,808,084</u>	<u>595,083</u>	<u>(5,034)</u>	<u>(192,425)</u>	<u>46,205,708</u>
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvements	(4,497,651)	(196,729)	0	0	(4,694,380)
Equipment	(2,212,080)	(200,528)	5,034	162,045	(2,245,529)
Vehicles	(3,575,635)	(322,051)	0	17,090	(3,880,596)
Streets	(20,723,222)	(445,771)	0	0	(21,168,993)
Bridges	(1,876,528)	(72,153)	0	0	(1,948,681)
Street Lighting	(557,636)	(63,800)	0	0	(621,436)
<i>Total Accumulated Depreciation</i>	<u>(33,442,752)</u>	<u>(1,301,032) *</u>	<u>5,034</u>	<u>179,135</u>	<u>(34,559,615)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>12,365,332</u>	<u>(705,949)</u>	<u>0</u>	<u>(13,290)</u>	<u>11,646,093</u>
<i>Total Governmental Activity Capital Assets, Net</i>	<u>\$ 19,428,605</u>	<u>\$ (585,275)</u>	<u>\$ 0</u>	<u>\$ (165,828)</u>	<u>\$ 18,677,502</u>

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\*Depreciation expense was charge to governmental functions as follows:

General Government	\$	185,032
Leisure Time Services		100,952
Community Development		1,262
Security of Persons and Property		289,358
Transportation		724,428
<b>Total</b>	<b>\$</b>	<b>1,301,032</b>

	Balance 1/1/2013	Additions	Transfers	Deletions	Balance 12/31/2013
<b>Business-Type Activities:</b>					
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$ 3,734,692	\$ 0	\$ 0	\$ 0	\$ 3,734,692
Construction in Progress	360,775	134,359	0	(495,134)	0
<i>Total Capital Assets, Not Being Depreciated</i>	4,095,467	134,359	0	(495,134)	3,734,692
<i>Capital Assets, Being Depreciated:</i>					
Buildings and Improvements	13,595,375	0	0	0	13,595,375
Equipment	3,560,697	0	5,034	(72,244)	3,493,487
Vehicles	1,762,836	447,091	0	(17,879)	2,192,048
Infrastructure	39,460,433	1,343,106	0	(12,613)	40,790,926
<i>Total Capital Assets, Being Depreciated</i>	58,379,341	1,790,197	5,034	(102,736)	60,071,836
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvements	(5,801,481)	(267,843)	0	0	(6,069,324)
Equipment	(1,888,570)	(195,205)	(5,034)	72,244	(2,016,565)
Vehicles	(1,226,531)	(107,444)	0	14,607	(1,319,368)
Infrastructure	(16,435,993)	(683,706)	0	12,613	(17,107,086)
<i>Total Accumulated Depreciation</i>	(25,352,575)	(1,254,198)	(5,034)	99,464	(26,512,343)
<i>Total Capital Assets Being Depreciated, Net</i>	33,026,766	535,999	0	(3,272)	33,559,493
<i>Total Business-Type Capital Assets, Net</i>	\$ 37,122,233	\$ 670,358	\$ 0	\$ (498,406)	\$ 37,294,185

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**NOTE 11: 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	8/30/13-8/30/14
St. Paul Travelers/Boales Insurance	Commercial General Liability	8/30/13-8/30/14
	Law Enforcement Liability	8/30/13-8/30/14
	Automobile Liability	8/30/13-8/30/14
	Umbrella Policy	8/30/13-8/30/14
	Basic Errors and Omissions	8/30/13-8/30/14
Public Entities Pool of Ohio	Commercial General Liability	2/28/13-2/28/14

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 12: 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, 2013, the total liability for unpaid compensated absences was \$832,093.

***B. Additional Insurance***

The City provides life insurance to all employees. The policy is in the amount of \$20,000.

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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 \$486.66 single health care, \$1,012.38 employee and spouse health care, \$803.60 employee and child health care and \$1,329.30 family health care. Premiums and co-payments are paid from the same funds that pay the employee's salaries.

**NOTE 13: DEFINED BENEFIT PENSION PLANS**

***A. Ohio Public Employees Retirement System***

Plan Description – The City participates 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by 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/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

For the year ended December 31, 2013, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 12.0 percent and 12.6 percent, respectively.

The City's 2013 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 1.0 percent during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0 percent during calendar year 2013.

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The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011, were \$698,303, \$569,328 and \$584,690, respectively. For 2013, 89.74 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the member-directed plan for 2013 were \$26,202 made by the City and \$18,716 made by the plan members.

***B. Ohio Police and Fire Pension Fund (OP&F)***

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F 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. OP&F 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - From January 1, 2013 through July 1, 2013, plan members were required to contribute 10.0 percent of their annual covered salary. From July 2, 2013 through December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$233,069 and \$323,181 for the year ended December 31, 2013, \$204,445 and \$317,481 for the year ended December 31, 2012, and \$211,037 and \$335,242 for the year ended December 31, 2011, respectively. 91.52 percent for police and 90.24 percent for firefighters has been contributed for 2013, respectively. The full amount has been contributed for 2012 and 2011.

**NOTE 14: POSTEMPLOYMENT BENEFITS**

***A. 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 a cost-sharing multiple-employer defined benefit post-employment health care plan, which includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

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In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. 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/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or calling 614-222-5601 or 1-800-222-7377.

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 for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll, 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 members do not make contributions to the OPEB Plan.

OPERS' Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0 percent during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0 percent during calendar year 2013.

The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$53,716, \$227,731 and \$233,876, respectively; 89.74 percent has been contributed for 2013 and 100 percent for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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***B. Ohio Police and Fire Pension Fund (OP&F)***

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

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

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F 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.

OP&F 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by 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 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 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F 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 OP&F 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. For the year ended December 31, 2013, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. 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 OP&F Board of Trustees also is 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.

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The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$44,641 and \$47,437, \$108,236 and \$124,232, and \$111,725 and \$131,182 for the years ended December 31, 2013, 2012 and 2011, respectively. 91.52 and 90.24 percent has been contributed for police and for firefighters for 2013, respectively. The full amount has been contributed for 2012 and 2011.

**NOTE 15: LONG-TERM OBLIGATIONS**

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities</b>			
2005 ODOT Loan - US Route 250	3.00%	\$ 462,010	11/28/2015
2003 Justice Center Bond	Various	2,923,000	12/1/2023 *
2010 Fire Pumper Tanker Bonds	2.00 - 3.00%	280,000	12/1/2014
2010 Fire Equipment and Facility Improvement Bonds	2.00 - 3.00%	340,000	12/1/2014
2010 Squad Bonds	2.00 - 3.00%	185,000	12/1/2014
2013 General Obligation Refunding Bonds	Various	1,790,000	12/1/2023
<b>Business-Type Activities</b>			
General Obligation Bonds:			
2003 North Trunk Sewer Bond	Various	1,019,000	12/1/2023 *
2003 Sewer System Bond	Various	1,426,000	12/1/2023 *
2003 Jamison Creek Bond	Various	1,019,000	12/1/2023 *
2013 General Obligation Refunding Bonds	Various	2,115,000	12/1/2023
2003 Water System Bond	Various	1,834,000	12/1/2023 *
2003 Water Treatment Bond	Various	3,360,000	12/1/2023 *
2003 Reservoir Bond	Various	1,324,000	12/1/2023 *
2010 Various Sewer Projects Bonds	2.00 - 3.00%	485,000	12/1/2015
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

\* These bonds were refunded in 2013.



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Changes in the long-term obligations of the City during 2013 were as follows:

	Principal Balance 1/1/2013	Additions	(Reductions)	Principal Balance 12/31/2013	Due in One Year
<b>Governmental Activities:</b>					
2003 General Obligation Bonds	\$ 1,866,000	\$ 0	\$ (1,866,000)	\$ 0	\$ 0
2010 General Obligation Bonds	400,000	0	(200,000)	200,000	200,000
ODOT Loan	203,736	0	(62,282)	141,454	67,893
2013 General Obligation Refunding Bonds	0	1,790,000	(20,000)	1,770,000	160,000
Premium on 2013 General Obligation Refunding Bonds	0	15,829	(394)	15,435	0
Compensated Absences	686,232	40,076	(47,426)	678,882	17,365
<i>Total Governmental Activities</i>	<u>\$ 3,155,968</u>	<u>\$ 1,845,905</u>	<u>\$ (2,196,102)</u>	<u>\$ 2,805,771</u>	<u>\$ 445,258</u>
<b>Business-Type Activities:</b>					
2003 General Obligation Bonds	\$ 6,369,000	\$ 0	\$ (6,369,000)	\$ 0	\$ 0
2010 General Obligation Bonds	6,055,000	0	(310,000)	5,745,000	325,000
Premium on 2010 General Obligation Bonds	157,913	0	(14,022)	143,891	0
2013 General Obligation Refunding Bonds	0	6,100,000	(60,000)	6,040,000	550,000
Premium on 2013 General Obligation Refunding Bonds	0	53,740	(1,342)	52,398	0
Compensated Absences	161,192	14,658	(22,639)	153,211	11,876
<i>Total Business-Type Activities</i>	<u>\$ 12,743,105</u>	<u>\$ 6,168,398</u>	<u>\$ (6,777,003)</u>	<u>\$ 12,134,500</u>	<u>\$ 886,876</u>

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 and the ODOT loan in the governmental activities will be repaid with property tax revenues. Compensated absences will primarily be paid from the general, street maintenance and repair, park and recreation, municipal probation, community corrections, water, sewer and sanitation funds.

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

**City of Ashland**  
**Ashland County, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2013*

A summary of annual requirements to pay principal and interest on debt outstanding at December 31, 2013 is as follows:

	Business-Type Activities			
	2013 General Obligation Refunding		2010 General Obligation Bonds	
	Bonds		2010 General Obligation Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 550,000	\$ 160,431	\$ 325,000	\$ 224,152
2015	555,000	149,431	330,000	214,403
2016	570,000	138,332	235,000	204,502
2017	575,000	126,932	245,000	195,104
2018	585,000	115,432	260,000	185,303
2019-2023	3,205,000	330,767	1,150,000	777,237
2024-2028	0	0	1,160,000	582,639
2029-2033	0	0	1,395,000	342,550
2034-2035	0	0	645,000	48,750
Totals	\$ 6,040,000	\$ 1,021,325	\$ 5,745,000	\$ 2,774,640

	Governmental Activities					
	2013 General Obligation Refunding		ODOT Loan		2010 General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2014	\$ 160,000	\$ 47,019	\$ 67,893	\$ 7,357	\$ 200,000
2015	165,000	43,819	73,561	5,418	0	0
2016	165,000	40,519	0	0	0	0
2017	170,000	37,219	0	0	0	0
2018	175,000	33,819	0	0	0	0
2019-2023	935,000	96,955	0	0	0	0
Totals	\$ 1,770,000	\$ 299,350	\$ 141,454	\$ 12,775	\$ 200,000	\$ 6,000

	Business Type Activities		Governmental Activities	
	Total		Total	
	Principal	Interest	Principal	Interest
2014	\$ 875,000	\$ 384,583	\$ 427,893	\$ 60,376
2015	885,000	363,834	238,561	49,237
2016	805,000	342,834	165,000	40,519
2017	820,000	322,036	170,000	37,219
2018	845,000	300,735	175,000	33,819
2019-2023	4,355,000	1,108,004	935,000	96,955
2024-2028	1,160,000	582,639	0	0
2029-2033	1,395,000	342,550	0	0
2034-2035	645,000	48,750	0	0
Totals	\$ 11,785,000	\$ 3,795,965	\$ 2,111,454	\$ 318,125

**City of Ashland**  
**Ashland County, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***2003 Various Purpose Improvement Bonds***

The \$12,905,000 bond issue consists of serial and term bonds. The serial bonds were issued with a varying interest rate of 1.15-4.5 percent. The term bonds that mature in the year 2018, with an interest rate of 4.75 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2016, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
2016	\$670,000
2017	705,000

The term bonds due December 1, 2020 with an interest rate of 4.75 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2019 in the amount of \$775,000 (and the balance of \$810,000 is to be paid at stated maturity on December 1, 2020), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

The term bonds due December 1, 2022 with an interest rate of 4.75 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2021 in the amount of \$850,000 (and the balance of \$885,000 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 the redemption date.

The bonds maturing on or after December 1, 2014 are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City and in integral multiples of \$5,000), on any date on or after December 1, 2013, at 100 percent of par, plus interest accrued to the redemption date.

***2010 Various Purpose Improvement 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 \$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.

**City of Ashland**  
**Ashland County, Ohio**  
***Notes To The Basic Financial Statements***  
***For the Year Ended December 31, 2013***

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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.

***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.

**City of Ashland**  
**Ashland County, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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. As of December 31, 2013 the entire amount of defeased bonds were outstanding.

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 amortization of the premium for fiscal year 2013 was \$1,736. 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. The amortization of this difference for fiscal year 2013 was \$4,330.

**NOTE 16: INTERFUND TRANSFERS**

Following is a summary of transfers in and out for all funds for 2013:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 0	\$ 266,978
Non-Major Governmental Funds:		
Ashland Public Transportation	123,000	0
Nature Preserve Fund	185	0
Total Non-Major Governmental Funds	<u>123,185</u>	<u>0</u>
Non-Major Enterprise Funds:		
Brookside Swimming Pool	26,393	0
Brookside Golf Course	117,400	0
Total Non-Major Enterprise Funds:	<u>143,793</u>	<u>0</u>
Total All Funds:	<u>\$ 266,978</u>	<u>\$ 266,978</u>

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

**NOTE 17: 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, 2013.

**City of Ashland**  
**Ashland County, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***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 18: 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	\$ 31,145
Street Maintenance and Repair Fund	8,382
Other Governmental Funds	8,685
Total	\$ 48,212

**NOTE 19: JOINTLY GOVERNED ORGANIZATIONS**

***A. 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. Ashland City has one representative on the CIC board. Financial information can be obtained from the Ashland Community Improvement Corporation, 47 West Main Street, Ashland, Ohio 44805.

***B. 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 2013, the City contributed \$45,000 and in kind services in the amount of \$5,000 to the Council. Financial information can be obtained from the Ashland Area Council for Economic Development, 211 Claremont Avenue, Ashland, Ohio 44805.

**City of Ashland**  
**Ashland County, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2013*

**NOTE 20: 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 all other funds are presented as follows:

	General	Street Maintenance and Repair	US Rt. 42 Paving Fund	Other Governmental Funds	Total
Nonspendable for:					
Prepaid Items	\$ 93,163	\$ 14,079	\$ 0	\$ 16,339	\$ 123,581
Material and Supplies Inventory	0	141,126	0	0	141,126
Total Nonspendable	93,163	155,205	0	16,339	264,707
Restricted for:					
Roads and Bridges	0	1,187,235	0	106,207	1,293,442
Public Transportation	0	0	0	154,092	154,092
Municipal Court Programs	0	0	0	771,139	771,139
Police and Fire	0	0	0	2,139	2,139
Community Development	0	0	0	152,488	152,488
Debt Service	0	0	0	264,491	264,491
Capital Projects	0	0	0	837,075	837,075
Other Purposes	0	0	0	36,487	36,487
Total Restricted	0	1,187,235	0	2,324,118	3,511,353
Committed for:					
Fire/Rescue Equipment	0	0	0	8,745	8,745
Police Donations	0	0	0	2,244	2,244
Mayor's Underprivileged Children	0	0	0	831	831
Industrial Park Fund	0	0	0	171,730	171,730
Emergency Grounds Maintenance	0	0	0	30,882	30,882
Nature Preserve	0	0	0	9,893	9,893
Park and Recreation	0	0	0	324,870	324,870
Total Committed	0	0	0	549,195	549,195
Assigned for:					
Encumbrances:					
Security of Persons and Property	31,145	0	0	0	31,145
Subsequent Year Appropriations	1,260,837	0	0	0	1,260,837
Total Assigned	1,291,982	0	0	0	1,291,982
Unassigned	(3,850)	0	(498,280)	0	(502,130)
Total Fund Balance	<u>\$ 1,381,295</u>	<u>\$ 1,342,440</u>	<u>\$ (498,280)</u>	<u>\$ 2,889,652</u>	<u>\$ 5,115,107</u>

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# Combining Statements for Nonmajor Governmental Funds



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## CITY OF ASHLAND, OHIO

### Fund Descriptions – Nonmajor Funds

#### *Nonmajor Special Revenue Funds*

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

**State Highway** - To account for that 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 grant expenditures.

**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.

**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.

## CITY OF ASHLAND, OHIO

### Fund Descriptions – Nonmajor Funds (continued)

**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.

**Revolving Loan** - To account for the deposit, control and expenditure of monies from repayments and interest to be used for miscellaneous expenditures related to revolving loans.

**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 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.

***Morgan/Hillcrest Traffic Signal*** - To account for funds received for paying the costs of a new traffic signal.

***Sandusky Street Paving*** - To account for funds received for paying the costs of the paving of Sandusky Street.

**City of Ashland**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2013*

	Nonmajor Special Revenue Funds	General Obligation Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,680,845	\$ 264,491	\$ 837,075	\$ 2,782,411
Taxes Receivable	462,601	245,517	0	708,118
Accounts Receivable	48,172	0	0	48,172
Intergovernmental Receivable	597,232	18,123	0	615,355
Prepaid Items	16,339	0	0	16,339
<i>Total Assets</i>	<u>\$ 2,805,189</u>	<u>\$ 528,131</u>	<u>\$ 837,075</u>	<u>\$ 4,170,395</u>
<b>Liabilities</b>				
Accounts Payable	\$ 43,011	\$ 0	\$ 0	\$ 43,011
Accrued Wages	12,817	0	0	12,817
Intergovernmental Payable	17,149	0	0	17,149
<i>Total Liabilities</i>	<u>72,977</u>	<u>0</u>	<u>0</u>	<u>72,977</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes Levied for the Next Year	304,581	222,878	0	527,459
Unavailable Revenue	639,545	40,762	0	680,307
<i>Total Deferred Inflows of Resources</i>	944,126	263,640	0	1,207,766
<b>Fund Balances</b>				
Nonspendable	16,339	0	0	16,339
Restricted	1,222,552	264,491	837,075	2,324,118
Committed	549,195	0	0	549,195
<i>Total Fund Balances</i>	<u>1,788,086</u>	<u>264,491</u>	<u>837,075</u>	<u>2,889,652</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 2,805,189</u>	<u>\$ 528,131</u>	<u>\$ 837,075</u>	<u>\$ 4,170,395</u>

**City of Ashland**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*December 31, 2013*

	Nonmajor Special Revenue Funds	General Obligation Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$ 313,539	\$ 240,228	\$ 0	\$ 553,767
Income Taxes	734,500	0	0	734,500
Charges for Services	483,742	0	0	483,742
Fines and Forfeitures	583,241	0	0	583,241
Intergovernmental	1,052,665	33,528	268,079	1,354,272
Interest	599	0	0	599
Rent	72,761	0	0	72,761
Contributions and Donations	9,752	0	0	9,752
Other	21,042	0	0	21,042
<i>Total Revenues</i>	<u>3,271,841</u>	<u>273,756</u>	<u>268,079</u>	<u>3,813,676</u>
<b>Expenditures</b>				
Current:				
General Government	689,644	0	8,197	697,841
Security of Persons and Property	788,580	0	0	788,580
Public Health	1,984	0	0	1,984
Leisure Time Services	802,092	0	0	802,092
Community Development	277,886	0	0	277,886
Transportation	0	0	128,392	128,392
Capital Outlay	436,649	0	126,570	563,219
Debt Service:				
Principal Retirement	262,282	156,000	0	418,282
Interest and Fiscal Charges	21,239	56,613	0	77,852
Issuance Costs	0	33,073	0	33,073
<i>Total Expenditures</i>	<u>3,280,356</u>	<u>245,686</u>	<u>263,159</u>	<u>3,789,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,515)</u>	<u>28,070</u>	<u>4,920</u>	<u>24,475</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	123,185	0	0	123,185
Refunding Bonds Issued	0	1,790,000	0	1,790,000
Payment to Refunded Bond Escrow Agent	0	(1,769,254)	0	(1,769,254)
Premium on Debt Issued	0	15,829	0	15,829
<i>Total Other Financing Sources (Uses)</i>	<u>123,185</u>	<u>36,575</u>	<u>0</u>	<u>159,760</u>
<i>Net Change in Fund Balances</i>	114,670	64,645	4,920	184,235
<i>Fund Balances Beginning of Year</i>	<u>1,673,416</u>	<u>199,846</u>	<u>832,155</u>	<u>2,705,417</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,788,086</u>	<u>\$ 264,491</u>	<u>\$ 837,075</u>	<u>\$ 2,889,652</u>

**City of Ashland**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2013*

	State Highway	Permissive Tax	City Permissive	Bandshell Improvements	Park & Recreation
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 30,880	\$ 0	\$ 49,832	\$ 36,487	\$ 275,878
Taxes Receivable	0	0	0	0	279,143
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	31,991	0	46,519	0	9,739
Prepaid Items	0	0	0	0	13,890
<i>Total Assets</i>	<u>\$ 62,871</u>	<u>\$ 0</u>	<u>\$ 96,351</u>	<u>\$ 36,487</u>	<u>\$ 578,650</u>
<b>Liabilities</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages	0	0	0	0	8,378
Intergovernmental Payable	0	0	0	0	8,878
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,256</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	0	0	0	0	138,039
Unavailable Revenue	21,296	0	31,719	0	84,595
<i>Total Deferred Inflows of Resources</i>	<u>21,296</u>	<u>0</u>	<u>31,719</u>	<u>0</u>	<u>222,634</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	13,890
Restricted	41,575	0	64,632	36,487	0
Committed	0	0	0	0	324,870
<i>Total Fund Balances</i>	<u>41,575</u>	<u>0</u>	<u>64,632</u>	<u>36,487</u>	<u>338,760</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 62,871</u>	<u>\$ 0</u>	<u>\$ 96,351</u>	<u>\$ 36,487</u>	<u>\$ 578,650</u>

(Continued)



<u>Nature Preserve</u>	<u>Fire/Rescue Training</u>	<u>Fire/Rescue Equipment</u>	<u>Community Development Block Grant</u>	<u>Ohio Regional Development Housing</u>	<u>Firemens Pension</u>	<u>Policemens Pension</u>
\$ 9,893	\$ 2,139	\$ 8,745	\$ 64,110	\$ 63,541	\$ 0	\$ 0
0	0	0	0	0	91,729	91,729
0	0	0	0	0	0	0
0	0	0	75,000	400,000	6,591	6,591
0	0	0	0	0	0	0
<u>\$ 9,893</u>	<u>\$ 2,139</u>	<u>\$ 8,745</u>	<u>\$ 139,110</u>	<u>\$ 463,541</u>	<u>\$ 98,320</u>	<u>\$ 98,320</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,531	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	2,531	0	0
0	0	0	0	0	83,271	83,271
0	0	0	75,000	372,632	15,049	15,049
0	0	0	75,000	372,632	98,320	98,320
0	0	0	0	0	0	0
0	2,139	0	64,110	88,378	0	0
<u>9,893</u>	<u>0</u>	<u>8,745</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>9,893</u>	<u>2,139</u>	<u>8,745</u>	<u>64,110</u>	<u>88,378</u>	<u>0</u>	<u>0</u>
<u>\$ 9,893</u>	<u>\$ 2,139</u>	<u>\$ 8,745</u>	<u>\$ 139,110</u>	<u>\$ 463,541</u>	<u>\$ 98,320</u>	<u>\$ 98,320</u>

(Continued)

**City of Ashland**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (Continued)*  
*December 31, 2013*

	Drug Law Enforcement	Enforcement & Education	Ashland Public Transportation	Municipal Court Computer	Indigent Drivers
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 18,062	\$ 17,386	\$ 187,011	\$ 214,459	\$ 27,306
Taxes Receivable	0	0	0	0	0
Accounts Receivable	0	0	6,795	7,500	0
Intergovernmental Receivable	0	0	20,801	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 18,062</u>	<u>\$ 17,386</u>	<u>\$ 214,607</u>	<u>\$ 221,959</u>	<u>\$ 27,306</u>
<b>Liabilities</b>					
Accounts Payable	\$ 0	\$ 0	\$ 39,142	\$ 0	\$ 0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	572	80	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>39,714</u>	<u>80</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	0	0	0	0	0
Unavailable Revenue	0	0	20,801	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>20,801</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	18,062	17,386	154,092	221,879	27,306
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>18,062</u>	<u>17,386</u>	<u>154,092</u>	<u>221,879</u>	<u>27,306</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 18,062</u>	<u>\$ 17,386</u>	<u>\$ 214,607</u>	<u>\$ 221,959</u>	<u>\$ 27,306</u>

(Continued)

<u>Municipal Probation</u>	<u>Police Donations</u>	<u>Home Arrest</u>	<u>Community Corrections</u>	<u>Municipal Court Special Program</u>	<u>CCA Monitoring</u>
\$ 152,341	\$ 1,244	\$ 1,728	\$ 11,984	\$ 194,215	\$ 6,284
0	0	0	0	0	0
15,810	1,000	0	0	12,127	0
0	0	0	0	0	0
1,771	0	0	678	0	0
<u>\$ 169,922</u>	<u>\$ 2,244</u>	<u>\$ 1,728</u>	<u>\$ 12,662</u>	<u>\$ 206,342</u>	<u>\$ 6,284</u>
\$ 0	\$ 0	\$ 0	\$ 1,338	\$ 0	\$ 0
1,440	0	0	2,888	0	111
3,721	0	0	2,011	1,854	33
<u>5,161</u>	<u>0</u>	<u>0</u>	<u>6,237</u>	<u>1,854</u>	<u>144</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,771	0	0	678	0	0
162,990	0	1,728	5,747	204,488	6,140
0	2,244	0	0	0	0
<u>164,761</u>	<u>2,244</u>	<u>1,728</u>	<u>6,425</u>	<u>204,488</u>	<u>6,140</u>
<u>\$ 169,922</u>	<u>\$ 2,244</u>	<u>\$ 1,728</u>	<u>\$ 12,662</u>	<u>\$ 206,342</u>	<u>\$ 6,284</u>

(Continued)

**City of Ashland**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (Continued)*  
*December 31, 2013*

	Mayor's Underprivileged Children	Indigent Driver's Interlock	Continuing Education	Industrial Park	Emergency Grounds Maintenance	Totals
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 831	\$ 101,902	\$ 1,975	\$ 171,730	\$ 30,882	\$ 1,680,845
Taxes Receivable	0	0	0	0	0	462,601
Accounts Receivable	0	1,536	0	0	3,404	48,172
Intergovernmental Receivable	0	0	0	0	0	597,232
Prepaid Items	0	0	0	0	0	16,339
<i>Total Assets</i>	<u>\$ 831</u>	<u>\$ 103,438</u>	<u>\$ 1,975</u>	<u>\$ 171,730</u>	<u>\$ 34,286</u>	<u>\$ 2,805,189</u>
<b>Liabilities</b>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,011
Accrued Wages	0	0	0	0	0	12,817
Intergovernmental Payable	0	0	0	0	0	17,149
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>72,977</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	0	0	0	0	0	304,581
Unavailable Revenue	0	0	0	0	3,404	639,545
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,404</u>	<u>944,126</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	16,339
Restricted	0	103,438	1,975	0	0	1,222,552
Committed	831	0	0	171,730	30,882	549,195
<i>Total Fund Balances</i>	<u>831</u>	<u>103,438</u>	<u>1,975</u>	<u>171,730</u>	<u>30,882</u>	<u>1,788,086</u>
<i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i>	<u>\$ 831</u>	<u>\$ 103,438</u>	<u>\$ 1,975</u>	<u>\$ 171,730</u>	<u>\$ 34,286</u>	<u>\$ 2,805,189</u>

**City of Ashland**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*December 31, 2013*

	State Highway	Permissive Tax	City Permissive	Bandshell Improvements	Park & Recreation
<b>Revenues</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 139,031
Income Taxes	0	0	0	0	734,500
Charges for Services	0	0	0	0	62,738
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	70,693	100,000	94,337	0	22,388
Rent	0	0	0	0	0
Contributions and Donations	0	0	0	60	1,200
Interest	599	0	0	0	0
Other	554	0	0	0	14,454
<i>Total Revenues</i>	<u>71,846</u>	<u>100,000</u>	<u>94,337</u>	<u>60</u>	<u>974,311</u>
<b>Expenditures</b>					
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	12,832	788,194
Community Development	0	0	0	0	0
Capital Outlay	0	100,020	74,496	0	0
Debt Service:					
Principal Retirement	62,282	0	0	0	0
Interest and Fiscal Charges	9,239	0	0	0	0
<i>Total Expenditures</i>	<u>71,521</u>	<u>100,020</u>	<u>74,496</u>	<u>12,832</u>	<u>788,194</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>325</u>	<u>(20)</u>	<u>19,841</u>	<u>(12,772)</u>	<u>186,117</u>
<b>Other Financing Sources</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	325	(20)	19,841	(12,772)	186,117
<i>Fund Balances Beginning of Year</i>	<u>41,250</u>	<u>20</u>	<u>44,791</u>	<u>49,259</u>	<u>152,643</u>
<i>Fund Balances End of Year</i>	<u>\$ 41,575</u>	<u>\$ 0</u>	<u>\$ 64,632</u>	<u>\$ 36,487</u>	<u>\$ 338,760</u>

(Continued)

Nature Preserve	Fire/Rescue Training	Fire/Rescue Equipment	Community Development Block Grant	Ohio Regional Development Housing	Firemens Pension	Policemens Pension
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,254	\$ 87,254
0	0	0	0	0	0	0
0	0	297,599	0	0	0	0
0	0	0	0	0	0	0
0	0	0	77,410	138,546	12,135	12,135
8,800	0	0	0	0	0	0
0	5,282	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	5,237	0	0
<u>8,800</u>	<u>5,282</u>	<u>297,599</u>	<u>77,410</u>	<u>143,783</u>	<u>99,389</u>	<u>99,389</u>
0	0	0	0	0	0	0
0	7,381	0	0	0	105,567	105,747
0	0	0	0	0	0	0
1,066	0	0	0	0	0	0
0	0	0	73,696	204,190	0	0
0	0	262,133	0	0	0	0
0	0	200,000	0	0	0	0
0	0	12,000	0	0	0	0
<u>1,066</u>	<u>7,381</u>	<u>474,133</u>	<u>73,696</u>	<u>204,190</u>	<u>105,567</u>	<u>105,747</u>
<u>7,734</u>	<u>(2,099)</u>	<u>(176,534)</u>	<u>3,714</u>	<u>(60,407)</u>	<u>(6,178)</u>	<u>(6,358)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>185</u>	<u>0</u>	<u>0</u>	<u>0</u>
7,734	(2,099)	(176,534)	3,899	(60,407)	(6,178)	(6,358)
<u>2,159</u>	<u>4,238</u>	<u>185,279</u>	<u>60,211</u>	<u>148,785</u>	<u>6,178</u>	<u>6,358</u>
<u>\$ 9,893</u>	<u>\$ 2,139</u>	<u>\$ 8,745</u>	<u>\$ 64,110</u>	<u>\$ 88,378</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)*  
*For the Year Ended December 31, 2013*

	Drug Law Enforcement	Enforcement & Education	Ashland Public Transportation	Municipal Court Computer	Indigent Drivers
<b>Revenues</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Income Taxes	0	0	0	0	0
Charges for Services	0	0	119,678	0	0
Fines and Forfeitures	1,797	2,526	0	118,929	32,026
Intergovernmental	0	0	441,411	0	0
Rent	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Interest	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>1,797</u>	<u>2,526</u>	<u>561,089</u>	<u>118,929</u>	<u>32,026</u>
<b>Expenditures</b>					
Current:					
General Government:	0	0	643,865	80	0
Security of Persons and Property	11,647	0	0	102,094	29,799
Public Health	0	0	0	0	0
Leisure Time Services	0	0	0	0	0
Community Development	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>11,647</u>	<u>0</u>	<u>643,865</u>	<u>102,174</u>	<u>29,799</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(9,850)</u>	<u>2,526</u>	<u>(82,776)</u>	<u>16,755</u>	<u>2,227</u>
<b>Other Financing Sources</b>					
Transfers In	0	0	123,000	0	0
<i>Net Change in Fund Balances</i>	(9,850)	2,526	40,224	16,755	2,227
<i>Fund Balances Beginning of Year</i>	<u>27,912</u>	<u>14,860</u>	<u>113,868</u>	<u>205,124</u>	<u>25,079</u>
<i>Fund Balances End of Year</i>	<u>\$ 18,062</u>	<u>\$ 17,386</u>	<u>\$ 154,092</u>	<u>\$ 221,879</u>	<u>\$ 27,306</u>

(Continued)

Municipal Probation	Police Donations	Home Arrest	Community Corrections	Municipal Court Special Program	CCA Monitoring	Revolving Loan
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
265,593	0	0	0	125,971	9,808	0
0	0	0	83,610	0	0	0
0	0	0	0	0	0	0
0	1,000	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	80	0
<u>265,593</u>	<u>1,000</u>	<u>0</u>	<u>83,610</u>	<u>125,971</u>	<u>9,888</u>	<u>0</u>
0	0	0	0	0	0	8,504
241,627	0	0	108,504	67,965	8,249	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	0
<u>241,627</u>	<u>0</u>	<u>0</u>	<u>108,504</u>	<u>67,965</u>	<u>8,249</u>	<u>8,504</u>
<u>23,966</u>	<u>1,000</u>	<u>0</u>	<u>(24,894)</u>	<u>58,006</u>	<u>1,639</u>	<u>(8,504)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23,966	1,000	0	(24,894)	58,006	1,639	(8,504)
<u>140,795</u>	<u>1,244</u>	<u>1,728</u>	<u>31,319</u>	<u>146,482</u>	<u>4,501</u>	<u>8,504</u>
<u>\$ 164,761</u>	<u>\$ 2,244</u>	<u>\$ 1,728</u>	<u>\$ 6,425</u>	<u>\$ 204,488</u>	<u>\$ 6,140</u>	<u>\$ 0</u>

(Continued)



**City of Ashland**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (Continued)*  
*For the Year Ended December 31, 2013*

	Mayor's Underprivileged Children	Indigent Driver's Interlock	Continuing Education	Industrial Park	Emergency Grounds Maintenance	Totals
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 313,539
Income Taxes	0	0	0	0	0	734,500
Charges for Services	0	0	0	0	3,727	483,742
Fines and Forfeitures	0	26,591	0	0	0	583,241
Intergovernmental	0	0	0	0	0	1,052,665
Rent	0	0	0	63,961	0	72,761
Contributions and Donations	2,210	0	0	0	0	9,752
Interest	0	0	0	0	0	599
Other	0	0	0	717	0	21,042
<i>Total Revenues</i>	<u>2,210</u>	<u>26,591</u>	<u>0</u>	<u>64,678</u>	<u>3,727</u>	<u>3,271,841</u>
<b>Expenditures</b>						
Current:						
General Government:	3,999	0	0	33,196	0	689,644
Security of Persons and Property	0	0	0	0	0	788,580
Public Health	0	0	0	0	1,984	1,984
Leisure Time Services	0	0	0	0	0	802,092
Community Development	0	0	0	0	0	277,886
Capital Outlay	0	0	0	0	0	436,649
Debt Service:						
Principal Retirement	0	0	0	0	0	262,282
Interest and Fiscal Charges	0	0	0	0	0	21,239
<i>Total Expenditures</i>	<u>3,999</u>	<u>0</u>	<u>0</u>	<u>33,196</u>	<u>1,984</u>	<u>3,280,356</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(1,789)</u>	<u>26,591</u>	<u>0</u>	<u>31,482</u>	<u>1,743</u>	<u>(8,515)</u>
<b>Other Financing Sources</b>						
Transfers In	0	0	0	0	0	123,185
<i>Net Change in Fund Balances</i>	(1,789)	26,591	0	31,482	1,743	114,670
<i>Fund Balances Beginning of Year</i>	<u>2,620</u>	<u>76,847</u>	<u>1,975</u>	<u>140,248</u>	<u>29,139</u>	<u>1,673,416</u>
<i>Fund Balances End of Year</i>	<u>\$ 831</u>	<u>\$ 103,438</u>	<u>\$ 1,975</u>	<u>\$ 171,730</u>	<u>\$ 30,882</u>	<u>\$ 1,788,086</u>

**City of Ashland**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2013*

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	<u>Capital Improvement</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 837,075
<b>Fund Balances</b>	
Restricted	\$ 837,075

**City of Ashland**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*December 31, 2013*

	Capital Improvement	Morgan/ Hillcrest Traffic Signal	Sandusky Street Paving	Total
<b>Revenues</b>				
Intergovernmental	\$ 0	\$ 95,101	\$ 172,978	\$ 268,079
<b>Expenditures</b>				
Current:				
General Government	8,197	0	0	8,197
Transportation	0	0	128,392	128,392
Capital Outlay	12,463	69,521	44,586	126,570
<i>Total Expenditures</i>	20,660	69,521	172,978	263,159
<i>Net Change in Fund Balances</i>	(20,660)	25,580	0	4,920
<i>Fund Balance (Deficit) Beginning of Year</i>	857,735	(25,580)	0	832,155
<i>Fund Balances End of Year</i>	\$ 837,075	\$ 0	\$ 0	\$ 837,075

**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**

### ***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 Maintenance*** – To account for the deposit, control and expenditures of money to be used for the operation of a city maintenance division.

### ***Major 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.

### ***Major US Rt. 42 Paving***

To account for funds received for paying the costs of street paving.

**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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 547,244	\$ 556,118	\$ 8,874
Income Taxes	7,072,560	6,860,217	(212,343)
Charges for Services	1,495,423	640,022	(855,401)
Licenses and Permits	22,649	23,778	1,129
Fines and Forfeitures	715,290	706,154	(9,136)
Intergovernmental	833,839	805,965	(27,874)
Interest	11,000	7,443	(3,557)
Rent	10,200	10,200	0
Contributions and Donations	325	437	112
Other	67,294	227,053	159,759
<i>Total Revenues</i>	<u>10,775,824</u>	<u>9,837,387</u>	<u>(938,437)</u>
<b>Expenditures</b>			
Current:			
General Government			
Mayor			
Personal Services	135,500	127,603	7,897
Other	20,225	10,030	10,195
Total Mayor	<u>155,725</u>	<u>137,633</u>	<u>18,092</u>
Director of Finance			
Personal Services	295,522	289,733	5,789
Other	156,744	149,208	7,536
Total Director of Finance	<u>452,266</u>	<u>438,941</u>	<u>13,325</u>
Director of Law			
Personal Services	284,187	272,267	11,920
Other	46,920	43,071	3,849
Total Director of Law	<u>331,107</u>	<u>315,338</u>	<u>15,769</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, 2013*

	Final Budget	Actual	Variance with Final Budget
Department of Human Services			
Personal Services	159,373	146,354	13,019
Other	28,340	18,427	9,913
Total Department of Human Services	187,713	164,781	22,932
Council			
Personal Services	71,939	68,256	3,683
Other	7,108	4,580	2,528
Total Council	79,047	72,836	6,211
Municipal Court Clerk			
Personal Services	1,120,928	1,025,298	95,630
Other	179,044	147,542	31,502
Total Municipal Court Clerk	1,299,972	1,172,840	127,132
Technical Services Department			
Personal Services	154,737	133,258	21,479
Other	68,653	56,215	12,438
Total Technical Services Department	223,390	189,473	33,917
Municipal Building Maintenance			
Personal Services	56,625	52,639	3,986
Other	59,250	46,843	12,407
Total Municipal Building Maintenance	115,875	99,482	16,393
Justice Center Maintenance			
Personal Services	71,852	66,774	5,078
Other	101,300	93,888	7,412
Total Justice Center Maintenance	173,152	160,662	12,490

(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, 2013*

	Final Budget	Actual	Variance with Final Budget
Engineer			
Personal Services	201,537	186,996	14,541
Other	38,958	23,522	15,436
Total Engineer	240,495	210,518	29,977
General Miscellaneous			
Personal Services	133,168	0	133,168
Other	933,832	270,490	663,342
Total General Miscellaneous	4,325,742	3,232,994	1,092,748
Security of Persons and Property			
Police Department			
Personal Services	2,724,858	2,587,625	137,233
Other	437,474	360,219	77,255
Total Police Department	3,162,332	2,947,844	214,488
Fire Department			
Personal Services	2,763,521	2,689,741	73,780
Other	376,260	274,933	101,327
Total Fire Department	3,139,781	2,964,674	175,107
Street Lighting			
Other	135,399	134,595	804
Total Security of Persons and Property	6,437,512	6,047,113	390,399

(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, 2013*

	Final Budget	Actual	Variance with Final Budget
Public Health			
Health Department			
Personal Services	209,531	202,744	6,787
Other	99,780	91,908	7,872
Total Health Department	309,311	294,652	14,659
Community Development			
Building and Zoning			
Personal Services	113,037	110,063	2,974
Other	6,281	4,039	2,242
Total Building and Zoning	119,318	114,102	5,216
Planning Commission			
Other	500	450	50
Economic Development			
Personal Services	10,928	10,928	0
Other	34,073	34,073	0
Total Economic Development	45,001	45,001	0
Total Community Development	164,819	159,553	5,266
<i>Total Expenditures</i>	11,237,384	9,734,312	1,503,072
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(461,560)	103,075	564,635
<b>Other Financing Uses</b>			
Transfers Out	(363,288)	(266,978)	96,310
<i>Net Change in Fund Balance</i>	(824,848)	(163,903)	660,945
<i>Fund Balance Beginning of Year</i>	945,758	945,758	0
Prior Year Encumbrances Appropriated	1,198	1,198	0
<i>Fund Balance End of Year</i>	\$ 122,108	\$ 783,053	\$ 660,945

**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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Income Tax	\$ 650,000	\$ 448,051	\$ (201,949)
Charges for Services	0	1,683	1,683
<i>Total Revenues</i>	<u>650,000</u>	<u>449,734</u>	<u>(200,266)</u>
<b>Expenditures</b>			
Current:			
General Government			
City Income Tax			
Personal Services	238,322	188,299	50,023
Other	411,678	260,996	150,682
<i>Total Expenditures</i>	<u>650,000</u>	<u>449,295</u>	<u>200,705</u>
<i>Net Change in Fund Balance</i>	0	439	439
<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>\$ 439</u>	<u>\$ 439</u>

**City of Ashland**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*City Maintenance Fund*  
*For the Year Ended December 31, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Expenditures</b>			
Current:			
General Government			
City Maintenance			
Personal Services	\$ 8,673	\$ 8,673	\$ 0
<i>Net Change in Fund Balance</i>	(8,673)	(8,673)	0
<i>Fund Balance Beginning of Year</i>	<u>8,673</u>	<u>8,673</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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Income Taxes	\$ 659,000	\$ 670,132	\$ 11,132
Charges for Services	0	12,788	12,788
Fines and Forfeitures	4,800	5,485	685
Intergovernmental	884,000	867,910	(16,090)
Interest	6,105	6,710	605
Other	580,900	25,285	(555,615)
<i>Total Revenues</i>	<u>2,134,805</u>	<u>1,588,310</u>	<u>(546,495)</u>
<b>Expenditures</b>			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	1,235,567	942,344	293,223
Other	1,455,148	609,406	845,742
<i>Total Expenditures</i>	<u>2,690,715</u>	<u>1,551,750</u>	<u>1,138,965</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(555,910)	36,560	592,470
<i>Net Change in Fund Balance</i>	(555,910)	36,560	592,470
<i>Fund Balance Beginning of Year</i>	958,319	958,319	0
Prior Year Encumbrances Appropriated	40,308	40,308	0
<i>Fund Balance End of Year</i>	<u>\$ 442,717</u>	<u>\$ 1,035,187</u>	<u>\$ 592,470</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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 72,000	\$ 70,371	\$ (1,629)
Interest	500	599	99
Other	0	554	554
<i>Total Revenues</i>	<u>72,500</u>	<u>71,524</u>	<u>(976)</u>
<b>Expenditures</b>			
Debt Service:			
Principal Retirements	80,000	62,282	17,718
Interest and Fiscal Charges	<u>23,377</u>	<u>9,239</u>	<u>14,138</u>
<i>Total Expenditures</i>	<u>103,377</u>	<u>71,521</u>	<u>31,856</u>
<i>Net Change in Fund Balance</i>	(30,877)	3	30,880
<i>Fund Balance Beginning of Year</i>	<u>30,877</u>	<u>30,877</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 30,880</u>	<u>\$ 30,880</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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 100,000	\$ 100,000	\$ 0
<b>Expenditures</b>			
Capital Outlay			
Other	100,020	100,020	0
<i>Net Change in Fund Balance</i>	(20)	(20)	0
<i>Fund Balance Beginning of Year</i>	20	20	0
<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*  
*City Permissive Fund*  
*For the Year Ended December 31, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 94,000	\$ 93,451	\$ (549)
<b>Expenditures</b>			
Capital Outlay			
Other	124,877	74,496	50,381
<i>Net Change in Fund Balance</i>	(30,877)	18,955	49,832
<i>Fund Balance Beginning of Year</i>	30,877	30,877	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 49,832	\$ 49,832



**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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Contributions and Donations	\$ 0	\$ 60	\$ 60
<b>Expenditures</b>			
Current:			
Leisure Time Services			
Other	49,259	12,832	36,427
<i>Net Change in Fund Balance</i>	(49,259)	(12,772)	36,487
<i>Fund Balance Beginning of Year</i>	49,259	49,259	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 36,487	\$ 36,487

**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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 139,700	\$ 139,031	\$ (669)
Income Taxes	696,600	763,012	66,412
Charges for Services	73,701	62,738	(10,963)
Intergovernmental	21,722	22,388	666
Contributions and Donations	1,200	1,200	0
Other	26,100	14,454	(11,646)
<i>Total Revenues</i>	<u>959,023</u>	<u>1,002,823</u>	<u>43,800</u>
<b>Expenditures</b>			
Current:			
Leisure Time Services			
Park Levy			
Personal Services	118,318	83,017	35,301
Park and Recreation			
Personal Services	317,599	286,524	31,075
Other	417,252	377,795	39,457
Total Park and Recreation	<u>734,851</u>	<u>664,319</u>	<u>70,532</u>
Arborist			
Personal Services	28,160	28,058	102
Other	28,843	28,416	427
Total Arborist	<u>57,003</u>	<u>56,474</u>	<u>529</u>
<i>Total Expenditures</i>	<u>910,172</u>	<u>803,810</u>	<u>106,362</u>
<i>Net Change in Fund Balance</i>	48,851	199,013	150,162
<i>Fund Balance Beginning of Year</i>	<u>76,865</u>	<u>76,865</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 125,716</u>	<u>\$ 275,878</u>	<u>\$ 150,162</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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Rent	\$ 8,700	\$ 8,800	\$ 100
<b>Expenditures</b>			
Current:			
Leisure Time Services			
Other	10,859	1,066	9,793
<i>Net Change in Fund Balance</i>	(2,159)	7,734	(9,693)
<i>Fund Balance Beginning of Year</i>	2,159	2,159	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 9,893</u>	<u>\$ (9,693)</u>

**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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Contributions and Donations	\$ 12,800	\$ 5,282	\$ (7,518)
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	17,038	7,381	9,657
<i>Net Change in Fund Balance</i>	(4,238)	(2,099)	2,139
<i>Fund Balance Beginning of Year</i>	4,238	4,238	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 2,139</u>	<u>\$ 2,139</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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	\$ 297,213	\$ 297,599	\$ 386
<b>Expenditures</b>			
Capital Outlay			
Other	266,100	265,100	1,000
Debt Service			
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	12,000	12,000	0
Issuance Costs	4,055	0	4,055
Total Debt Service	216,055	212,000	4,055
<i>Total Expenditures</i>	482,155	477,100	5,055
<i>Net Change in Fund Balance</i>	(184,942)	(179,501)	5,441
<i>Fund Balance Beginning of Year</i>	3,304	3,304	0
Prior Year Encumbrances Appropriated	184,942	184,942	0
<i>Fund Balance End of Year</i>	\$ 3,304	\$ 8,745	\$ 5,441

**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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 90,000	\$ 77,410	\$ (12,590)
<b>Expenditures</b>			
Current:			
Community Development			
Other	79,000	73,696	5,304
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	11,000	3,714	(7,286)
<b>Other Financing Sources</b>			
Transfers In	0	185	185
<i>Net Change in Fund Balance</i>	11,000	3,899	(7,101)
<i>Fund Balance Beginning of Year</i>	60,211	60,211	0
<i>Fund Balance End of Year</i>	\$ 71,211	\$ 64,110	\$ (7,101)

**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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 207,924	\$ 175,899	\$ (32,025)
Other	0	5,237	5,237
<i>Total Revenues</i>	<u>207,924</u>	<u>181,136</u>	<u>(26,788)</u>
<b>Expenditures</b>			
Current:			
Community Development			
Other	329,371	239,042	90,329
<i>Net Change in Fund Balance</i>	(121,447)	(57,906)	63,541
<i>Fund Balance Beginning of Year</i>	<u>121,447</u>	<u>121,447</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 63,541</u>	<u>\$ 63,541</u>

**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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 89,742	\$ 87,254	\$ (2,488)
Intergovernmental	11,609	12,135	526
<i>Total Revenues</i>	<u>101,351</u>	<u>99,389</u>	<u>(1,962)</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property Personal Services	<u>107,529</u>	<u>105,567</u>	<u>1,962</u>
<i>Net Change in Fund Balance</i>	(6,178)	(6,178)	0
<i>Fund Balance Beginning of Year</i>	<u>6,178</u>	<u>6,178</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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 89,741	\$ 87,254	\$ (2,487)
Intergovernmental	11,609	12,135	526
<i>Total Revenues</i>	<u>101,350</u>	<u>99,389</u>	<u>(1,961)</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	<u>107,708</u>	<u>105,747</u>	<u>1,961</u>
<i>Net Change in Fund Balance</i>	(6,358)	(6,358)	0
<i>Fund Balance Beginning of Year</i>	<u>6,358</u>	<u>6,358</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*  
*Drug Law Enforcement Fund*  
*For the Year Ended December 31, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Fines and Forfeitures	\$ 500	\$ 1,797	\$ 1,297
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	30,000	14,647	15,353
<i>Net Change in Fund Balance</i>	(29,500)	(12,850)	16,650
<i>Fund Balance Beginning of Year</i>	30,912	30,912	0
<i>Fund Balance End of Year</i>	<u>\$ 1,412</u>	<u>\$ 18,062</u>	<u>\$ 16,650</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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Fines and Forfeitures	\$ 3,000	\$ 2,526	\$ (474)
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	15,835	0	15,835
<i>Net Change in Fund Balance</i>	(12,835)	2,526	15,361
<i>Fund Balance Beginning of Year</i>	14,860	14,860	0
<i>Fund Balance End of Year</i>	<u>\$ 2,025</u>	<u>\$ 17,386</u>	<u>\$ 15,361</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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	\$ 95,527	\$ 114,481	\$ 18,954
Intergovernmental	571,982	483,134	(88,848)
<i>Total Revenues</i>	<u>667,509</u>	<u>597,615</u>	<u>(69,894)</u>
<b>Expenditures</b>			
Current:			
General Government			
Public Transit			
Other	892,772	619,089	273,683
Coordination			
Personal Services	22,550	20,650	1,900
<i>Total Expenditures</i>	<u>915,322</u>	<u>639,739</u>	<u>275,583</u>
<i>Deficiency of Revenues Under Expenditures</i>	<u>(247,813)</u>	<u>(42,124)</u>	<u>205,689</u>
<b>Other Financing Sources</b>			
Transfers In	141,678	123,000	(18,678)
<i>Net Change in Fund Balance</i>	(106,135)	80,876	187,011
<i>Fund Balance Beginning of Year</i>	<u>106,135</u>	<u>106,135</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 187,011</u>	<u>\$ 187,011</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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Fines and Forfeitures	\$ 115,000	\$ 118,389	\$ 3,389
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	32,734	1,249	31,485
Other	173,266	100,845	72,421
<i>Total Expenditures</i>	<u>206,000</u>	<u>102,094</u>	<u>103,906</u>
<i>Net Change in Fund Balance</i>	(91,000)	16,295	107,295
<i>Fund Balance Beginning of Year</i>	<u>198,164</u>	<u>198,164</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 107,164</u></u>	<u><u>\$ 214,459</u></u>	<u><u>\$ 107,295</u></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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Fines and Forfeitures	\$ 28,437	\$ 32,026	\$ 3,589
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	56,154	32,437	23,717
<i>Net Change in Fund Balance</i>	(27,717)	(411)	27,306
<i>Fund Balance Beginning of Year</i>	27,717	27,717	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 27,306</u>	<u>\$ 27,306</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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 216,470	\$ 265,132	\$ 48,662
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	278,326	221,204	57,122
Other	71,460	24,903	46,557
<i>Total Expenditures</i>	349,786	246,107	103,679
<i>Net Change in Fund Balance</i>	(133,316)	19,025	152,341
<i>Fund Balance at Beginning of Year</i>	133,316	133,316	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 152,341	\$ 152,341

**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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	\$ 1,244	\$ 0	\$ 1,244
<i>Net Change in Fund Balance</i>	(1,244)	0	1,244
<i>Fund Balance Beginning of Year</i>	<u>1,244</u>	<u>1,244</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 1,244</u></u>	<u><u>\$ 1,244</u></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, 2013*

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	Final Budget	Actual	Variance with Final Budget
<b>Expenditures</b>			
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>	1,728	1,728	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 1,728	\$ 1,728

**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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 112,000	\$ 111,247	\$ (753)
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Community Corrections			
Personal Services	83,134	75,737	7,397
Other	37,654	32,314	5,340
<i>Total Expenditures</i>	<u>120,788</u>	<u>108,051</u>	<u>12,737</u>
<i>Net Change in Fund Balance</i>	(8,788)	3,196	11,984
<i>Fund Balance Beginning of Year</i>	<u>8,788</u>	<u>8,788</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 11,984</u>	<u>\$ 11,984</u>

**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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Fines and Forfeitures	\$ 59,000	\$ 117,340	\$ 58,340
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	76,779	63,343	13,436
Other	125,812	3,373	122,439
<i>Total Expenditures</i>	<u>202,591</u>	<u>66,716</u>	<u>135,875</u>
<i>Net Change in Fund Balance</i>	(143,591)	50,624	194,215
<i>Fund Balance Beginning of Year</i>	<u>143,591</u>	<u>143,591</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 194,215</u></u>	<u><u>\$ 194,215</u></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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 5,316	\$ 9,808	\$ 4,492
Other	0	80	80
<i>Total Revenues</i>	<u>5,316</u>	<u>9,888</u>	<u>4,572</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	3,305	2,651	654
Other	6,634	5,576	1,058
<i>Total Expenditures</i>	<u>9,939</u>	<u>8,227</u>	<u>1,712</u>
<i>Net Change in Fund Balance</i>	(4,623)	1,661	6,284
<i>Fund Balance Beginning of Year</i>	<u>4,623</u>	<u>4,623</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 6,284</u>	<u>\$ 6,284</u>

**City of Ashland**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Revolving Loan Fund*  
*For the Year Ended December 31, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Expenditures</b>			
Current:			
Community Development			
Other	9,719	9,719	0
<i>Net Change in Fund Balance</i>	(9,719)	(9,719)	0
<i>Fund Balance Beginning of Year</i>	9	9	0
Prior Year Encumbrances Appropriated	9,710	9,710	0
<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*  
*Mayor's Underprivileged Children Fund*  
*For the Year Ended December 31, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Contributions and Donations	\$ 1,380	\$ 2,210	\$ 830
<b>Expenditures</b>			
Current:			
General Government			
Other	4,000	3,999	1
<i>Net Change in Fund Balance</i>	(2,620)	(1,789)	831
<i>Fund Balance Beginning of Year</i>	2,620	2,620	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 831</u>	<u>\$ 831</u>

**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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Fines and Forfeitures	\$ 23,000	\$ 26,973	\$ 3,973
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	97,929	0	97,929
<i>Net Change in Fund Balance</i>	(74,929)	26,973	101,902
<i>Fund Balance Beginning of Year</i>	74,929	74,929	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 101,902</u>	<u>\$ 101,902</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, 2013*

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 250	\$ 0	\$ (250)
<i>Net Change in Fund Balance</i>	250	0	(250)
<i>Fund Balance Beginning of Year</i>	<u>1,975</u>	<u>1,975</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 2,225</u></u>	<u><u>\$ 1,975</u></u>	<u><u>\$ (250)</u></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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Rent	\$ 54,800	\$ 63,961	\$ 9,161
Other	0	717	717
<i>Total Revenues</i>	<u>54,800</u>	<u>64,678</u>	<u>9,878</u>
<b>Expenditures</b>			
Current:			
General Government			
Other	395,048	33,196	361,852
<i>Excess of Revenues Over (Under) Expenditures</i>	(340,248)	31,482	371,730
<b>Other Financing Sources</b>			
Proceeds from Sale of Capital Assets	200,000	0	(200,000)
<i>Net Change in Fund Balance</i>	(140,248)	31,482	171,730
<i>Fund Balance Beginning of Year</i>	<u>140,248</u>	<u>140,248</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 171,730</u>	<u>\$ 171,730</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, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Charges for Services	\$ 3,110	\$ 3,727	\$ 617
<b>Expenditures</b>			
Current:			
Public Health			
Other	18,000	1,984	16,016
<i>Net Change in Fund Balance</i>	(14,890)	1,743	16,633
<i>Fund Balance Beginning of Year</i>	29,139	29,139	0
<i>Fund Balance End of Year</i>	<u>\$ 14,249</u>	<u>\$ 30,882</u>	<u>\$ 16,633</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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 236,634	\$ 240,228	\$ 3,594
Intergovernmental	19,534	33,528	13,994
<i>Total Revenues</i>	<u>256,168</u>	<u>273,756</u>	<u>17,588</u>
<b>Expenditures</b>			
Debt Service			
Principal Retirements	165,167	156,000	9,167
Interest and Fiscal Charges	59,833	56,613	3,220
Issuance Costs	33,074	33,073	1
<i>Total Expenditures</i>	<u>258,074</u>	<u>245,686</u>	<u>12,388</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(1,906)</u>	<u>28,070</u>	<u>29,976</u>
<b>Other Financing Sources (Uses)</b>			
Refunding Bonds Issued	1,790,000	1,790,000	0
Premium on Debt Issued	15,829	15,829	0
Payment to Refunded Bond Escrow Agent	(1,769,254)	(1,769,254)	0
<i>Total Other Financing Sources (Uses)</i>	36,575	36,575	0
<i>Net Change in Fund Balance</i>	34,669	64,645	29,976
<i>Fund Balance Beginning of Year</i>	<u>199,846</u>	<u>199,846</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 234,515</u></u>	<u><u>\$ 264,491</u></u>	<u><u>\$ 29,976</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, 2013*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Other	\$ 2,000	\$ 0	\$ (2,000)
<b>Expenditures</b>			
Current:			
General Government			
Other	8,200	8,197	3
Capital Outlay			
Other	103,000	12,463	90,537
<i>Total Expenditures</i>	111,200	20,660	90,540
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(109,200)	(20,660)	88,540
<b>Other Financing Sources (Uses)</b>			
Advances In	0	96,266	96,266
<i>Net Change in Fund Balance</i>	(109,200)	75,606	184,806
<i>Fund Balance Beginning of Year</i>	761,469	761,469	0
<i>Fund Balance End of Year</i>	\$ 652,269	\$ 837,075	\$ 184,806

**City of Ashland**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Morgan/Hillcrest Traffic Signal Fund*  
*For the Year Ended December 31, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 95,102	\$ 95,101	\$ (1)
<b>Expenditures</b>			
Capital Outlay			
Other	94,052	94,053	(1)
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,050</u>	<u>1,048</u>	<u>(2)</u>
<b>Other Financing Uses</b>			
Advances Out	(96,268)	(96,266)	2
<i>Net Change in Fund Balance</i>	(95,218)	(95,218)	0
<i>Fund Balance Beginning of Year</i>	1,165	1,165	0
Prior Year Encumbrances Appropriated	<u>94,053</u>	<u>94,053</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*  
*Sandusky Street Paving Fund*  
*For the Year Ended December 31, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 255,636	\$ 172,978	\$ (82,658)
<b>Expenditures</b>			
Capital Outlay			
Other	255,636	172,978	82,658
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<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*  
*US Rt. 42 Paving Fund*  
*For the Year Ended December 31, 2013*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 498,280	\$ 0	\$ (498,280)
<b>Expenditures</b>			
Capital Outlay			
Other	498,280	0	498,280
Total Security of Persons and Property	498,280	0	498,280
<i>Total Expenditures</i>	<u>498,280</u>	<u>0</u>	<u>498,280</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>

# **Combining Statements for Nonmajor Enterprise Funds**





## 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, 2013*

	Stormwater Management Utility	Brookside Swimming Pool	Brookside Golf Course	Total
<b>Assets</b>				
<i>Current Assets</i>				
Equity in Pooled Cash and Investments	\$ 450,388	\$ 0	\$ 31,208	\$ 481,596
Cash and Cash Equivalents in Segregated Accounts	0	0	2,855	2,855
Materials and Supplies Inventory	0	0	70,323	70,323
Accounts Receivable	6,583	0	0	6,583
<i>Total Current Assets</i>	<u>456,971</u>	<u>0</u>	<u>104,386</u>	<u>561,357</u>
<i>Noncurrent Assets</i>				
Non-Depreciable Capital Assets	2,050	37,120	799,931	839,101
Depreciable Capital Assets, net	2,668,278	81,430	212,056	2,961,764
<i>Total Noncurrent Assets</i>	<u>2,670,328</u>	<u>118,550</u>	<u>1,011,987</u>	<u>3,800,865</u>
<i>Total Assets</i>	<u>3,127,299</u>	<u>118,550</u>	<u>1,116,373</u>	<u>4,362,222</u>
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	17,698	0	0	17,698
Accrued Wages	2,687	0	8,583	11,270
Intergovernmental Payable	1,907	819	7,068	9,794
Compensated Absences Payable	0	0	349	349
<i>Total Current Liabilities</i>	<u>22,292</u>	<u>819</u>	<u>16,000</u>	<u>39,111</u>
<i>Noncurrent Liabilities</i>				
Compensated Absences Payable - net of current portion	0	0	17,764	17,764
<i>Total Liabilities</i>	<u>22,292</u>	<u>819</u>	<u>33,764</u>	<u>56,875</u>
<b>Net Position</b>				
Net Investment in Capital Assets	2,670,328	118,550	1,011,987	3,800,865
Unrestricted	434,679	(819)	70,622	504,482
<i>Total Net Position</i>	<u>\$ 3,105,007</u>	<u>\$ 117,731</u>	<u>\$ 1,082,609</u>	<u>\$ 4,305,347</u>

**City of Ashland**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2013*

	Stormwater Management Utility	Brookside Swimming Pool	Brookside Golf Course	Total
<b>Operating Revenue</b>				
Charges for Services	\$ 521,720	\$ 42,993	\$ 400,715	\$ 965,428
Other	26	0	0	26
<i>Total Operating Revenues</i>	<u>521,746</u>	<u>42,993</u>	<u>400,715</u>	<u>965,454</u>
<b>Operating Expenses</b>				
Personal Services	124,869	43,973	296,849	465,691
Contractual Services	131,661	0	40,735	172,396
Materials and Supplies	22,695	26,209	196,594	245,498
Utilities	0	7,328	22,265	29,593
Depreciation	39,462	2,979	40,364	82,805
Other	40,721	0	0	40,721
<i>Total Operating Expenses</i>	<u>359,408</u>	<u>80,489</u>	<u>596,807</u>	<u>1,036,704</u>
<i>Income (Loss) Before Transfers</i>	162,338	(37,496)	(196,092)	(71,250)
Transfers In	0	26,393	117,400	143,793
<i>Change in Net Position</i>	162,338	(11,103)	(78,692)	72,543
<i>Net Position at Beginning of Year</i>	<u>2,942,669</u>	<u>128,834</u>	<u>1,161,301</u>	<u>4,232,804</u>
<i>Net Position at End of Year</i>	<u>\$ 3,105,007</u>	<u>\$ 117,731</u>	<u>\$ 1,082,609</u>	<u>\$ 4,305,347</u>

**City of Ashland**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2013*

	Stormwater Management Utility	Brookside Swimming Pool	Brookside Golf Course	Totals
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 518,224	\$ 42,993	\$ 400,715	\$ 961,932
Other Operating Receipts	26	0	0	26
Cash Payments to Suppliers for Goods and Services	(4,997)	(26,209)	(172,955)	(204,161)
Cash Payments to Employees for Services and Benefits	(127,714)	(44,045)	(296,108)	(467,867)
Cash Payments for Contractual Services	(131,661)	(7,328)	(63,000)	(201,989)
Other Cash Payments	(40,721)	0	0	(40,721)
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>213,157</u>	<u>(34,589)</u>	<u>(131,348)</u>	<u>47,220</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers In	<u>0</u>	<u>26,393</u>	<u>117,400</u>	<u>143,793</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of Capital Assets	<u>(413,139)</u>	<u>0</u>	<u>0</u>	<u>(413,139)</u>
<i>Net Decrease in Cash and Investments</i>	(199,982)	(8,196)	(13,948)	(222,126)
<i>Cash and Investments Beginning of Year</i>	<u>650,370</u>	<u>8,196</u>	<u>48,011</u>	<u>706,577</u>
<i>Cash and Investments End of Year</i>	<u>\$ 450,388</u>	<u>\$ 0</u>	<u>\$ 34,063</u>	<u>\$ 484,451</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
<i>Operating Income (Loss)</i>	\$ 162,338	\$ (37,496)	\$ (196,092)	\$ (71,250)
Adjustments:				
Depreciation	39,462	2,979	40,364	82,805
(Increase) Decrease in Assets:				
Accounts Receivable	(3,496)	0	0	(3,496)
Materials and Supplies Inventory	0	0	23,639	23,639
Increase (Decrease) in Liabilities:				
Accounts Payable	17,698	0	0	17,698
Accrued Wages	(2,399)	0	1,839	(560)
Compensated Absences Payable	0	0	(126)	(126)
Intergovernmental Payable	(446)	(72)	(972)	(1,490)
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>\$ 213,157</u>	<u>\$ (34,589)</u>	<u>\$ (131,348)</u>	<u>\$ 47,220</u>

# **Combining Statements for Fiduciary Funds**



## 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, 2013

	Municipal Court	Performance Bonds	Brookside Golf Course Gift Certificates	Employee Deductions	Section 125	Total
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 0	\$ 300	\$ 10,571	\$ 50,153	\$ 3,287	\$ 64,311
Cash and Cash Equivalents in Segregated Accounts	241,792	0	0	0	0	241,792
<i>Total Assets</i>	<u>\$ 241,792</u>	<u>\$ 300</u>	<u>\$ 10,571</u>	<u>\$ 50,153</u>	<u>\$ 3,287</u>	<u>\$ 306,103</u>
<b>Liabilities</b>						
Undistributed Monies	<u>\$ 241,792</u>	<u>\$ 300</u>	<u>\$ 10,571</u>	<u>\$ 50,153</u>	<u>\$ 3,287</u>	<u>\$ 306,103</u>

**City of Ashland**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Year Ended December 31, 2013*

	Balance 12/31/2012	Additions	Reductions	Balance 12/31/2013
<b>Municipal Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$ 60,021	\$ 181,771	\$ 0	\$ 241,792
<b>Liabilities</b>				
Undistributed Monies	\$ 60,021	\$ 181,771	\$ 0	\$ 241,792
<b>Performance Bonds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 300	\$ 0	\$ 0	\$ 300
<b>Liabilities</b>				
Undistributed Monies	\$ 300	\$ 0	\$ 0	\$ 300
<b>Brookside Golf Course Gift Certificates</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 11,462	\$ 6,583	\$ 7,474	\$ 10,571
<b>Liabilities</b>				
Undistributed Monies	\$ 11,462	\$ 6,583	\$ 7,474	\$ 10,571
<b>Employee Deductions</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 19,099	\$ 370,341	\$ 339,287	\$ 50,153
<b>Liabilities</b>				
Undistributed Monies	\$ 19,099	\$ 370,341	\$ 339,287	\$ 50,153
<b>Section 125</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,287	\$ 0	\$ 3,287
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Undistributed Monies	\$ 0	\$ 3,287	\$ 0	\$ 3,287
<i>Total Liabilities</i>	\$ 0	\$ 3,287	\$ 0	\$ 3,287
<b>All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 30,861	\$ 380,211	\$ 346,761	\$ 64,311
Cash and Cash Equivalents in Segregated Accounts	60,021	181,771	0	241,792
<i>Total Assets</i>	\$ 90,882	\$ 561,982	\$ 346,761	\$ 306,103
<b>Liabilities</b>				
Undistributed Monies	90,882	561,982	346,761	306,103
<i>Total Liabilities</i>	\$ 90,882	\$ 561,982	\$ 346,761	\$ 306,103

# City of Ashland, Ohio

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## 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 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. The City implemented GASB Statement 34 in 2003: schedules presenting government-wide information include information beginning in that year.

## CITY OF ASHLAND, OHIO

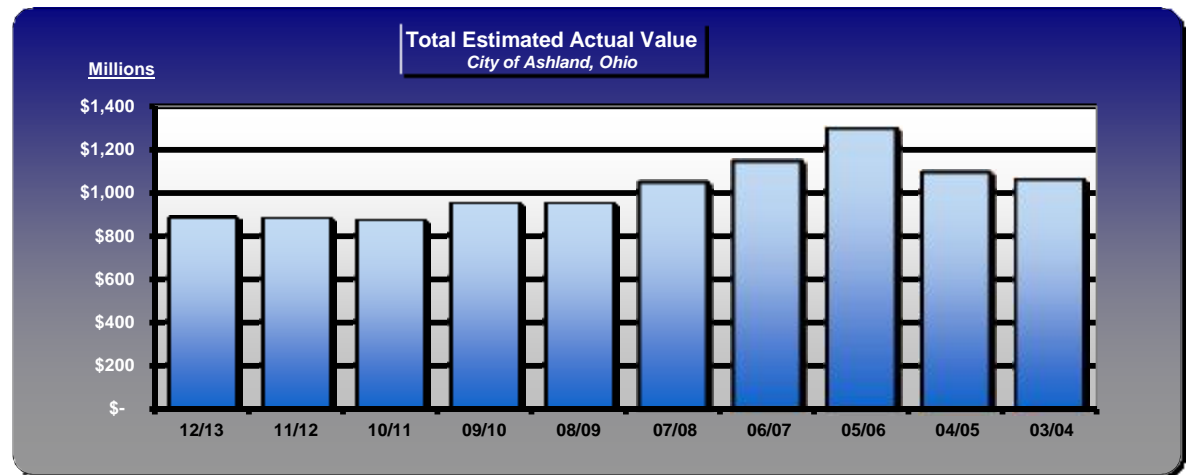
### Revenue Capacity

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		
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%	3.9
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
05/06	218,161,440	78,330,240	847,119,086	54,780,177	9,106,840	448,590,098	360,378,697	1,295,709,184	27.81%	3.90
04/05	204,347,880	72,623,820	791,347,714	54,837,769	9,834,340	303,643,488	341,643,809	1,094,991,202	31.20%	3.90
03/04	201,973,640	72,618,350	784,548,543	61,134,064	10,114,410	277,293,926	345,840,464	1,061,842,469	32.57%	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, 18.75% in 2005, and 23% in 2004.

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

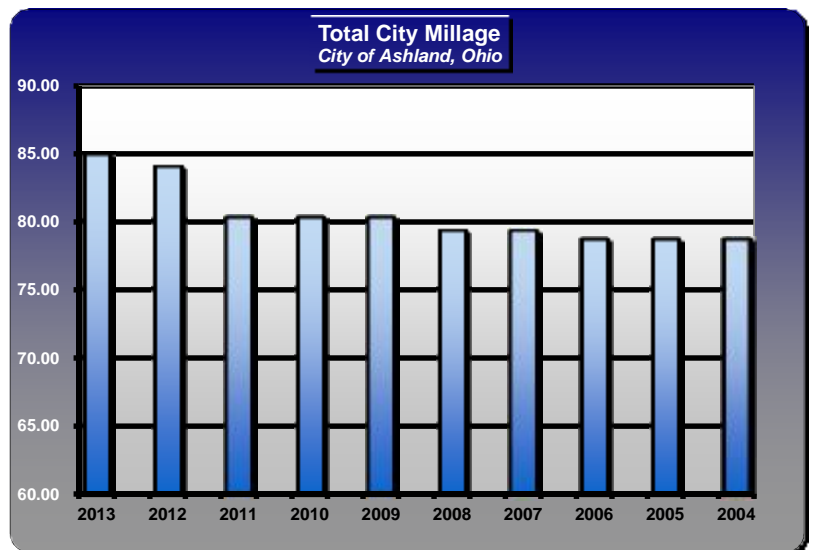
Direct and Overlapping Property Tax Rates

(Per \$1,000 of Assessed Valuation)

Last Ten Collection Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Inside Millage</b>										
Operating	2.00	2.00	2.00	2.30	2.00	2.10	2.43	2.43	2.43	2.43
Debt	0.80	0.80	0.80	0.50	0.80	0.70	0.37	0.37	0.37	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
<b>Total Unvoted Millage</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>
<b>Outside Millage</b>										
Recreation	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Total Voted Millage</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
<b>Total Millage</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>	<b>3.90</b>
<b>Overlapping Rates by Taxing District</b>										
Ashland County	9.10	9.10	9.10	9.10	9.10	9.10	9.10	8.50	8.50	8.50
Ashland School District	66.85	65.95	62.25	62.25	62.25	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	0.00	0.00	0.00	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
<b>Total</b>	<b>84.95</b>	<b>84.05</b>	<b>80.35</b>	<b>80.35</b>	<b>80.35</b>	<b>79.35</b>	<b>79.35</b>	<b>78.75</b>	<b>78.75</b>	<b>78.75</b>

Source: Ashland County, Ohio: County Auditor



# CITY OF ASHLAND, OHIO

## Revenue Capacity

Principal Property Tax Payers  
2013 and 2007

January 1, 2012			January 1, 2006		
Taxpayer	Assessed Valuation	Total Assessed Valuation	Taxpayer	Assessed Valuation	Total Assessed Valuation
Ohio Edison Company	\$ 6,137,520	2.90%	Ohio Edison Company	\$ 4,093,110	1.85%
Enterprise Parkway Leasing	3,274,810	1.55%	Wal-Mart Real Estate	3,045,010	1.38%
Wal-Mart Real Estate	2,990,720	1.41%	Myers Pump Company	2,433,070	1.10%
WIL Reasearch Laboratories	2,860,290	1.35%	American Transmission	3,045,010	1.38%
American Transmission	2,463,200	1.16%	Samariton Regional Hospital	2,327,640	1.05%
Myers Pump Co	2,278,370	1.08%	Home Depot U.S.A., Inc.	1,909,850	0.86%
Eagleview Realty LLC	2,220,400	1.05%	Baker Properties	1,603,090	0.72%
Samariton Regional Hospital	2,155,030	1.02%	Brethern Care, Inc.	1,445,140	0.65%
HD Development	1,820,760	0.86%	Ashland 250 Apartments	1,268,380	0.57%
Kingston of Ashland LLC	1,784,450	0.84%	Wurster Properties, Inc.	1,245,290	0.56%
	<u>\$ 27,985,550</u>	<u>13.22%</u>		<u>\$ 22,415,590</u>	<u>10.12%</u>
<b>Total Assessed Valuation</b>		<b>\$ 211,721,700</b>	<b>Total Assessed Valuation</b>		<b>\$ 221,436,630</b>

**Note:** Property is assessed at 35 percent of fair market value. Real property taxes paid in 2013 are based on January 1, 2012 values. Data for nine years ago is not available, therefore, 2006 data was presented as it was the oldest information available.

**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
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%
2006	1,321,079	1,064,709	81%	24,930	119,459	53,918	45%	25,925	1,440,538	1,118,627	77.65%
2005	1,065,423	1,065,423	100%	N/A	213,643	191,938	90%	21,705	1,279,066	1,257,361	98.30%
2004	1,071,648	1,071,648	100%	N/A	283,212	224,760	79%	58,452	1,354,860	1,296,408	95.69%

**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

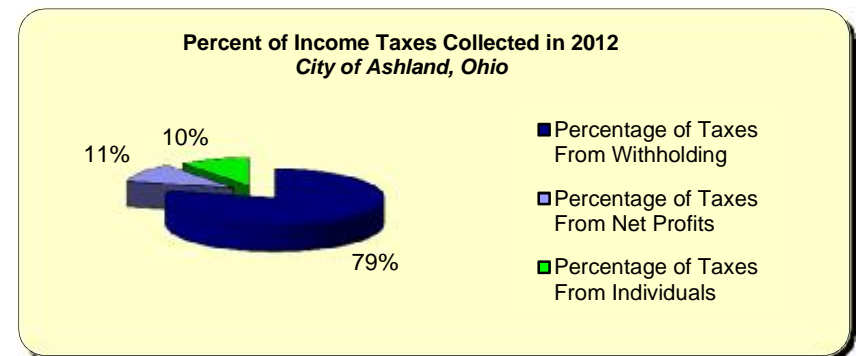
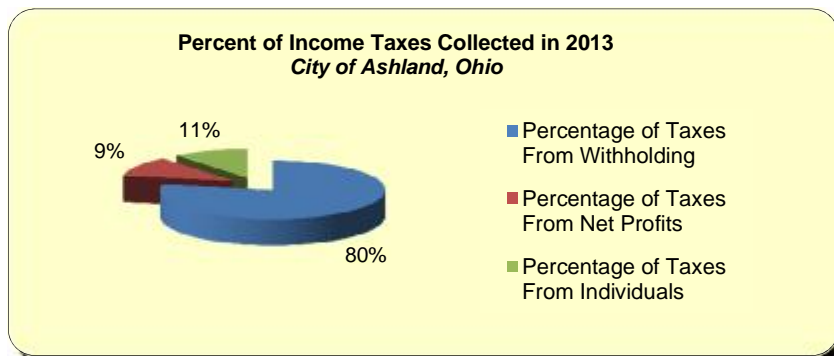
### Income Tax Revenue Base and Collections

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
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%
2006	1.50%	8,542,453	6,350,938	74.35%	1,277,454	14.95%	914,061	10.70%
2005	1.50%	7,890,443	5,993,886	75.96%	979,308	12.41%	917,249	11.62%
2004	1.50%	7,523,618	5,836,891	77.58%	811,456	10.79%	875,271	11.63%

% 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 2003-2012

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
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%
<b>Total</b>		<b>7,277</b>		<b>\$ 268,295,457</b>	
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%
<b>Total</b>		<b>5,667</b>		<b>\$ 207,412,808</b>	
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%
<b>Total</b>		<b>5,736</b>		<b>\$ 221,719,813</b>	
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%
<b>Total</b>		<b>8,930</b>		<b>\$ 263,092,586</b>	
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%
<b>Total</b>		<b>5,912</b>		<b>\$ 209,536,341</b>	

# CITY OF ASHLAND, OHIO

## Revenue Capacity

### Income Tax Statistics

Last Ten Years

(Continued)

#### Income Averages for City of Ashland Tax Years 2003-2012

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
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	
2006	\$ 0-24,999	4,066	51%	\$ 42,049,256	15%
2006	25,000-49,999	2,086	26%	75,122,885	26%
2006	50,000-74,999	1,009	13%	61,230,495	22%
2006	75,000-99,999	419	5%	36,038,282	13%
2006	Over 100,000	<u>393</u>	5%	<u>67,242,395</u>	24%
<i>Total</i>		7,973		\$ 281,683,313	
2005	\$ 0-24,999	4,753	52%	\$ 47,443,989	13%
2005	25,000-49,999	2,329	26%	84,145,992	24%
2005	50,000-74,999	1,065	12%	64,536,443	19%
2005	75,000-99,999	434	5%	37,354,431	11%
2005	Over 100,000	<u>463</u>	5%	<u>114,305,030</u>	33%
<i>Total</i>		9,044		\$ 347,785,885	
2004	\$ 0-24,999	4,925	54%	\$ 49,863,695	15%
2004	25,000-49,999	2,239	24%	80,939,115	24%
2004	50,000-74,999	1,088	12%	65,925,585	19%
2004	75,000-99,999	452	5%	39,867,135	12%
2004	Over 100,000	<u>445</u>	5%	<u>101,559,949</u>	30%
<i>Total</i>		9,149		\$ 338,155,479	

# City of Ashland, Ohio

## Debt Capacity

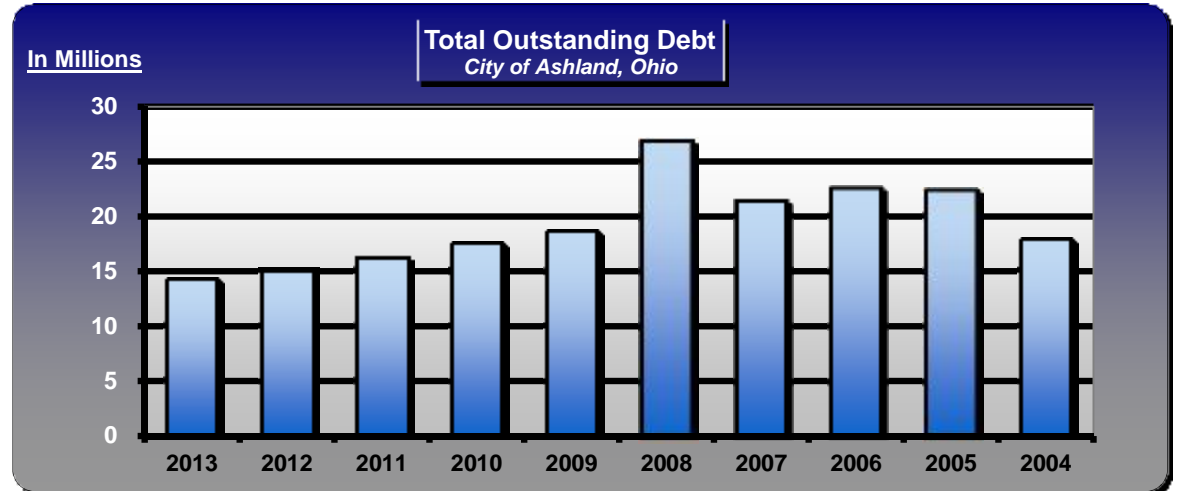
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

Year	Governmental Activities					Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	ODOD Loan	ODOT Loan	Bond Anticipation Notes	OPWC Loan	General Obligation Bonds	Bond Anticipation Notes	OWDA Loan	OPWC Loan			
2013	\$ 1,985,435	\$ 0	\$ 141,454	\$ 0	\$ 0	\$ 11,981,289	\$ 0	\$ 0	\$ 0	14,108,178	3.46%	\$ 682
2012	2,266,000	0	203,736	0	0	12,581,913	0	0	0	15,051,649	3.75%	739
2011	2,597,000	0	267,702	0	0	13,354,935	0	0	0	16,219,637	4.04%	797
2010	2,959,000	0	329,791	0	0	14,071,957	0	0	100,816	17,461,564	5.12%	858
2009	2,247,000	0	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	0	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	0	475,974	997,000	31,027	8,481,000	7,850,000	1,059,906	5,163	21,384,070	6.00%	1,006
2006	2,598,177	379,500	462,010	947,000	40,037	8,871,823	8,065,000	1,196,905	5,957	22,566,409	6.34%	1,062
2005	2,657,072	379,500	462,010	1,176,932	49,046	9,072,930	7,005,000	1,588,176	6,751	22,397,417	6.29%	1,054
2004	2,766,934	0	0	1,185,000	58,057	9,448,067	2,595,000	1,712,290	7,545	17,772,893	4.99%	836

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

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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
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
2006	21,249	1,295,709,184	20,482,000	102,746	20,379,254	1.57%	959
2005	21,249	1,094,991,202	19,911,934	43,250	19,868,684	1.81%	935
2004	21,249	1,061,842,469	15,995,001	0	15,995,001	1.51%	753

(1) U.S. Census Bureau

(2) Ashland County, Ohio: County Auditor

(3) General Obligation Bonds supported by property taxes.

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

# CITY OF ASHLAND, OHIO

## *Debt Capacity*

Direct and Overlapping Governmental Activities Debt

As of December 31, 2013

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashland
<b>Direct - City of Ashland</b>			
General Obligation Bonds	\$1,985,435	100.00%	\$1,985,435
ODOT Loan	141,454	100.00%	141,454
<hr/>			
<i>City of Ashland</i>	2,126,889		2,126,889
<b>Overlapping</b>			
Ashland City School District			
General Obligation Bonds	12,872,973	70.27%	9,045,838
<hr/>			
<i>Total Overlapping Debt</i>	12,872,973		9,045,838
<hr/>			
<b>Total</b>	<b>\$14,999,862</b>		<b>\$11,172,727</b>

**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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Bonded Debt Outstanding:</b>										
General Obligation Bonds	\$ 13,966,724	\$ 14,847,913	\$ 15,951,935	\$ 17,030,957	\$ 9,920,000	\$ 10,450,000	\$ 10,965,000	\$ 11,470,000	\$ 11,730,002	\$ 12,215,001
Bond Anticipation Notes	0	0	0	0	7,700,000	15,176,000	8,847,000	9,012,000	8,181,932	3,780,000
<b>Total</b>	<b>\$ 13,966,724</b>	<b>\$ 14,847,913</b>	<b>\$ 15,951,935</b>	<b>\$ 17,030,957</b>	<b>\$ 17,620,000</b>	<b>\$ 25,626,000</b>	<b>\$ 19,812,000</b>	<b>\$ 20,482,000</b>	<b>\$ 19,911,934</b>	<b>\$ 15,995,001</b>
Percentage of Estimated Actual Property Value Assessed Property Value	1.59%	1.69%	1.83%	1.80%	1.86%	1.55%	1.73%	1.58%	1.82%	1.51%
	\$ 314,535,840	\$ 313,745,760	\$ 310,455,130	\$ 336,466,870	\$ 335,718,290	\$ 345,194,668	\$ 347,822,461	\$ 360,378,697	\$ 341,643,809	\$ 345,840,464
<b>Total Debt Per Capita</b>	<b>682</b>	<b>721</b>	<b>797</b>	<b>858</b>	<b>875</b>	<b>1,265</b>	<b>1,006</b>	<b>1,062</b>	<b>1,054</b>	<b>836</b>
Less:										
General Obligation Bonds- Business-Type Funds	\$ 11,981,289	\$ 12,581,913	\$ 13,354,935	\$ 14,071,957	\$ 7,673,000	\$ 8,083,000	\$ 8,481,000	\$ 8,871,823	\$ 9,072,930	\$ 9,448,067
Bond Anticipation Notes - Business-Type Funds	0	0	0	0	7,145,000	13,800,000	7,850,000	8,065,000	7,005,000	2,595,000
General Obligation Bond Retirement Fund Balance	264,491	199,846	151,652	190,480	60,722	0	13,783	102,746	43,250	0
<b>Total Net Debt Applicable to Limit</b>	<b>\$ 1,720,944</b>	<b>\$ 2,066,154</b>	<b>\$ 2,445,348</b>	<b>\$ 2,768,520</b>	<b>\$ 2,741,278</b>	<b>\$ 3,743,000</b>	<b>\$ 3,467,217</b>	<b>\$ 3,442,431</b>	<b>\$ 3,790,754</b>	<b>\$ 3,951,934</b>
<b>Overall Legal Debt Limit</b>										
10 1/2% of Assessed Valuation	\$ 33,026,263	\$ 32,943,305	\$ 32,597,789	\$ 35,329,021	\$ 35,250,420	\$ 36,245,440	\$ 36,521,358	\$ 37,839,763	\$ 35,872,600	\$ 36,313,249
Legal Debt Margin Within 10 1/2% Limitations	31,305,319	30,877,151	30,152,441	32,560,501	32,509,142	32,502,440	33,054,141	34,397,332	32,081,846	32,361,315
Legal Debt Margin as a Percentage of the Debt Limit	94.79%	93.73%	92.50%	92.16%	92.22%	89.67%	90.51%	90.90%	89.43%	89.12%
<b>Unvoted Debt Limitation</b>										
5 1/2% of Assessed Valuation	17,299,471	17,256,017	17,075,032	18,505,678	18,464,506	18,985,707	19,130,235	19,820,828	18,790,409	19,021,226
Total Net Debt Applicable to Limit	1,720,944	2,066,154	2,445,348	2,768,520	2,741,278	3,743,000	3,467,217	3,442,431	3,790,754	3,951,934
Net Debt Within 5 1/2% Limitations	\$ 15,578,527	\$ 15,189,863	\$ 14,629,684	\$ 15,737,158	\$ 15,723,228	\$ 15,242,707	\$ 15,663,018	\$ 16,378,397	\$ 14,999,655	\$ 15,069,292
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	90.05%	88.03%	85.68%	85.04%	85.15%	80.29%	81.88%	82.63%	79.83%	79.22%

**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)
2013	20,362 c	\$ 401,640,450	\$ 19,725 c	\$ 37,776 c	36.1 c	25.9 c	6,064 c	7.2 c	\$ 314,535,840
2012	20,362 c	401,640,450	19,725 c	37,776 c	36.1 c	25.9 c	6,064 c	7.2 c	313,745,760
2011	20,362 c	401,640,450	19,725 c	37,776 c	36.1 c	25.9 c	6,064 c	7.2 c	310,455,130
2010	20,362 b	341,267,120	16,760 b	34,250 b	34.8 b	19.6 b	6,104 b	5.6 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
2006	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
2005	21,249 a	356,133,240	16,760 a	34,250 a	34.8 a	19.6 a	6,104 a	5.6 a	347,822,461
2004	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

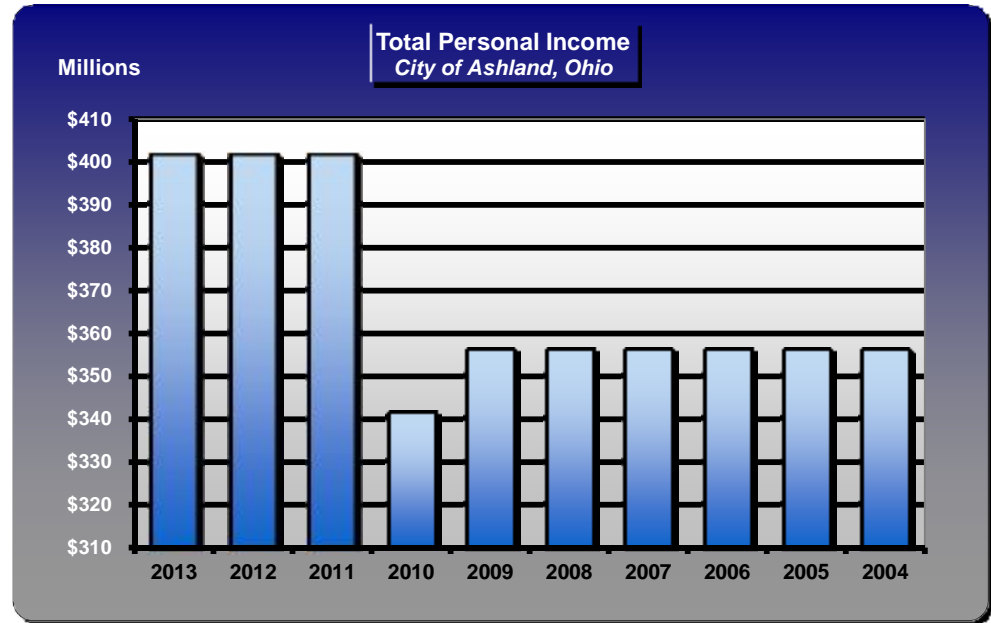
(1) Source: U.S. Census Bureau

(a) 2000 Federal Census Demographic Profile

(b) Note - Demographic Info Not Available from 2010 Census Yet used most recent available

(c) 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

2013			2004		
Employer*	Employees	Percentage of Total City Employment	Employer*	Employees	Percentage of Total City Employment
Ashland University	2,355	10.56%	Ashland University	2,356	10.26%
Wil Research Lab	643	2.88%	Pentair Flow Tech	956	4.16%
Samaritan Hospital	707	3.17%	Samaritan Hospital	699	3.04%
Pentair Flow Technologies	377	1.69%	Ashland City Schools	802	3.49%
Ashland City Schools	579	2.60%	State of Ohio	449	1.96%
Ashland County Auditor	502	2.25%	Archway Cookies LLC	216	0.94%
State of Ohio	297	1.33%	Packaging Corp of America	163	0.71%
City of Ashland	318	1.43%	Wil Research Lab	168	0.73%
Ball Bounce & Sport	356	1.60%	Ashland Inc	124	0.54%
Packaging Corp	175	0.78%	McGraw Hill	200	0.87%
<b>Total</b>	<b>6,309</b>	<b>28.28%</b>	<b>Total</b>	<b>6,133</b>	<b>26.70%</b>
<b>Total City Employees</b>	<b>22,303</b>		<b>Total City Employees</b>	<b>22,966</b>	

**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)

<b>Governmental Activities</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Net Investment in Capital Assets	\$16,588,886	\$16,986,579	\$17,429,633	\$16,855,976	\$17,480,892	\$17,364,157	\$17,464,839	\$15,878,702	\$15,396,151	\$15,814,814
Restricted	5,112,823	4,870,075	5,247,071	4,697,276	5,041,024	5,354,993	5,917,701	4,546,053	4,897,655	4,486,273
Unrestricted	1,954,192	2,201,835	2,667,214	2,865,621	2,541,609	1,405,084	2,943,854	2,718,074	2,541,807	1,397,126
<b>Total Governmental Activities Net Position</b>	<b>23,655,901</b>	<b>24,058,489</b>	<b>25,343,918</b>	<b>24,418,873</b>	<b>25,063,525</b>	<b>24,124,234</b>	<b>26,326,394</b>	<b>23,142,829</b>	<b>22,835,613</b>	<b>21,698,213</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	25,443,512	24,787,398	24,249,832	23,585,113	22,448,977	19,848,064	19,156,906	17,836,938	14,082,876	11,785,629
Unrestricted	7,201,270	6,262,735	5,382,269	4,551,881	4,134,822	6,181,991	6,250,563	6,838,306	10,655,019	11,676,466
<b>Total Business-Type Activities Net Position</b>	<b>32,644,782</b>	<b>31,050,133</b>	<b>29,632,101</b>	<b>28,136,994</b>	<b>26,583,799</b>	<b>26,030,055</b>	<b>25,407,469</b>	<b>24,675,244</b>	<b>24,737,895</b>	<b>23,462,095</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	42,032,398	41,773,977	41,679,465	40,441,089	39,929,869	37,212,221	36,621,745	33,715,640	29,479,027	27,600,443
Restricted	5,112,823	4,870,075	5,247,071	4,697,276	5,041,024	5,354,993	5,917,701	4,546,053	4,897,655	4,486,273
Unrestricted	9,155,462	8,464,570	8,049,483	7,417,502	6,676,431	7,587,075	9,194,417	9,556,380	13,196,826	13,073,592
<b>Total Primary Government Net Position</b>	<b>\$56,300,683</b>	<b>\$55,108,622</b>	<b>\$54,976,019</b>	<b>\$52,555,867</b>	<b>\$51,647,324</b>	<b>\$50,154,289</b>	<b>\$51,733,863</b>	<b>\$47,818,073</b>	<b>\$47,573,508</b>	<b>\$45,160,308</b>

**City of Ashland, Ohio**

*Financial Trends Information*

Changes in Net Position

Last Ten Years

*(accrual basis of accounting)*

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	806,924	\$ 889,651	\$ 1,514,835	\$ 1,487,776	\$ 1,331,320	\$ 1,324,950	\$ 1,621,076	\$ 686,995	\$ 708,133	\$ 601,356
Security of Persons and Property	1,415,299	1,557,252	1,572,044	1,512,569	1,461,705	1,435,562	1,381,724	1,132,691	1,225,866	951,365
Public Health	174,157	238,699	216,045	241,702	399,078	67,220	62,497	282,529	189,816	44,901
Leisure Time Services	71,538	70,282	67,664	64,942	91,685	90,603	56,366	64,548	75,141	0
Transportation	24,044	249	305,695	319,728	364,678	222,551	315,859	7,132	4,830	55,555
Community Development	0	0	0	23,527	0	0	0	2,059	34,492	107,400
Operating Grants, Contributions and Interest	2,054,374	1,854,051	2,642,624	2,361,638	2,678,173	2,057,660	2,978,931	1,735,281	2,283,613	2,568,467
Capital Grants, Contributions and Interest	766,359	304,663	513,400	42,698	0	0	41,447	383,763	1,073,487	223,583
<b>Total Governmental Activities Program Revenues</b>	<b>5,312,695</b>	<b>4,914,847</b>	<b>6,832,307</b>	<b>6,054,580</b>	<b>6,326,639</b>	<b>5,198,546</b>	<b>6,457,900</b>	<b>4,294,998</b>	<b>5,595,378</b>	<b>4,552,627</b>
Business-Type Activities:										
Charges for Services:										
Water	3,640,755	3,298,482	3,571,678	3,540,445	3,616,111	3,520,505	3,520,855	3,490,314	2,842,528	2,186,344
Sewer	3,958,563	3,751,473	3,578,750	3,307,884	3,023,932	2,964,354	3,077,761	2,875,886	2,436,514	2,596,382
Sanitation	1,825,909	1,844,651	1,884,653	1,830,742	1,776,691	1,769,983	1,766,002	1,653,907	1,614,162	1,528,742
Other	965,428	1,015,271	959,143	1,026,093	1,047,545	530,781	507,956	605,911	613,555	564,895
Operating Grants, Contributions and Interest	0	0	0	0	2,128	371	258	233	1,098,702	419,646
Capital Grants, Contributions and Interest	290,546	297,557	295,005	453,322	317,918	708,451	702,950	0	0	0
<b>Total Business-Type Activities Program Revenues</b>	<b>10,681,201</b>	<b>10,207,434</b>	<b>10,289,229</b>	<b>10,158,486</b>	<b>9,784,325</b>	<b>9,494,445</b>	<b>9,575,782</b>	<b>8,626,251</b>	<b>8,605,461</b>	<b>7,296,009</b>
<b>Total Primary Government Program Revenues</b>	<b>15,993,896</b>	<b>15,122,281</b>	<b>17,121,536</b>	<b>16,213,066</b>	<b>16,110,964</b>	<b>14,692,991</b>	<b>16,033,682</b>	<b>12,921,249</b>	<b>14,200,839</b>	<b>11,848,636</b>
<b>Expenses</b>										
Governmental Activities:										
General Government	4,556,731	4,873,750	5,341,766	5,618,313	4,901,152	5,605,535	4,968,816	4,263,566	4,317,791	4,113,766
Security of Persons and Property	6,976,843	6,961,052	6,836,097	6,965,365	7,171,283	7,237,405	6,784,358	6,724,134	6,094,828	6,639,085
Public Health	296,042	297,364	315,944	325,085	307,075	278,645	278,792	286,343	241,998	264,135
Leisure Time Services	894,106	1,131,083	1,181,955	1,323,969	1,197,605	1,181,681	1,155,718	1,080,716	1,112,301	1,121,287
Transportation	2,947,541	2,446,458	2,785,525	2,601,886	2,294,355	3,075,759	2,145,360	2,481,334	3,175,923	2,220,580
Community Development	446,357	574,802	455,576	465,674	363,379	607,586	280,071	729,787	814,799	460,434
Interest and Fiscal Charges	73,794	112,685	127,022	141,477	217,392	143,350	203,089	162,169	132,990	134,083
Issuance Costs	33,073	0	0	0	33,243	0	0	0	0	0
<b>Total Governmental Activities Expenses</b>	<b>16,224,487</b>	<b>16,397,194</b>	<b>17,043,885</b>	<b>17,441,769</b>	<b>16,485,484</b>	<b>18,129,961</b>	<b>15,816,204</b>	<b>15,728,049</b>	<b>15,890,630</b>	<b>14,953,350</b>
Business-Type Activities:										
Water	3,656,554	3,372,372	3,470,157	3,546,848	3,750,067	3,564,277	3,220,773	2,876,249	2,883,882	3,635,238
Sewer	2,772,679	2,939,944	2,862,379	2,797,203	2,524,962	3,087,637	3,403,143	3,457,361	2,294,196	2,554,326
Sanitation	1,517,356	1,666,114	1,718,055	1,640,119	1,676,694	1,777,164	1,733,145	1,742,641	1,605,048	1,459,791
Other	1,036,704	978,837	887,047	816,880	1,353,645	831,373	669,767	654,844	591,940	745,266
<b>Total Business-Type Activities Expenses</b>	<b>8,983,293</b>	<b>8,957,267</b>	<b>8,937,638</b>	<b>8,801,050</b>	<b>9,305,368</b>	<b>9,260,451</b>	<b>9,026,828</b>	<b>8,731,095</b>	<b>7,375,066</b>	<b>8,394,621</b>
<b>Total Primary Government Expenses</b>	<b>25,207,780</b>	<b>25,354,461</b>	<b>25,981,523</b>	<b>26,242,819</b>	<b>25,790,852</b>	<b>27,390,412</b>	<b>24,843,032</b>	<b>24,459,144</b>	<b>23,265,696</b>	<b>23,347,971</b>

**City of Ashland, Ohio**

*Financial Trends Information*

Changes in Net Position

Last Ten Years

*(accrual basis of accounting)*

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(10,911,792)	(11,482,347)	(10,211,578)	(11,387,189)	(10,158,845)	(12,931,415)	(9,358,304)	(11,433,051)	(10,295,252)	(10,400,723)
Business-Type Activities	<u>1,697,908</u>	<u>1,250,167</u>	<u>1,351,591</u>	<u>1,357,436</u>	<u>478,957</u>	<u>233,994</u>	<u>548,954</u>	<u>(104,844)</u>	<u>1,230,395</u>	<u>(1,098,612)</u>
<b>Total Primary Government Net Expense</b>	<b>\$ (9,213,884)</b>	<b>\$ (10,232,180)</b>	<b>\$ (8,859,987)</b>	<b>\$ (10,029,753)</b>	<b>\$ (9,679,888)</b>	<b>\$ (12,697,421)</b>	<b>\$ (8,809,350)</b>	<b>\$ (11,537,895)</b>	<b>\$ (9,064,857)</b>	<b>\$ (11,499,335)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	1,116,594	1,076,792	1,139,664	1,081,107	1,164,661	1,298,913	1,243,168	1,418,737	1,199,079	1,131,037
Income Taxes	8,591,625	8,420,635	8,287,362	7,927,209	8,117,515	8,265,781	8,493,569	8,500,884	8,031,251	7,969,508
Grants and Entitlements	692,572	718,298	1,513,673	1,424,438	1,050,112	940,906	1,512,283	1,015,634	1,094,831	861,821
Investment Earnings	7,443	14,052	53,567	111,566	273,954	367,013	641,645	467,275	503,014	217,604
Miscellaneous	272,473	133,248	284,674	369,791	560,446	238,118	282,585	379,930	604,477	27,564
Transfers	<u>(143,793)</u>	<u>(166,107)</u>	<u>(135,213)</u>	<u>(171,574)</u>	<u>(68,552)</u>	<u>(381,476)</u>	<u>(179,214)</u>	<u>0</u>	<u>0</u>	<u>(205,564)</u>
<b>Total Governmental Activities</b>	<b>10,536,914</b>	<b>10,196,918</b>	<b>11,143,727</b>	<b>10,742,537</b>	<b>11,098,136</b>	<b>10,729,255</b>	<b>11,994,036</b>	<b>11,782,460</b>	<b>11,432,652</b>	<b>10,001,970</b>
Business-Type Activities:										
Investment Earnings	0	0	0	0	0	0	0	0	0	34,675
Miscellaneous	26	1,758	8,303	24,185	6,235	7,116	4,057	0	0	2,450
Transfers	<u>143,793</u>	<u>166,107</u>	<u>135,213</u>	<u>171,574</u>	<u>68,552</u>	<u>381,476</u>	<u>179,214</u>	<u>0</u>	<u>0</u>	<u>205,564</u>
<b>Total Business-Type Activities</b>	<b>143,819</b>	<b>167,865</b>	<b>143,516</b>	<b>195,759</b>	<b>74,787</b>	<b>388,592</b>	<b>183,271</b>	<b>0</b>	<b>0</b>	<b>242,689</b>
<b>Total Primary Government</b>	<b>10,680,733</b>	<b>10,364,783</b>	<b>11,287,243</b>	<b>10,938,296</b>	<b>11,172,923</b>	<b>11,117,847</b>	<b>12,177,307</b>	<b>11,782,460</b>	<b>11,432,652</b>	<b>10,244,659</b>
<b>Change in Net Position</b>										
Governmental Activities	(374,878)	(1,285,429)	932,149	(644,652)	939,291	(2,202,160)	2,635,732	349,409	1,137,400	(398,753)
Business-Type Activities	<u>1,841,727</u>	<u>1,418,032</u>	<u>1,495,107</u>	<u>1,553,195</u>	<u>553,744</u>	<u>622,586</u>	<u>732,225</u>	<u>(104,844)</u>	<u>1,230,395</u>	<u>(855,923)</u>
<b>Primary Government Change in Net Position</b>	<b>\$ 1,466,849</b>	<b>\$ 132,603</b>	<b>\$ 2,427,256</b>	<b>\$ 908,543</b>	<b>\$ 1,493,035</b>	<b>(\$1,579,574)</b>	<b>\$3,367,957</b>	<b>\$244,565</b>	<b>\$2,367,795</b>	<b>(\$1,254,676)</b>

## City of Ashland, Ohio

### Financial Trends Information

Program Revenues by Function/Program

Last Ten Years

(accrual basis of accounting)

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>										
General Government	\$ 1,174,124	\$ 1,292,531	\$ 1,989,892	\$ 2,016,535	\$ 1,741,248	\$ 1,718,322	\$ 2,100,217	\$ 1,085,928	\$ 855,143	\$ 1,213,481
Security of Persons and Property	1,501,904	1,700,731	1,756,354	1,778,552	1,644,348	1,670,050	1,560,439	1,307,901	1,423,492	1,261,035
Public Health	174,157	238,699	216,045	241,702	399,078	67,220	62,497	282,529	189,816	49,401
Leisure Time Services	95,251	114,681	621,367	250,486	537,183	137,803	110,129	128,967	119,688	55,885
Community Development	419,439	132,963	568,170	276,327	393,603	72,701	645,823	27,405	1,644,520	800,082
Transportation	1,947,820	1,435,242	1,680,479	1,490,978	1,611,179	1,532,450	1,978,795	1,462,268	1,362,719	1,172,743
<b>Total Governmental Activities</b>	<b>5,312,695</b>	<b>4,914,847</b>	<b>6,832,307</b>	<b>6,054,580</b>	<b>6,326,639</b>	<b>5,198,546</b>	<b>6,457,900</b>	<b>4,294,998</b>	<b>5,595,378</b>	<b>4,552,627</b>
<b>Business-Type Activities:</b>										
Water	3,931,301	3,370,224	3,724,563	3,607,516	3,618,546	4,208,372	3,652,078	3,490,547	3,941,230	2,553,195
Sewer	3,958,563	3,977,288	3,657,377	3,694,135	3,341,164	2,984,938	3,649,488	2,875,886	2,436,514	2,649,177
Sanitation	1,825,909	1,844,651	1,884,653	1,830,742	1,776,691	1,769,983	1,766,002	1,653,907	1,614,162	1,528,742
Other	965,428	1,015,271	1,022,636	1,026,093	1,047,924	531,152	508,214	605,911	613,555	564,895
<b>Total Business-Type Activities</b>	<b>10,681,201</b>	<b>10,207,434</b>	<b>10,289,229</b>	<b>10,158,486</b>	<b>9,784,325</b>	<b>9,494,445</b>	<b>9,575,782</b>	<b>8,626,251</b>	<b>8,605,461</b>	<b>7,296,009</b>
<b>Total Primary Government</b>	<b>\$15,993,896</b>	<b>\$15,122,281</b>	<b>\$17,121,536</b>	<b>\$16,213,066</b>	<b>\$16,110,964</b>	<b>\$ 14,692,991</b>	<b>\$16,033,682</b>	<b>\$12,921,249</b>	<b>\$ 14,200,839</b>	<b>\$ 11,848,636</b>

**City of Ashland, Ohio**

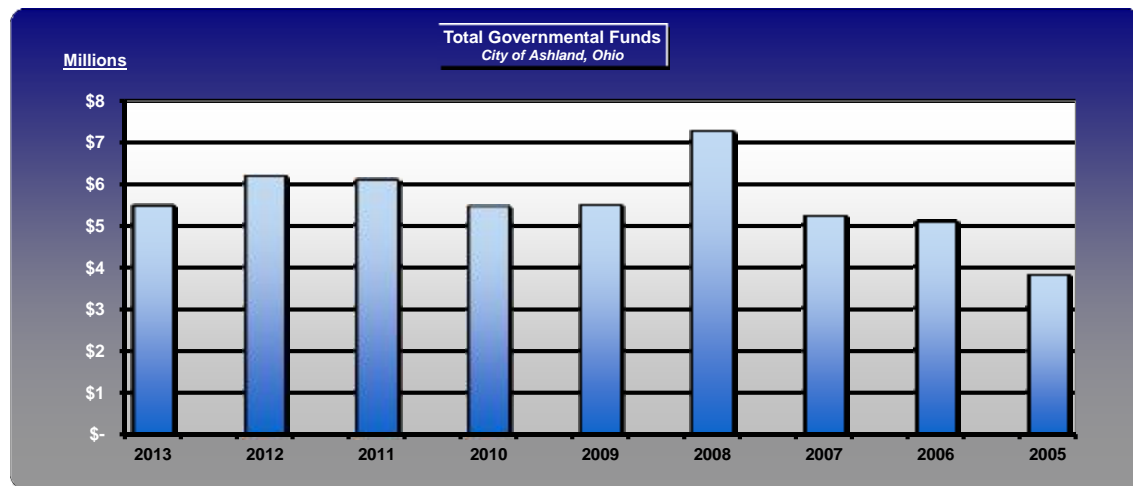
*Financial Trends Information*

Fund Balances, Governmental Funds

Last Ten Years

*(modified accrual basis of accounting)*

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund</b>										
Nonspendable	\$ 93,163	\$ 81,683	\$ 85,412	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Committed	0	4,758	3,020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Assigned	1,291,982	1,360,086	129,698	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unassigned	(3,850)	(10,857)	1,874,507	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	\$ 10,419	\$ 19,913	\$ 36,406	\$ 111,382	\$ 3,292	\$ 22,342	\$ 26,564
Unreserved	N/A	N/A	N/A	2,014,052	1,828,275	1,225,356	2,696,509	2,608,077	2,625,459	1,306,344
<b>Total General Fund</b>	<b>1,381,295</b>	<b>1,435,670</b>	<b>2,092,637</b>	<b>2,024,471</b>	<b>1,848,188</b>	<b>1,261,762</b>	<b>2,807,891</b>	<b>2,611,369</b>	<b>2,647,801</b>	<b>1,332,908</b>
<b>All Other Governmental Funds</b>										
Nonspendable	171,544	232,366	249,725	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Restricted	3,511,353	3,348,469	3,369,915	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Committed	549,195	500,714	480,217	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unassigned	(498,280)	(25,580)	(1,982)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	399,249	207,892	258,666	231,726	469,464	260,159	393,122
Unreserved, Reported in:										
Special Revenue Funds	N/A	N/A	N/A	2,531,803	2,252,686	2,809,493	3,355,117	1,494,180	1,597,840	1,977,329
Debt Service Funds	N/A	N/A	N/A	214,217	87,459	14,542	88,472	95,318	13,038	(42,889)
Capital Projects Funds	N/A	N/A	N/A	925,284	1,077,765	1,158,387	798,838	556,031	573,523	170,022
<b>Total All Other Governmental Funds</b>	<b>3,733,812</b>	<b>4,055,969</b>	<b>4,097,875</b>	<b>4,070,553</b>	<b>3,625,802</b>	<b>4,241,088</b>	<b>4,474,153</b>	<b>2,614,993</b>	<b>2,444,560</b>	<b>2,497,584</b>
<b>Total Governmental Funds</b>	<b>\$ 5,115,107</b>	<b>\$ 5,491,639</b>	<b>\$ 6,190,512</b>	<b>\$ 6,095,024</b>	<b>\$ 5,473,990</b>	<b>\$ 5,502,850</b>	<b>\$ 7,282,044</b>	<b>\$ 5,226,362</b>	<b>\$ 5,092,361</b>	<b>\$ 3,830,492</b>



## City of Ashland, Ohio

### Financial Trends Information

Changes in Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2013	2012	2011	2010	2009	2008
<b>Revenues</b>						
Property Taxes	\$ 1,109,885	\$ 1,099,577	\$ 1,157,321	\$ 1,052,925	\$ 1,158,112	\$ 1,285,673
Income Taxes	8,692,865	8,312,982	8,166,672	7,927,130	7,840,484	8,231,759
Charges for Services	1,098,153	1,489,025	2,543,025	2,440,271	2,666,577	2,116,113
Licenses and Permits	23,778	21,867	28,051	27,785	53,418	34,102
Fines and Forfeitures	1,302,343	1,179,434	1,063,998	1,067,750	1,082,464	1,098,332
Intergovernmental	3,032,039	3,055,646	4,123,298	3,966,281	3,259,390	3,745,252
Special Assessments	0	0	0	23,527	0	0
Rental Income	82,961	73,910	72,191	63,380	52,643	367,013
Interest	14,752	21,087	53,951	111,602	274,215	51,934
Contributions and Donations	10,189	36,317	259,920	47,668	98,519	47,290
Other	272,473	139,277	195,116	289,756	503,340	228,172
<b>Total Revenues</b>	<b>15,639,438</b>	<b>15,429,122</b>	<b>17,663,543</b>	<b>17,018,075</b>	<b>16,989,162</b>	<b>17,205,640</b>
<b>Expenditures</b>						
Current:						
General Government	4,396,524	4,673,945	5,119,520	5,455,386	5,044,994	5,372,569
Security of Persons and Property	6,674,863	6,676,321	6,510,302	6,707,997	7,026,459	6,980,721
Public Health	296,042	297,364	315,944	325,085	307,075	304,456
Leisure Time Services	802,092	997,974	1,056,252	1,213,926	1,058,094	1,051,707
Community Development	437,033	579,507	445,004	483,674	364,060	606,201
Transportation	2,209,772	1,736,326	1,957,277	1,833,595	1,480,092	2,169,051
Capital Outlay	563,219	506,080	1,561,427	861,743	1,065,698	1,012,083
Debt Service:						
Principal Retirements	418,282	394,966	424,089	183,269	414,560	1,186,381
Interest and Fiscal Charges	77,852	111,947	126,813	117,998	213,663	169,428
Issuance Costs	33,073	0	0	20,026	33,243	0
<b>Total Expenditures</b>	<b>15,908,752</b>	<b>15,974,430</b>	<b>17,516,628</b>	<b>17,202,699</b>	<b>17,007,938</b>	<b>18,852,597</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(269,314)</b>	<b>(545,308)</b>	<b>146,915</b>	<b>(184,624)</b>	<b>(18,776)</b>	<b>(1,646,957)</b>
<b>Other Financing Sources (Uses)</b>						
Bond and Note Proceeds	0	0	0	835,000	0	250,000
Proceeds from Loans	0	0	0	0	0	0
Premium on Debt Issued	15,829	0	0	30,629	57,106	9,944
Refunding Bonds Issued	1,790,000	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	90,890	48,486	0	0
Transfers In	123,185	197,378	773,806	542,449	725,959	846,829
Transfers Out	(266,978)	(350,943)	(909,019)	(650,906)	(793,149)	(1,239,010)
Payment to Refunded Bond Escrow Agent	(1,769,254)	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(107,218)</b>	<b>(153,565)</b>	<b>(44,323)</b>	<b>805,658</b>	<b>(10,084)</b>	<b>(132,237)</b>
<b>Net Change in Fund Balances</b>	<b>(\$376,532)</b>	<b>(\$698,873)</b>	<b>\$102,592</b>	<b>\$621,034</b>	<b>(\$28,860)</b>	<b>(\$1,779,194)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.45%</b>	<b>3.28%</b>	<b>3.45%</b>	<b>1.85%</b>	<b>3.95%</b>	<b>7.60%</b>

(Continued)

	2007	2006	2005	2004
\$	1,317,357	\$ 1,309,090	\$ 1,194,484	\$ 1,131,298
	8,578,034	8,510,633	7,978,111	7,492,176
	2,216,258	1,064,562	1,036,034	2,338,964
	40,911	23,127	83,351	99,910
	1,159,926	1,066,175	974,169	786,667
	3,806,575	3,593,929	4,188,542	2,934,298
	0	0	0	0
	641,645	467,275	503,014	217,604
	0	0	0	0
	71,661	91,617	84,192	71,027
	157,148	311,482	552,596	8,759

17,989,515	16,437,890	16,594,493	15,080,703
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5,054,855	4,165,136	3,840,023	4,651,136
6,658,923	6,711,420	5,659,723	6,065,738
278,792	283,364	243,830	263,467
1,037,444	1,321,117	1,054,649	992,576
280,593	742,619	790,187	456,665
2,236,464	2,608,188	2,852,190	1,857,441
910,820	343,386	1,302,007	2,099,478
614,001	99,150	239,373	112,076
166,864	196,205	142,109	124,964
0	0	0	0

17,238,756	16,470,585	16,124,091	16,623,541
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750,759	(32,695)	470,402	(1,542,838)
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997,000	0	0	0
13,964	0	962,010	0
16,117	66,728	52,431	0
0	0	0	0
367,716	0	0	18,805
142,340	1,001,162	964,843	565,623
(232,214)	(1,043,355)	(964,843)	(750,151)
0	0	0	0
0	142,560	0	0

1,304,923	167,095	1,014,441	(165,723)
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\$2,055,682	\$134,400	\$1,484,843	(\$1,708,561)
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5.13%	1.95%	2.65%	1.63%
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# City of Ashland, Ohio

## Operating Information

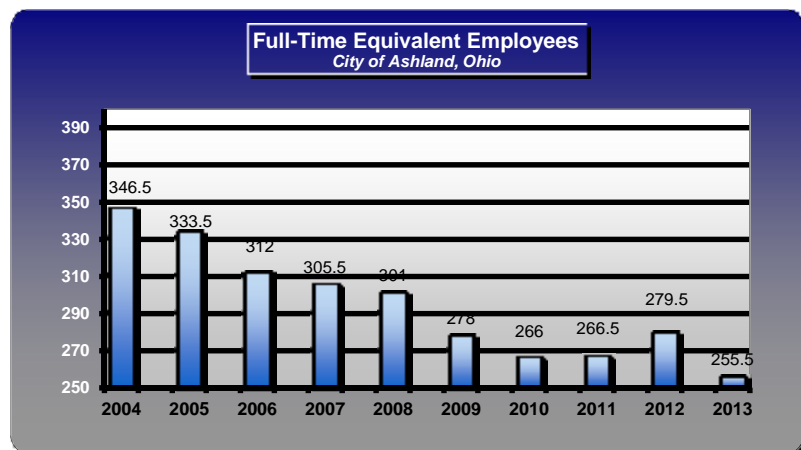
Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Function/Program</b>										
<b>General Government:</b>										
Council	3.5	4	3.5	3.5	3.5	3.5	3	3	3	3
Mayor	3	3	3	4	3	3	2.5	2.5	2.5	2.5
Finance	7	8	9	5	5.5	6	5	5	5	5
Law	4	5	4.5	4	5	4	5	4	4.5	4.5
Engineering	6	6	5.5	5.5	5	5	4	4	4	4
Building and Zoning	3.5	3	3	3.5	4	2.5	2	2	2	2
Human Resources	3	3	3	3	3	2.5	2	2	2	2
Income Tax	5	5	4	4	4	3.5	4	4	4	4
Municipal Court	30	30.5	29	29	34.5	35.5	30	41	39.5	34.5
Municipal Court Community Corrections	2	2	2	2	2	2	2	2	2	2
Municipal Court Probation	4	4	4	4	4	3	3	2	2	2
<b>Security of Persons and Property:</b>										
Police	48	42.5	42.5	42.5	44	38.5	40	36	32	34.5
Fire	51	47.5	38	40	39	37	35	36	35	37
<b>Recreation:</b>										
Golf Course	19.5	20	21	20.5	18	15	11	12.5	31.5	12.5
Park	34	31	33	31.5	26	23	16.5	19.5	19.5	16
Swimming Pool	11	9.5	9.5	8	8.5	10	10.5	9	10	10
<b>Service:</b>										
Building Maintenance	2	2	2	2	2	2	1	1	1	1
Economic Development	4	4	1	0	0	0	0	0	0	0
Justice Center Maintenance	2.5	2	1	1	1	1	1.5	1	1	1
Maintenance	2	2	1	1	1	1	1	1	1	0
Sanitation	22	24	24	20	18	14	18	14	13	11
Sewer	10.5	7	6	6	5	4	6	5	5	5
Street Maintenance	21.5	21	19	18	21	20	20	18	15	18
Technical Services	2	2	2	2	2	2	2	2	2	2
Water Distribution	15.5	13.5	14.5	14.5	15	12	13	13	12	14
Water Pollution	19	21	17	21	14	15	14	14	15	15
Water Treatment	11	11	10	10	13	13	14	13	16	13
<b>Total Number of Employees</b>	<b>346.5</b>	<b>333.5</b>	<b>312</b>	<b>305.5</b>	<b>301</b>	<b>278</b>	<b>266</b>	<b>266.5</b>	<b>279.5</b>	<b>255.5</b>

**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	2013	2012	2011	2010	2009
<b>General Government</b>					
Construction Permits Issued (1)	15	9	6	9	10
Estimated Value of Construction (1)	\$ 36,431,000	\$ 1,624,000	\$ 1,083,000	\$ 1,213,300	\$ 22,987,925
Total Cases Filed (2)	11,212	12,325	13,265	11,265	11,866
Fines Collected (2)	\$ 3,477,423	\$ 3,307,294	\$ 3,068,278	\$ 3,076,082	\$ 2,933,817
Economic Development Projects (3)	75	54	40	46	45
Purchase Orders Issued (4)	3,568	977	546	735	473
Number of W-2 Forms Issued (4)	322	326	332	336	346
<b>Police (5)</b>					
Total Incidents	15,240	16,660	16,554	16,939	18,704
Total Arrests	1,252	1,339	390	1,319	1,208
Hours of Training	394	530	785	1,592	549
Total Citations	879	1,086	935	1,264	1,082
Parking Tickets	285	250	305	378	379
Parking Ticket Fines Collected	\$ 5,550	\$ 4,905	\$ 7,220	\$ 7,235	\$ 7,863
<b>Fire (6)</b>					
Fire Calls	541	641	572	543	538
EMS Calls	2,897	3,058	3,230	2,988	3,016
Total People Reached (Fire Safety Classes)	732	767	601	386	1,678
Hours of Training	4,170	4,679	3,304	3,792	4,931
Fire Loss	\$ 1,286,837	\$ 572,215	\$ 5,952,090	\$ 902,210	\$ 919,800
<b>Public Service</b>					
Tons of snow melting salt used (7)	3,589	2,419	4,927	4,041	4,800
Leaves picked up (cubic yards) (7)	5,637	6,707	4,823	6,240	8,818
Diesel Fuel Used (gal.) (7)*	35,476	35,483	36,371	35,942	30,245
Unleaded Fuel Used (gal.) (7)*	59,409	58,964	56,164	53,594	49,236
Total Water Customers (8)	7,354	7,257	7,613	7,820	7,218
Water Receipts (8)	\$ 3,188,513	\$ 3,244,157	\$ 2,967,778	\$ 3,109,373	\$ 3,214,130
Sewer Receipts (8)	\$ 3,834,517	\$ 3,766,871	\$ 3,276,106	\$ 3,179,785	\$ 2,854,567
Refuse Receipts (8)	\$ 1,654,312	\$ 1,795,853	\$ 1,538,533	\$ 1,684,341	\$ 1,706,628
Number of trees removed (9)	217	272	302	176	185
Number of trees planted (9)	121	110	309	275	219
Transports (10)	34,741	32,116	34,012	33,899	27,158
Miles Transported (10)	159,207	162,417	138,830	130,611	129,990
<b>Recreation (11)</b>					
Number of Brookside Pool Memberships	118	166	159	129	147
Number of Parks	15	15	15	15	14
Size of Parks (Acres)	443	443	443	443	418
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	2008	2007	2006	2005	2004
<b>General Government</b>					
Construction Permits Issued (1)	56	95	85	121	118
Estimated Value of Construction (1)	\$ 6,634,485	\$ 21,240,687	\$ 17,154,880	\$ 27,558,156	\$ 20,278,983
Total Cases Filed (2)	9,612	11,807	11,903	12,501	10,814
Fines Collected (2)	\$ 923,245	\$ 2,838,741	\$ 746,640	\$ 827,615	\$ 867,073
Economic Development Projects (3)	42	40	40	26	48
Purchase Orders Issued (4)	582	656	708	454	659
Number of W-2 Forms Issued (4)	375	382	388	409	443
<b>Police (5)</b>					
Total Incidents	21,028	14,699	14,256	13,500	14,887
Total Arrests	518	1,515	1,279	1,435	1,526
Hours of Training	2,305	1,167	514	633	1,490
Total Citations	671	1,180	1,093	851	1,251
Parking Tickets	518	1,452	1,015	760	1,576
Parking Ticket Fines Collected	\$ 10,098	\$ 1,170	\$ 6,290	\$ 4,830	\$ 9,530
<b>Fire (6)</b>					
Fire Calls	595	592	553	562	586
EMS Calls	3,021	3,336	3,041	3,049	3,020
Total People Reached (Fire Safety Classes)	1,134	2,018	4,100	3,838	4,000
Hours of Training	7,317	7,396	6,902	4,692	9,070
Fire Loss	\$ 1,298,840	\$ 398,950	\$ 1,291,520	\$ 420,200	\$ 581,795
<b>Public Service</b>					
Tons of snow melting salt used (7)	8,996	3,537	1,547	4,792	4,519
Leaves picked up (cubic yards) (7)	5,558	7,957	6,361	6,697	1,076
Diesel Fuel Used (gal.) (7)*	1,112	11,181	6,522	9,662	11,529
Unleaded Fuel Used (gal.) (7)*	4,548	6,794	6,202	7,079	6,854
Total Water Customers (8)	7,248	7,924	7,924	7,903	7,823
Water Receipts (8)	\$ 3,230,076	\$ 2,937,860	\$ 2,937,860	\$ 2,542,479	\$ 2,039,641
Sewer Receipts (8)	\$ 2,389,225	\$ 2,446,003	\$ 2,446,003	\$ 2,484,555	\$ 2,464,513
Refuse Receipts (8)	\$ 1,702,745	\$ 1,719,232	\$ 1,719,232	\$ 1,577,952	\$ 1,475,639
Number of trees removed (9)	315	228	228	107	116
Number of trees planted (9)	183	245	245	40	455
Transports (10)	28,430	24,334	24,334	25,700	29,838
Miles Transported (10)	155,565	176,677	176,677	138,105	156,548
<b>Recreation (11)</b>					
Number of Brookside Pool Memberships	201	212	212	179	254
Number of Parks	13	13	13	13	12
Size of Parks (Acres)	388	388	388	388	383
Number of Golf Courses	1	1	1	1	1

\* Fuel statistics are estimates.

**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 as of 2006. Funded by city, county, & private investors.

**CITY OF ASHLAND, OHIO**

*Operating Information*

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Government</b>										
(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	1	2	2	2	2	5	4	4	5
(3) Other Departmental Vehicles	6	7	7	7	6	10	10	10	10	11
<b>Police</b>										
(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	23	21	19	23	20	31	31	31	31	30
<b>Fire Station</b>										
(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	18	17	17	16	18	19	19	19	19	20
<b>Other Public Works</b>										
(4) Streets (miles)	115	115	115	115	97	97	95	93	92	91
* Streetlights	*	*	*	*	*	*	*	*	*	*
(4) Traffic Signals (includes flashing)	38	38	37	37	31	31	31	31	31	31
(3) Public Service Vehicles	82	79	80	85	89	130	130	95	89	93
<b>Recreation</b>										
(2) Number of Parks	15	15	15	15	14	13	13	13	13	12
(3) Vehicles	29	32	35	36	22	29	29	34	33	35
<b>Water</b>										
(1) Water mains (miles)	104	104	104	104	104	103	103	102	102	102
(1) Fire hydrants	921	921	920	920	920	916	910	900	900	900
<b>Wastewater</b>										
(1) Sanitary Sewers (miles)	100	100	100	100	100	97	96	95	95	95
(1) Storm Sewers (miles)	67	67	66	66	66	66	64	63	62	62
<b>Transit</b>										
(3) Vehicles	9	9	9	9	10	11	10	9	9	9

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

**CITY OF ASHLAND  
ASHLAND COUNTY, OHIO**

*SUPPLEMENTAL REPORTS*

FOR THE YEAR ENDED  
DECEMBER 31, 2013

**LARRY PAXTON, DIRECTOR OF FINANCE**

**CITY OF ASHLAND  
ASHLAND COUNTY, OHIO**

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**CITY OF ASHLAND  
ASHLAND COUNTY, OHIO**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Grant Number	Federal CFDA Number	(A) Disbursements
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	91000	20.205	\$ 4,000
Formula Grants for Other Than Urbanized Areas	RPT-4003-032-121	20.509	56,519
Formula Grants for Other Than Urbanized Areas	RPT-0003-032-122	20.509	43,152
Formula Grants for Other Than Urbanized Areas	RPT-4003-031-131	20.509	220,536
Formula Grants for Other Than Urbanized Areas	RPT-0003-033-132	20.509	20,939
Formula Grants for Other Than Urbanized Areas	RPT-4003-029-133	20.509	3,783
<b>Total Formula Grants for Other Than Urbanized Areas</b>			<u>344,929</u>
<b>Total U. S. Department of Transportation</b>			<u>348,929</u>
<b>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>			
<i>Passed Through Ohio Environmental Protection Agency</i>			
Congressionally Mandated Projects	00E00979	66.202	290,546
<b>Total U. S. Environmental Protection Agency</b>			<u>290,546</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grants (CHIP)	A-C-11-2AC-1	14.228	39,375
Community Development Block Grants (Formula)	A-F-12-2AC-1	14.228	77,410
<b>Total Community Development Block Grants</b>			<u>116,785</u>
<b>Total U. S. Department of Housing and Urban Development</b>			<u>116,785</u>
<b>TOTAL</b>			<u>\$ 756,260</u>

The accompanying notes are an integral part of this schedule.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Note A - Significant Accounting Policies**

The Schedule of Expenditures of Federal Awards reports the City of Ashland's federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

**Note B - Matching Requirements**

Certain Federal programs require the City of Ashland to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



## **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, 2013, 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 June 20, 2014, wherein we noted as discussed in Note 3, the City of Ashland adopted Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

#### ***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*.

We also noted certain other matters not requiring inclusion in this report, that we reported to the City of Ashland's management in a separate letter dated June 20, 2014.

***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.



Julian & Grube, Inc.  
June 20, 2014



**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 Compliance With Requirements Applicable  
to Each Major Federal Program and on Internal Control Over Compliance  
Required by OMB Circular A-133 and the Schedule of  
Federal Awards Expenditures**

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

To the Members of Council and Mayor:

***Report on Compliance for Each Major Federal Program***

We have audited the City of Ashland's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City of Ashland's major federal programs for the year ended December 31, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the City of Ashland's major federal programs.

***Management's Responsibility***

The City of Ashland's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the City of Ashland's compliance for each of the City of Ashland's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Ashland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the City of Ashland complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2013.

Members of Council and Mayor  
City of Ashland

***Report on Internal Control over Compliance***

The City of Ashland's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Ashland's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Ashland's internal control over compliance.

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

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

We also noted a certain other matter not requiring inclusion in this report, that we reported to the City of Ashland's management in a separate letter dated June 20, 2014.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on the Schedule of Federal Awards Expenditures***

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ashland as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Ashland's basic financial statements. We issued our unmodified report thereon dated June 20, 2014, wherein we noted as discussed in Note 3, the City of Ashland adopted Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. We conducted our audit to opine on the City of Ashland's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
June 20, 2014

**CITY OF ASHLAND  
ASHLAND COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2013**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Formula Grants for Other Than Urbanized Areas, CFDA #20.509; Congressionally Mandated Projects, CFDA #66.202
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

None

**CITY OF ASHLAND  
ASHLAND COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2013**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></b>
2012-001	<u>Noncompliance Finding</u> - Ohio Revised Code Section 5705.41(D) provides no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision stating the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.	Yes	N/A

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# 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  
AUGUST 12, 2014**