

City of Ashland, OH
Report Letters

December 31, 2007



Mary Taylor, CPA
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 Rea & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 24, 2008

This Page is Intentionally Left Blank.

CITY OF ASHLAND, OHIO

TABLE OF CONTENTS

	PAGE
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance with Requirements Applicable to Each Major Program And Internal Control over Compliance in Accordance with OMB Circular A-133.....	3
Schedule of Federal Awards Expenditures	5
Schedule of Findings and Questioned Costs	6
Summary Schedule of Prior Audit Findings	9
Response to Audit Findings	10

This Page is Intentionally Left Blank.



June 30, 2008

To the Honorable Mayor and City Council
City of Ashland
Ashland County, Ohio

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, 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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Ashland's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2007-001 to be a material weakness in internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We also noted certain internal control matters that we reported to the management of City of Ashland in a separate letter dated June 30, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Ashland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to management of the City of Ashland in a separate letter dated June 30, 2008.

The City of Ashland's response to the findings identified in our audit are described in the accompanying schedule of findings and responses, and we did not audit the City of Ashland's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the city council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Rea & Associates, Inc.



June 30, 2008

To the Honorable Mayor and City Council
City of Ashland
Ashland, Ohio 44805

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the City of Ashland with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The City of Ashland's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Ashland's management. Our responsibility is to express an opinion on the City of Ashland's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Ashland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Ashland's compliance with those requirements.

In our opinion, the City of Ashland complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the City of Ashland is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Ashland's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Ashland's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

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 that might be significant deficiencies or material weaknesses. We noted two deficiencies in internal control over compliance – one that we consider to be a material weakness and one that we consider to be a significant deficiency – which are disclosed in the accompanying schedule of findings and questioned costs as Findings 2007-003 and 2007-004, respectively.

The City of Ashland's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City of Ashland's response and, accordingly, we express no opinion on it.

The City of Ashland's response to the findings identified in our audit are described in the accompanying schedule of findings and responses, and we did not audit the City of Ashland's response, and accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City of Ashland as of and for the year ended December 31, 2007, and have issued our report thereon dated June 30, 2008. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the mayor, management, federal awarding agencies, pass-through entities, and City Council, and is not intended to be and should not be used by anyone other than those specified parties.

Kea & Associates, Inc.

**CITY OF ASHLAND
ASHLAND COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA #	Pass-Through Grantor's Number	Program Award Amount	2007 Expenditures
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD):				
(Passed through Ohio Department of Development):				
Community Development Block Grants	14.228	A-F-05-084-1	\$ 98,000	\$ 76,800
		A-C-05-084-1	166,000	59,228
		A-F-06-084-1	89,000	89,000
Total CFDA #14.228				225,028
(Passed through Ohio Department of Development):				
HOME Investment Partnerships Program	14.239	A-C-05-084-2	389,000	22,700
Total Housing and Urban Development Programs				247,728
US DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION:				
(Passed through Ohio Department of Transportation):				
Formula Grants for Those Other Than Urbanized Areas	20.509	RPT-0003-026-072	81,000	27,540
		RPT-4003-026-071	264,370	227,149
				254,689
Highway Planning and Construction Grant	20.205	ASD Holbrook Street	309,000	5,166
		ASD Union Street	195,000	145,461
				150,627
Total Department of Transportation				405,316
US Department of Transportation MARCS 2005 Grant	93.889	FY 2005 EMS Grant	100,000	867
Total Expenditures of Federal Awards				\$ 653,911

Note A - Significant Accounting Policies

The Schedule of Expenditures of Federal Awards summarizes activity of the City's federal awards programs. The schedule has been prepared on the cash basis of accounting.

**CITY OF ASHLAND
ASHLAND COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

A-133 Ref.
.505(d)

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d) (1) (ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS) which are not considered to be material?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs which were not considered to be material?	Yes
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section 510(a) of Circular A-133?	Yes
(d) (1) (vii)	Major Programs (list): Highway Planning and Construction Community Development Block Grants	CFDA 20.205 14.228
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER	2007-001
-----------------------	-----------------

MATERIAL WEAKNESS

Auditor of State Technical Bulletin 2002-004 requires that when payments are made directly to a contractor, the State will notify the fiscal officer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and expenditure in the appropriate fund equal to the amount disbursed by the State.

During 2007, the State of Ohio Department of Transportation (ODOT) paid \$145,386 (Highway Planning and Construction monies) directly to contractors. These transactions were not recorded in the City's accounting records. This condition resulted in a loss of accountability over the revenue and expenditures of the ODOT grant. The audited financial statements were adjusted to reflect this transaction.

When the City participates in an ODOT grant project, it must for each project awarded, establish a capital project fund to account for the grant monies and local matching funds. The federal schedule for 2007 was adjusted to properly present the ODOT grant monies.

City's Response to the Finding: See City's response on page #10.

**CITY OF ASHLAND
ASHLAND COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

FINDING NUMBER	2007-002
-----------------------	-----------------

MATERIAL NON COMPLIANCE

Ordinance No. 5-75 establishes a special fund known as the Special Investment Income Capital Improvement Fund for deposit, control, and expenditure of investment and any additional funds in which the city may elect. All moneys earned by the City of Ashland shall be deposited, credited to and expended from said fund for capital improvements of a general nature.

During 2007 Council approved and made transfers of \$152,000 from the fund mentioned above to the Brookside Swimming Pool and Golf Course Funds. These were operating transfers that are outside the scope of fund use set forth by Ordinance No. 5-75. We recommend the city comply with their ordinance or consider legally changing the ordinance to meet their current demands.

City's Response to the Finding:

The City moved the money back upon notification of non-compliance with their ordinance and the corrections is reflected in these audited financial statements. City management plans on reviewing Ordinance No. 5-75 to determine if this ordinance requires amending to meet the current and future financial needs of the City.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

FINDING NUMBER	2007-003
-----------------------	-----------------

The City does not have an adequate process in place to maintain or prepare a schedule of expenditures of federal awards. OMB Circular A-133 requires all entities expending greater than \$500,000 to have an annual audit. Further, the audited entity is required to prepare the schedule of expenditures of federal awards.

The financial records of the City need to be more clearly defined for the federal expenditures. That is, each grant should be identifiable in the City's general ledger through a specific line item or series of line items. The City has established separate funds and line items for their grants; however, they post both the federal funds and City match to the same expenditure line item for each grant. The federal and City share expenditures should be posted to separate expenditure line items. Additionally, if there are two grant years running concurrently during the City's calendar year, each grant year should be identified.

Significant changes were proposed and made to the original schedule of expenditures of federal awards presented. We recommend the City establish a procedure that clearly defines the activity in each grant in the financial records. This will help the City to identify all federal grant expenditures and can aid in preparing the federal schedule that will appear in the City's financial report.

City's Response to the Finding: See City's response on page #10.

**CITY OF ASHLAND
ASHLAND COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

FINDING NUMBER	2007-004
-----------------------	-----------------

Program Information:

CFDA #20.205 – Highway Planning and Construction
U.S. Department of Transportation
Passed through Ohio Department of Transportation

Criteria: The Ohio Department of Transportation *LPA Local-Let Policy and Procedures* handbook indicates in the LPA Requirements Chapter concerning finance, accounting and record keeping, "the LPA must have established practices and processes that ensure all financial transactions associated with the project are properly accounted and that accurate records are maintained in this regard for subsequent audit purposes". Although the Engineering Department has records that properly and accurately reflect the financial status of the project, the City, in its financial department, does not.

Condition: The City's process for recording direct payments to contractors was not effective in capturing all transactions for this grant. This caused an understatement of revenue and expense in the amount of \$145,386.

Context: We reviewed the expenses for the project that was in progress during 2007 and compared the revenues received per the Ohio Department of Transportation confirmation to the revenues and expenses recorded in the City's general ledger. The project had a separate line item for expense within the 202 Fund (Street Maintenance Fund). Federal grant revenues are posted to a separate line item number 202-0004-40020. We noted 100% of the payments made directly to the contractors by ODOT were not recorded as a revenue or expense in the general ledger.

Effect: Because of the lack of reconciliation procedures between the two departments errors in recording the proper costs of the project and the total federal assistance in the project are occurring. This will have a direct effect on the Schedule of Expenditures of Federal Awards and may also cause projects to be recorded on the fixed asset schedule at the wrong amount. Errors may be occurring because at the current time only those transactions that require the City to make payment are being communicated to the Finance Department. Communications of all transactions, including those that are directly paid to the contractor by the Ohio Department of Transportation, should be made to the Finance Department.

Recommendation: We recommend the City include a purchase order for the direct pay contractor's contract award amount at the beginning of the project (or for the amount anticipated to be spent in the fiscal year). When requesting that ODOT pay the vendor, the Engineer's Office should also request that ODOT notify them once this payment has occurred. Once this notification is received from ODOT, the Engineering Department should forward a copy of the approved request for payment to the Finance Department, clearly marked "Direct Pay by ODOT", so the Finance Department can record the payment as a memo check. The amount should also be recorded as revenue at this time. We further recommend the City provide printouts of the Revenue and Expense Audit Trail Reports to the Engineering Department on a quarterly basis so that a reconciliation of the financial records can be done. Any discrepancies in the reconciliation should be investigated and resolved in a timely manner.

City's Response to the Finding: See City's response on page #10.

**CITY OF ASHLAND
ASHLAND COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007**

Finding No.	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid, Explain
2006-001	Posting of receipts and expenditures for direct payments to vendors (GAGAS level).	No	Reissued as Finding 2007-001.
2006-002	Posting of receipts and expenditures for direct payments to vendors (Federal Award level).	No	Reissued as Finding 2007-004.

City Of Ashland Response to Audit Findings Grant Procedures

1. Monthly report/monthly meetings on all grants between Finance and Engineering.
2. Purchase orders must have entire project encumbered.
3. Expense appropriation must break down grant by funding source.
4. Estimated revenue resources must break down grant by funding sources.
5. Engineering/Finance must reconcile differences and communicate monthly on all grants.

Beginning in October, 2008 and every month thereafter, Engineering and Finance will meet the 2nd Thursday of the month at 9:00 a.m. in the Finance office.

6. Reference to finding number 2007-004. Engineering will check with ODOT as to why Finance is not receiving copies of direct payments to record. Engineering has a copy of the Ohio Department of Transportation *LPA Local-Let Policy and Procedures* handbook which indicates in the LPA Requirements Chapter concerning finance, accounting and record keeping, "the LPA must have established practices and processes."

Please note - the grant procedures are to address the following findings:

2007-001
2007-003
2007-004

City of Ashland, Ohio



Comprehensive Annual Financial Report (CAFR)

For Year Ended December 31, 2007

Ashland



BalloonFest



INTRODUCTORY SECTION

**CITY OF ASHLAND
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2007**

Table of Contents

	<i>Page</i>
<u>INTRODUCTORY SECTION</u>	
Table of Contents	i
Letter of Transmittal.....	v
City Officials.....	ix
Organization Chart	x
 <u>FINANCIAL SECTION</u>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Governmental-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund.....	17
Street Maintenance and Repair Fund.....	18
Statement of Net Assets – Proprietary Funds	19
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	20

Table of Contents
(Continued)

	<i>Page</i>
Statement of Cash Flows – Proprietary Funds	21
Statement of Fiduciary Assets and Liabilities	23
Notes to the Basic Financial Statements	24
Combining Statements:	
Combining Statements – Nonmajor Governmental Funds	
Fund Descriptions	54
Combining Balance Sheet – Nonmajor Governmental Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	58
Combining Balance Sheet – Nonmajor Special Revenue Funds	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	64
Combining Balance Sheet – Nonmajor Capital Projects Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	70
Combining Balance Sheet – Nonmajor Debt Service Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	72
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	73
Street Maintenance and Repair Fund	77
State Highway Improvement Fund	78
Permissive Tax Fund	79
City Permissive Tax Fund	80
Bandshell Improvements Fund	81
Park & Recreation Fund	82
Kate Myers Trust Fund	83
Fire/Rescue Training Fund	84
Fire/Rescue Equipment Fund	85
Community Development Block Grant Fund	86
Ohio Regional Development Fund	87

Table of Contents
(Continued)

	<i>Page</i>
Firemen’s Pension Fund	88
Policemen’s Pension Fund	89
Drug Law Enforcement Fund.....	90
Enforcement and Education Fund	91
Ashland Public Transportation Fund	92
D.A.R.E. Fund.....	93
Municipal Court Computer Fund	94
Indigent Drivers Fund.....	95
Municipal Probation Fund	96
Police Donations Fund.....	97
Home Arrest Fund	98
Community Corrections Fund.....	99
Municipal Court Special Programs Fund.....	100
CCA Monitoring Fund.....	101
Revolving Loan Fund	102
Mayor’s Underprivileged Children Fund.....	103
General Obligation Bond Retirement Fund	104
Note Retirement Fund.....	105
Capital Improvement Fund	106
Sidewalk Improvement Fund	107
Combining Statements – Nonmajor Enterprise Funds	
Fund Descriptions	108
Combining Statement of Fund Net Assets – Nonmajor Enterprise Funds	109
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds.....	110
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	111
Combining Statements – Fiduciary Funds	
Fund Descriptions	112
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	113
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	114

*Table of Contents
(Continued)*

<u>STATISTICAL SECTION</u>	<i>Page</i>
Statistical Section Contents	S-1
Revenue Capacity – Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years.....	S-2
Revenue Capacity – Direct and Overlapping Property Tax Rates – Last Ten Collection Years.....	S-3
Revenue Capacity – Principal Property Tax Payers – 2007	S-4
Revenue Capacity – Property Tax Levies and Collections – Last Ten Years	S-5
Revenue Capacity – Income Tax Revenue Base and Collections – Last Ten Years.....	S-6
Revenue Capacity – Income Tax Statistics – Last Ten Years	S-7
Debt Capacity - Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S-9
Debt Capacity – Ratios of Net General Bonded Debt Outstanding – Last Ten Years	S-10
Debt Capacity – Direct and Overlapping Governmental Activities Debt – As of December 31, 2006.....	S-11
Debt Capacity – Legal Debt Margin Information – Last Ten Years	S-12
Demographic and Economic Information – Demographic and Economic Statistics – Last Ten Years.....	S-13
Demographic and Economic Information – Principal Employers – Current and Nine Years Ago	S-14
Financial Trends Information – Net Assts by Component – Last Five Years	S-15
Financial Trends Information – Changes in Net Assets – Last Five Years	S-16
Financial Trends Information – Program Revenues by Function/Program – Last Five Years.....	S-18
Financial Trends Information – Fund Balances, Governmental Funds – Last Ten Years.....	S-19
Financial Trends Information – Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S-20
Operating Information – Full-Time Equivalent City Governmental Employees By Function/Program- - Last Ten Years	S-22
Operating Information – Operating Indicators by Function/Program – Last Ten Years.....	S-23
Operating Information – Capital Asset Statistics by Function/Program – Last Ten Years	S-25



ANNA M. TOMASEK
MPA, CPA
Director of Finance

CITY OF ASHLAND
Municipal Building
206 Claremont Ave.
Ashland, Ohio 44805
(419) 289-8170
FAX: (419) 281-0400

June 30, 2008

City of Council and Citizens of Ashland
Ashland, Ohio

The Comprehensive Annual Financial Report

The Ohio Revised Code requires that every public office, other than a state agency, publish a financial report for each fiscal year. Because the City prepares this report pursuant to generally accepted accounting principles, the report must be filed with the Auditor of State within one hundred fifty (150) days after the end of the fiscal year. This document is produced to fulfill this requirement for the year ended December 31, 2007.

City Management is fully responsible for the completeness and reliability of the information contained in this report. The City of Ashland uses a comprehensive framework of internal controls to ensure that this information is dependable. Because the cost of internal controls should not exceed the benefit derived from such controls, the objective of the framework is to provide reasonable and assurance that this report is free from any material misstatements.

Rea & Associates, Inc., Accountants and Business Consultants, have issued an unqualified (“clean”) opinion for the City of Ashland’s financial statements for the year ended December 31, 2007. The independent auditor’s report is located in the front of the financial section of this report.

Management Discussion and Analysis (MD&A) immediately follows the independent auditor’s report. The MD&A provides a narrative of the financial statements including an introduction, overview and analysis of information reported in this document. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Ashland, Ohio incorporated in 1884, is located in the north central part of the State of Ohio. The City's 10.85 square mile area is home to a population of 21,249. Located within Ashland County, Ashland is a home rule municipal corporation under the laws of the State of Ohio and, as such, operated under its own charter. The current charter was adopted June 18, 1914 and has undergone several amendments with the last being in 2007. The city government consists of a Mayor, a four-member Council and a Council President. All of these officials are elected to four-year terms.

The City provides a full range of municipal services contemplated by its charter. These services include police, fire, health care, recreation programs, planning and zoning, and general administrative services.

For financial reporting purposes, the City includes in this report all funds, agencies, boards, and commissions that are controlled by, or dependent on the City legislative branch. "Controlled by" or "dependent on" the City is determined on the basis of budget adoption, taxing authority of the City, and/or the City's obligation to fund any deficits that may occur.

Annual budgets are adopted for all City funds. Under state law, the annual tax budget is required to be submitted to Council for consideration and approval no later than July 15. By City Charter, an annual appropriation ordinance must be passed by no later than March 31st. The ordinance builds upon the tax budget of the previous July and is updated for any estimates or revisions. The legal level of City Council appropriated budgetary control is at the personal services or other services level within all funds.

Historical Local Economy Analysis 5-10 year for Ashland, Ohio

Ashland Area Council for Economic Development (AACED) files indicate approximately 1,500 good-paying manufacturing jobs lost in the city in the late 1990s until 2002. Consolidations and closings of companies such as Carastar, Hedstrom, Timken, and Bosch all dealt a serious blow to the manufacturing base. This trend of offshoring and corporate consolidation has subsided (with the recent exception of Hospira closing their Ashland facilities in 2007, removing 450 jobs from the local economy).

Positive signs in our local economy include:

1. Ashland County unemployment rate that has held steady around 6%;
2. An active business outreach program at the AACED. Their 2007 work involved working closely with State partners to apply incentives to the expansion of American Augers in nearby West Salem (added 75 jobs in 2007), and overall modernization of the Mansfield Plumbing Products facility in nearby Perrysville--\$5million of capital equipment will be invested over next 3 years;

3. A commitment to diversify the economy beyond agriculture and manufacturing. WIL Research (a research laboratory testing drugs coming onto the market) will soon be the biggest employer in Ashland County, currently at 650 employees and planning another expansion. The community has rallied around this firm by creating bioscience curriculum at the local Career Center. North Central State College in Shelby, Ohio has also customized curriculum to meet WIL's needs;
4. An overall active economic development process. Prime example is the recruitment of Novatex North America, Inc. in 2007. This plastics production firm hired 50 former Hospira workers. The German-based firm need rapid, community support to meet the tight timeline of the Hospira contracts they were taking over. AACED, the City, and the Ashland Community Improvement Corporation put together a deal in 9 months to build a facility (via local bank financing) and lease it to Novatex at an affordable price. More projects like this in the new Ashland Business Park (over 150 developable acres remain) are expected.

Financial Management Initiatives

The elected Finance Director and Public Record prepares and maintains the Accounting Policies and Procedures Manual, which has all the new financial policies and procedures:

1. The Procurement Policy is being reviewed and monitored and a new policy will be adopted by December 31, 2008.
2. The City of Ashland has been awarded for having the first Financial Disaster Minimization Policy in 2003 by the Association of Public Treasurers of the United States and Canada.
3. In 2007, The City Council approved a new Investment Policy which was nationally recognized for certification award by the Association of Public Treasurers of the United States and Canada
4. In 2006, The City Council approved a Cash Handling Policy which as also recognized for certification by the Association of Public Treasurers of the United States and Canada.
5. The City Management will be analyzing and reviewing the need to have a debt policy and a cash reserve policy.

Major Initiatives

Work continues on several public services projects such as expanding our water resources for a development of a reservoir, US EPA project to replace 17 waterlines is a continuing project, upgrades to our local State Highways was a major project in 2007. There are several sewer separation projects ongoing to reduce the number of combined sewer outflows into receiving streams following rain events. The City of Ashland receives federal and state assistance for these major construction projects for roadways at our Industrial Park and upgrades at the Water and Water Treatment Plants.

Award and Acknowledgements

The is the first year the City of Ashland, Ohio has completed an Annual Comprehensive Report and will be submitting an application to the Government Finance Officers Association of the United States and Canada (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This is a prestigious award for any local government.

A Certificate of Achievement is valid for a period of one year only. I believe our current comprehensive annual financial report meets the program's requirements that we will be submitting to GFOA to determine its eligibility for a certificate.

The preparation of this report would not have been possible without the dedicated and efficient services of the Finance Department, and employees who contributed to this report. Sincere appreciation is given not only for their assistance in the preparation of this report, but also for the efforts expended throughout the year in following good financial management in order to maintain sound business practices.

This report is dedicated to Nancy Boyd who retired as the Finance Director from the City of Ashland March 1, 2006. Nancy Boyd provided dedication and training to accept this opportunity to provide a detail financial report to our Ashland community. I truly appreciate Nancy's Boyd assistance through this project and her years of dedicated service.

Respectfully submitted,

A handwritten signature in blue ink that reads "Anna M. Tomasek". The signature is fluid and cursive, with a long horizontal stroke extending from the top of the "A".

Anna M. Tomasek CPFA, OCPM, MPA
Director of Finance

City of Ashland, Ohio
Comprehensive Annual Financial Report
For the year ended December 31, 2007

City Officials

Ruth G. Detrow

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

Robert L. Valentine

Employed seasonally as Recreation Supervisor/Park: 1979 – 1992
1/1/2004 – present (Council)

Robert M. Valentine

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

Paul E. Wertz

1/1/1986 – present (Council)

Glen P. Stewart

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

Jacob M. Fridline

4/6/1979 – 12/31/1993 (Acting Judge)
1/1/1994 – present (Municipal Court Judge)

Stephen L. Stuart

2/5/2008 – present (Council)

Richard P. Wolfe II

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

Anna M. Tomasek

11/26/2001 – 5/26/2002 (Administrative Asst)
5/27/2002 – 2/28/2006 (Director of Accounting)
3/1/2006 – present (Director of Finance)

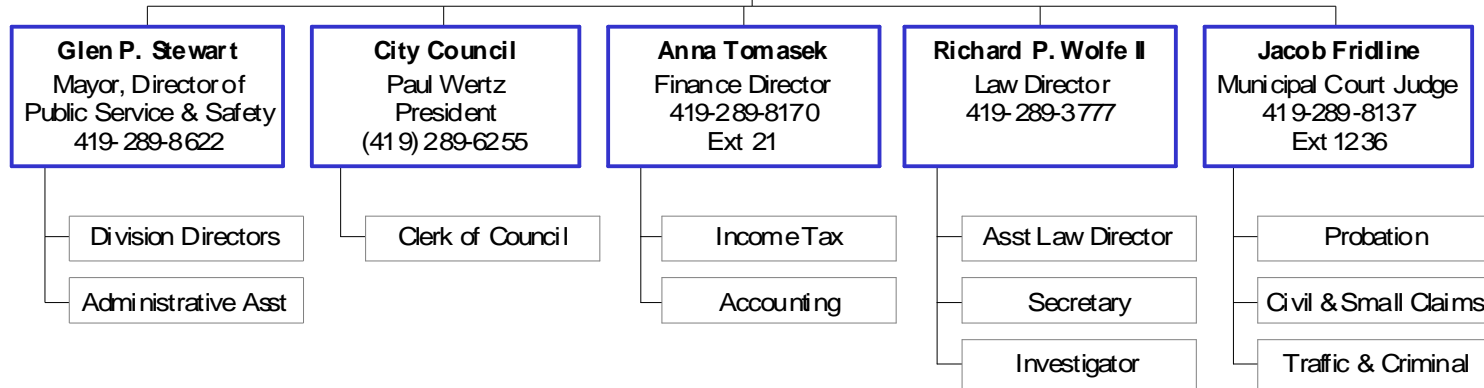
William E. Strine

1/01/1976-12/31/2001 (Director of Finance)
01/01/02-12/31/2007 (Mayor)



City of Ashland Elected Officials

Citizens of Ashland



BASIC FINANCIAL STATEMENTS



June 30, 2008

To the Honorable Mayor and Members of Council
City of Ashland
Ashland County, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ashland, Ohio as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ashland's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Ashland, Ohio as of December 31, 2007, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Street Maintenance and Repair Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 30, 2008, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ashland, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hea & Associates, Inc.

City of Ashland
Management's Discussion and Analysis
For the Year Ended December 31, 2007

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, 2007. 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 2007 are as follows:

- General revenues accounted for \$12,177,307 in revenue or 43.2 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$16,033,682 or 56.8 percent of total revenues of \$28,210,989.
- Total program expenses were \$24,843,032, \$15,816,204 in governmental activities and \$9,026,828 in business-type activities.
- In total, net assets increased \$3,367,957. Net assets of governmental activities increased \$2,635,732. Net assets of business-type activities increased \$732,225.
- Outstanding debt decreased from \$22,677,723 to \$21,384,070 through principal payments on debt.

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 operations, as they prefer.

The Statement of Net Assets and the Statement of Changes in Net Assets provide information from a summary perspective showing the effects of the operations for the year 2007 and how they affected the operations of the City as a whole.

Reporting the City of Ashland as a Whole

Statement of Net Assets and the Statement of Activities

The *Statement of Net Assets 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 Ashland, the general fund and street maintenance and repair fund are the most significant governmental funds. The water, sewer, and sanitation funds are the significant enterprise funds.

City of Ashland
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2007

A question typically asked about the City's finances "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting 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 assets* and *changes in those assets*. This change in net assets 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, required educational programs, and other factors.

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

- ü **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, community environment, leisure time activities and transportation.
- ü **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, golf course and swimming pool funds are reported as business 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 and street maintenance and repair 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 educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and street maintenance and repair fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

City of Ashland
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2007

The City adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for the general fund and each major special revenue fund to demonstrate compliance with this budget.

Proprietary Funds - Proprietary funds use the same basis of accounting as business-type activities (water, sewer, sanitation, golf course, and swimming pool); therefore, these statements will essentially match, except for the internal service fund allocations to the governmental activities.

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 Assets provides the perspective of the City as a whole.

Table 1 provides a summary of the City's net assets for 2007 compared to 2006:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Assets						
Current and Other Assets	\$ 11,719,106	\$ 10,200,037	\$ 7,167,323	\$ 7,355,527	\$ 18,886,429	\$ 17,555,564
Capital Assets	21,412,235	20,964,573	36,414,154	35,976,623	57,826,389	56,941,196
Total Assets	33,131,341	31,164,610	43,581,477	43,332,150	76,712,818	74,496,760
Liabilities						
Long-Term Liabilities	4,788,712	4,316,837	17,578,321	10,270,729	22,367,033	14,587,566
Other Liabilities	2,016,235	3,157,111	595,687	8,386,177	2,611,922	11,543,288
Total Liabilities	6,804,947	7,473,948	18,174,008	18,656,906	24,978,955	26,130,854
Net Assets						
Invested in Capital Assets Net of Debt	17,464,839	16,426,535	19,156,906	17,836,938	36,621,745	34,263,473
Restricted	5,917,701	4,546,053	0	0	5,917,701	4,546,053
Unrestricted	2,943,854	2,718,074	6,250,563	6,838,306	9,194,417	9,556,380
Total Net Assets	\$ 26,326,394	\$ 23,690,662	\$ 25,407,469	\$ 24,675,244	\$ 51,733,863	\$ 48,365,906

City of Ashland
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2007

Total assets increased by \$2,216,058 with governmental assets increasing \$1,966,731 and business-type assets increasing \$249,327. The \$1,330,865 increase in governmental current assets was primarily due to increased cash balances. The \$885,193 increase in total capital assets was due to the completion of various capital improvements during the year, including street improvements and water and sewer infrastructure improvements. Total liabilities decreased by \$1,151,899 with governmental liabilities decreasing \$669,001 and business-type liabilities decreasing \$482,898. The majority of this decrease was the result of payments of long-term debt.

Table 2 shows the changes in net assets for fiscal year 2007. This table will present two fiscal years in side-by-side comparisons in successive reporting years. This will enable the reader to draw further conclusion about the City's financial status and possibly project future problems.

(Table 2)
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 3,437,522	\$ 2,175,954	\$ 8,872,574	\$ 8,626,018	\$ 12,310,096	\$ 10,801,972
Operating Grants and Contributions	2,978,931	1,735,281	258	233	2,979,189	1,735,514
Capital Grants and Contributions	41,447	383,763	702,950	0	744,397	383,763
<i>General Revenue:</i>						
Property Taxes	1,243,168	1,418,737	0	0	1,243,168	1,418,737
Income Taxes	8,493,569	8,500,884	0	0	8,493,569	8,500,884
Grants and Entitlements	1,512,283	1,015,634	0	0	1,512,283	1,015,634
Investment Earnings	641,645	467,275	0	0	641,645	467,275
Premium on Debt Issued	16,117	0	0	0	16,117	0
Gain on Sale of Capital Assets	113,814	0	0	0	113,814	0
Other	152,654	379,930	4,057	0	156,711	379,930
Total Revenues	18,631,150	16,077,458	9,579,839	8,626,251	28,210,989	24,703,709
Program Expenses						
General Government	4,968,816	4,263,566	0	0	4,968,816	4,263,566
Security of Persons and Property	6,784,358	6,724,134	0	0	6,784,358	6,724,134
Transportation	2,145,360	2,481,334	0	0	2,145,360	2,481,334
Public Health Services	278,792	286,343	0	0	278,792	286,343
Community Environment	280,071	729,787	0	0	280,071	729,787
Leisure Time Activities	1,155,718	1,080,716	0	0	1,155,718	1,080,716
Interest and Fiscal Charges	203,089	162,169	0	0	203,089	162,169
<i>Enterprise Operations:</i>						
Water	0	0	3,220,773	2,876,249	3,220,773	2,876,249
Sewer	0	0	3,403,143	3,457,361	3,403,143	3,457,361
Sanitation	0	0	1,733,145	1,742,641	1,733,145	1,742,641
Other	0	0	669,767	654,844	669,767	654,844
Total Program Expenses	15,816,204	15,728,049	9,026,828	8,731,095	24,843,032	24,459,144
Increase (Decrease) in Net Assets Before Transfers	2,814,946	349,409	553,011	(104,844)	3,367,957	244,565
Transfers	(179,214)	(42,193)	179,214	42,193	0	0
Increase (Decrease) in Net Assets	\$ 2,635,732	\$ 307,216	\$ 732,225	\$ (62,651)	\$ 3,367,957	\$ 244,565

City of Ashland
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2007

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, and charges for services.

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

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 source of revenues very closely for fluctuations.

Police and fire represent the largest expense of the Governmental Activities. This expense of \$6,784,358 represents 42.9 percent of the total expenses. These two departments operate out of the General fund.

The City also maintains a health department (public health services) and a park department (leisure time services) within the City. These areas had expenses of \$1,434,510 in 2007 equaling 9.1 percent of the total governmental services expenses.

Business-Type Activities

Business-type activities include water, sewer, sanitation, golf course and swimming pool operations. The revenues are generated primarily from charges for services. In 2007, charges for services of \$8,872,574 accounted for almost 93 percent of the business-type revenues. The total expenses were \$9,026,828, thus leaving an increase in net assets of \$732,225 for the business-type activities.

The City's Funds

Information about the City's governmental funds begins on page 13. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$17,989,515 (exclusive of other financing sources) and expenditures of \$17,238,756 (exclusive of other financing uses). The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

Information about the proprietary funds starts on page 19. These funds are accounted for on an accrual basis. All business type funds had operating revenues of \$8,872,574, which exceeded operating expenses of \$8,041,740 by \$830,834 or 9.0 percent of operating revenues.

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.

City of Ashland
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2007

During the course of 2007, the City amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the City Auditor. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

For the general fund, final budget basis revenue was \$10,009,718, and the original budget estimates were \$9,240,394. The majority of this \$769,324 increase was attributable to higher than expected income tax revenues. Actual revenues exceeded final budgeted amounts by \$1,210,164. The majority of this increase was due to income taxes and intergovernmental revenues being higher than expected.

Final appropriations of \$11,806,575 were \$855,259 higher than the \$10,951,316 in the original budget. Actual expenditures of \$11,078,234 were less than the final budget by \$728,341. The majority of this difference is due to a reduction in general government and security of persons and property expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of year 2007, the City had \$57,826,389 invested in land, buildings and improvements, equipment, infrastructure vehicles and construction in progress. A total of \$21,412,235 of this was for governmental activities with the remainder attributable to business-type activities. Table 3 shows fiscal year 2007 balances compared with 2006.

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

	Governmental Activities		Business-Type Activities		Total	
	Restated		2007	2006	2007	Restated
	2007	2006				
Land	\$ 6,024,070	\$ 6,039,066	\$ 3,526,518	\$ 3,526,518	\$ 9,550,588	\$ 9,565,584
Construction in Progress	146,144	8,600	263,643	4,516,721	409,787	4,525,321
Buildings and Improvements	5,261,401	5,447,081	7,647,415	4,798,267	12,908,816	10,245,348
Equipment	1,176,732	1,211,351	2,349,111	966,723	3,525,843	2,178,074
Vehicles	2,231,287	2,044,563	419,308	450,384	2,650,595	2,494,947
Streets	5,038,491	4,633,169	0	0	5,038,491	4,633,169
Bridges	1,071,732	1,158,355	0	0	1,071,732	1,158,355
Street Lighting	462,378	422,388	0	0	462,378	422,388
Infrastructure	0	0	22,208,159	21,718,010	22,208,159	21,718,010
Totals	\$ 21,412,235	\$ 20,964,573	\$ 36,414,154	\$ 35,976,623	\$ 57,826,389	\$ 56,941,196

The \$885,193 increase in capital assets was attributable to additional purchases exceeding depreciation expense. Note 10 provides capital asset activity during the 2007 year.

City of Ashland
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2007

Debt

The outstanding debt for the City of Ashland as of December 31, 2007 was \$21,384,070 with \$9,709,644 due within one year. Table 4 summarizes outstanding debt.

(Table 4)
Outstanding Debt, at December 31

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
OPWC Loans	\$ 31,027	\$ 40,037	\$ 5,163	\$ 5,957	\$ 36,190	\$ 45,994
OWDA Loans	0	0	1,059,906	1,196,905	1,059,906	1,196,905
General Obligation Bonds	2,484,000	2,598,177	8,481,000	8,871,823	10,965,000	11,470,000
Bond Anticipation Notes	997,000	0	7,850,000	0	8,847,000	0
ODOD Loan	0	379,500	0	0	0	379,500
ODOT Loan	475,974	462,010	0	0	475,974	462,010
Capital Leases	0	111,314	0	0	0	111,314
Notes Payable	0	947,000	0	8,065,000	0	9,012,000
<i>Total</i>	<u>\$ 3,988,001</u>	<u>\$ 4,538,038</u>	<u>\$ 17,396,069</u>	<u>\$ 18,139,685</u>	<u>\$ 21,384,070</u>	<u>\$ 22,677,723</u>

In 2005, the City was awarded a new loan from the Ohio Department of Development (ODOD) in the amount of \$500,000. The loan proceeds were used for the purchase of the Riley Property. This property will be used for economic development.

In 2005, the City was awarded a new loan from the Ohio Department of Transportation (ODOT) in the amount of \$462,010. The loan proceeds were used for U.S. Route 250 improvements.

In 2004 the City was awarded a new loan from the Ohio Public Works Commission (OPWC) in the amount of \$7,942. The proceeds of this loan are being used to replace waterlines in the City.

In 1990 the City entered into an agreement with the Ohio Water Development Authority (OWDA) for the expansion and improvements of the wastewater treatment plant.

The proceeds of the general obligation bonds of the business-type funds were used for various water and sewer utility construction and improvement projects.

The proceeds of the general obligation bonds of the governmental activities were used for the construction of a new municipal court and police facility.

Additional information concerning the City's debt can be found in Note 16 and 17 to the basic financial statements.

City of Ashland
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2007

Current Financial Status

The City of Ashland relies upon several sources of revenue including income tax, local government funds, gasoline excise taxes, tangible property taxes, utility user fees and other miscellaneous revenues. During 2007, the City's leadership dealt with the fiscal constraints of a recovering economy as other municipalities faced in the state. Due to the 2007 financial condition, the City's finances continued to be stable and the City continues to monitor the condition closely.

In 2007, the City began the process of complying with environmental regulations for its enterprise funds by designing and constructing several water, storm water, and waste water enhancement projects. To comply with these mandated requirements, the City will be required to incur additional debt.

The City continues to position itself for future growth by developing new infrastructure projects such as a 400 million gallon reservoir and the 190 acre business park.

In the future the City of Ashland, Ohio looks forward to meeting the needs of its citizens, employees, and vendors through cooperation, hard work and determination.

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 Anna Tomasek, Director of Finance, 206 Claremont Avenue, Ashland, Ohio 44805, or annatomasek@ashland-ohio.com.

City of Ashland
Statement of Net Assets
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 6,189,060	\$ 5,070,297	\$ 11,259,357
Taxes Receivable	2,780,974	0	2,780,974
Accounts Receivable	247,382	1,118,511	1,365,893
Deferred Charges	40,605	138,821	179,426
Internal Balances	108,204	(108,204)	0
Intergovernmental Receivable	2,138,926	675,000	2,813,926
Prepaid Items	90,527	46,872	137,399
Materials and Supplies Inventory	123,428	226,026	349,454
Non-Depreciable Capital Assets	6,170,214	3,790,161	9,960,375
Depreciable Capital Assets, Net	15,242,021	32,623,993	47,866,014
<i>Total Assets</i>	<u>33,131,341</u>	<u>43,581,477</u>	<u>76,712,818</u>
Liabilities			
Accounts Payable	295,282	129,075	424,357
Accrued Wages	171,012	57,236	228,248
Contracts Payable	0	92,668	92,668
Intergovernmental Payable	218,993	65,956	284,949
Accrued Vacation Payable	78,131	5,351	83,482
Accrued Interest Payable	42,395	245,401	287,796
Deferred Revenue	1,210,422	0	1,210,422
Long-Term Liabilities:			
Due Within One Year	1,208,079	8,535,871	9,743,950
Due in More Than One Year	3,580,633	9,042,450	12,623,083
<i>Total Liabilities</i>	<u>6,804,947</u>	<u>18,174,008</u>	<u>24,978,955</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	17,464,839	19,156,906	36,621,745
Restricted for Debt Service	169,689	0	169,689
Restricted for Capital Outlay	922,772	0	922,772
Restricted for Other Purposes	4,825,240	0	4,825,240
Unrestricted	2,943,854	6,250,563	9,194,417
<i>Total Net Assets</i>	<u>\$ 26,326,394</u>	<u>\$ 25,407,469</u>	<u>\$ 51,733,863</u>

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

City of Ashland
Statement of Activities
For the Year Ended December 31, 2007

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 4,968,816	\$ 1,621,076	\$ 479,141	\$ 0	\$ (2,868,599)	\$ 0	\$ (2,868,599)
Security of Persons and Property	6,784,358	1,381,724	178,715	0	(5,223,919)	0	(5,223,919)
Public Health	278,792	62,497	0	0	(216,295)	0	(216,295)
Leisure Time Services	1,155,718	56,366	53,763	0	(1,045,589)	0	(1,045,589)
Community and Economic Development	280,071	0	604,376	41,447	365,752	0	365,752
Transportation	2,145,360	315,859	1,662,936	0	(166,565)	0	(166,565)
Interest and Fiscal Charges	203,089	0	0	0	(203,089)	0	(203,089)
<i>Total Governmental Activities</i>	<u>15,816,204</u>	<u>3,437,522</u>	<u>2,978,931</u>	<u>41,447</u>	<u>(9,358,304)</u>	<u>0</u>	<u>(9,358,304)</u>
Business-Type Activities							
Water	3,220,773	3,520,855	0	131,223	0	431,305	431,305
Sewer	3,403,143	3,077,761	0	571,727	0	246,345	246,345
Sanitation	1,733,145	1,766,002	0	0	0	32,857	32,857
Golf Course	579,940	453,057	258	0	0	(126,625)	(126,625)
Swimming Pool	89,827	54,899	0	0	0	(34,928)	(34,928)
<i>Total Business-Type Activities</i>	<u>9,026,828</u>	<u>8,872,574</u>	<u>258</u>	<u>702,950</u>	<u>0</u>	<u>548,954</u>	<u>548,954</u>
<i>Totals</i>	<u>\$ 24,843,032</u>	<u>\$ 12,310,096</u>	<u>\$ 2,979,189</u>	<u>\$ 744,397</u>	<u>(9,358,304)</u>	<u>548,954</u>	<u>(8,809,350)</u>
General Revenues:							
Property Taxes Levied for:							
General Purposes					694,641	0	694,641
Other Purposes					548,527	0	548,527
Income Taxes Levied for:							
General Purposes					6,711,533	0	6,711,533
Other Purposes					1,782,036	0	1,782,036
Grants and Entitlements not Restricted to Specific Programs					1,512,283	0	1,512,283
Investment Earnings					641,645	0	641,645
Premium on Debt Issued					16,117	0	16,117
Unrestricted Contributions					906	0	906
Gain on the Sale of Capital Assets					113,814	0	113,814
Miscellaneous					151,748	4,057	155,805
<i>Total General Revenues</i>					<u>12,173,250</u>	<u>4,057</u>	<u>12,177,307</u>
Transfers					<u>(179,214)</u>	<u>179,214</u>	<u>0</u>
<i>Total General Revenues and Transfers</i>					<u>11,994,036</u>	<u>183,271</u>	<u>12,177,307</u>
<i>Change in Net Assets</i>					<u>2,635,732</u>	<u>732,225</u>	<u>3,367,957</u>
<i>Net Assets Beginning of Year (Restated - See Note 3)</i>					<u>23,690,662</u>	<u>24,675,244</u>	<u>48,365,906</u>
<i>Net Assets End of Year</i>					<u>\$ 26,326,394</u>	<u>\$ 25,407,469</u>	<u>\$ 51,733,863</u>

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

City of Ashland
Balance Sheet
Governmental Funds
December 31, 2007

	General	Street Maintenance and Repair	All Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,945,676	\$ 1,464,495	\$ 2,657,226	\$ 6,067,397
Taxes Receivable	1,756,707	236,021	788,246	2,780,974
Accounts Receivable	219,592	0	27,790	247,382
Intergovernmental Receivable	628,124	681,080	829,722	2,138,926
Interfund Receivable	145,804	0	0	145,804
Prepaid Items	65,307	12,941	12,279	90,527
Materials and Supplies Inventory	0	123,428	0	123,428
<i>Total Assets</i>	<u>\$ 4,761,210</u>	<u>\$ 2,517,965</u>	<u>\$ 4,315,263</u>	<u>\$ 11,594,438</u>
Liabilities				
Accounts Payable	106,613	86,374	102,295	295,282
Accrued Wages	56,634	16,131	98,247	171,012
Intergovernmental Payable	160,273	16,323	42,397	218,993
Deferred Revenue	1,629,799	608,985	1,388,323	3,627,107
<i>Total Liabilities</i>	<u>1,953,319</u>	<u>727,813</u>	<u>1,631,262</u>	<u>4,312,394</u>
Fund Balances				
Reserved for Encumbrances	111,382	103,908	127,818	343,108
Unreserved, Undesignated, Reported in:				
General Fund	2,696,509	0	0	2,696,509
Special Revenue Funds	0	1,686,244	1,668,873	3,355,117
Debt Service Funds	0	0	88,472	88,472
Capital Projects Funds	0	0	798,838	798,838
<i>Total Fund Balances</i>	<u>2,807,891</u>	<u>1,790,152</u>	<u>2,684,001</u>	<u>7,282,044</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 4,761,210</u>	<u>\$ 2,517,965</u>	<u>\$ 4,315,263</u>	<u>\$ 11,594,438</u>

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

City of Ashland
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2007*

Total Governmental Fund Balances \$ 7,282,044

*Amounts reported for governmental activities in the
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 21,412,235

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

Property Taxes	\$ 95,421
Income Tax	463,027
Intergovernmental	1,682,046
Charges for Services	<u>176,191</u>

Total 2,416,685

An internal service fund is used by management to charge the costs of insurance to individual funds, The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 84,063

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (42,395)

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. 40,605

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(2,484,000)
Bond Anticipation notes	(997,000)
OPWC Loans	(31,027)
ODOT Loan	(475,974)
Accrued Vacation Leave	(78,131)
Compensated Absences	<u>(800,711)</u>

Total (4,866,843)

Net Assets of Governmental Activities \$ 26,326,394

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

City of Ashland
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Street Maintenance and Repair	All Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$ 749,195	\$ 0	\$ 568,162	\$ 1,317,357
Income Taxes	6,771,503	944,521	862,010	8,578,034
Charges for Services	1,542,410	304,108	369,740	2,216,258
Licenses and Permits	40,911	0	0	40,911
Fines and Forfeitures	676,747	11,750	471,429	1,159,926
Intergovernmental	1,419,156	1,195,543	1,191,876	3,806,575
Interest	7,228	1,099	633,318	641,645
Rental Income	5,400	0	0	5,400
Contributions and Donations	905	0	70,756	71,661
Other	87,150	45,445	19,153	151,748
<i>Total Revenues</i>	<u>11,300,605</u>	<u>2,502,466</u>	<u>4,186,444</u>	<u>17,989,515</u>
Expenditures				
Current:				
General Government	4,489,951	0	564,904	5,054,855
Security of Persons and Property	6,115,478	0	543,445	6,658,923
Public Health	278,792	0	0	278,792
Leisure Time Services	0	0	1,037,444	1,037,444
Community and Economic Development	189,862	0	90,731	280,593
Transportation	0	1,936,417	300,047	2,236,464
Capital Outlay	0	222,701	688,119	910,820
Debt Service:				
Principal Retirements	0	0	614,001	614,001
Interest and Fiscal Charges	0	0	166,864	166,864
<i>Total Expenditures</i>	<u>11,074,083</u>	<u>2,159,118</u>	<u>4,005,555</u>	<u>17,238,756</u>
<i>Excess of Revenues Over Expenditures</i>	<u>226,522</u>	<u>343,348</u>	<u>180,889</u>	<u>750,759</u>
Other Financing Sources (Uses)				
Transfers In	25,000	0	117,340	142,340
Proceeds from Loan	0	0	13,964	13,964
Proceeds from Bond Anticipation Notes	0	0	997,000	997,000
Proceeds from Sale of Capital Assets	0	0	367,716	367,716
Premium on Debt Issued	0	0	16,117	16,117
Transfers Out	(55,000)	0	(177,214)	(232,214)
<i>Total Other Financing Sources (Uses)</i>	<u>(30,000)</u>	<u>0</u>	<u>1,334,923</u>	<u>1,304,923</u>
<i>Net Change in Fund Balance</i>	196,522	343,348	1,515,812	2,055,682
<i>Fund Balance Beginning of Year</i>	<u>2,611,369</u>	<u>1,446,804</u>	<u>1,168,189</u>	<u>5,226,362</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,807,891</u>	<u>\$ 1,790,152</u>	<u>\$ 2,684,001</u>	<u>\$ 7,282,044</u>

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

City of Ashland
*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, 2007*

Net Change in Fund Balances - Total Governmental Funds \$ 2,055,682

Amounts reported for governmental activities in the statement of activities are different because

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 capital outlays exceeded depreciation in the current period.

Capital Asset Additions	\$ 2,031,933	
Current Year Depreciation	(1,330,369)	
Total		701,564

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. (253,902)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	(74,189)	
Income Tax	(84,465)	
Charges for Services	15,027	
Intergovernmental	800,716	
Total		657,089

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (3,585)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bonds	114,177	
OPWC Loans	9,010	
ODOD Loan	379,500	
Capital Leases Payable	111,314	
Total		614,001

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (33,646)

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. (2,579)

Loan proceeds sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues. (1,010,964)

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.

Compensated Absences	(74,913)	
Vacation Payable	(13,015)	
Total		(87,928)

Change in Net Assets of Governmental Activities \$ 2,635,732

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

City of Ashland
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 723,200	\$ 723,200	\$ 749,195	\$ 25,995
Income Taxes	5,569,202	5,979,202	6,754,838	775,636
Charges for Services	1,284,251	1,450,574	1,541,330	90,756
Licenses and Permits	28,050	28,050	40,911	12,861
Fines and Forfeitures	579,235	579,235	674,899	95,664
Intergovernmental	966,456	1,159,457	1,358,026	198,569
Interest	0	0	7,228	7,228
Rent	4,800	4,800	5,400	600
Contributions and Donations	2,000	2,000	905	(1,095)
Other	83,200	83,200	87,150	3,950
<i>Total Revenues</i>	<u>9,240,394</u>	<u>10,009,718</u>	<u>11,219,882</u>	<u>1,210,164</u>
Expenditures				
Current:				
General Government	4,236,883	4,896,048	4,540,645	355,403
Security of Persons and Property	6,241,170	6,428,764	6,061,949	366,815
Public Health	281,812	286,312	285,778	534
Community and Economic Development	191,451	195,451	189,862	5,589
<i>Total Expenditures</i>	<u>10,951,316</u>	<u>11,806,575</u>	<u>11,078,234</u>	<u>728,341</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,710,922)</u>	<u>(1,796,857)</u>	<u>141,648</u>	<u>1,938,505</u>
Other Financing Sources (Uses)				
Transfers In	25,000	25,000	25,000	0
Transfers Out	0	(46,000)	(55,000)	(9,000)
<i>Total Other Financing Sources (Uses)</i>	<u>25,000</u>	<u>(21,000)</u>	<u>(30,000)</u>	<u>(9,000)</u>
<i>Net Change in Fund Balance</i>	<u>(1,685,922)</u>	<u>(1,817,857)</u>	<u>111,648</u>	<u>1,929,505</u>
<i>Fund Balance Beginning of Year</i>	1,820,949	1,820,949	1,820,949	0
Prior Year Encumbrances Appropriated	40,954	40,954	40,954	0
<i>Fund Balance End of Year</i>	<u>\$ 175,981</u>	<u>\$ 44,046</u>	<u>\$ 1,973,551</u>	<u>\$ 1,929,505</u>

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

City of Ashland
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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$ 821,099	\$ 821,099	\$ 940,765	\$ 119,666
Charges for Services	239,600	239,600	305,120	65,520
Fines and Forfeitures	5,400	5,400	11,750	6,350
Intergovernmental	1,237,211	1,237,211	1,202,036	(35,175)
Interest	700	700	1,099	399
Other	31,500	31,500	45,445	13,945
<i>Total Revenues</i>	<u>2,335,510</u>	<u>2,335,510</u>	<u>2,506,215</u>	<u>170,705</u>
Expenditures				
Current:				
Transportation	2,957,041	2,956,775	2,014,344	942,431
Capital Outlay	77,315	77,315	222,701	(145,386)
<i>Total Expenditures</i>	<u>3,034,356</u>	<u>3,034,090</u>	<u>2,237,045</u>	<u>797,045</u>
<i>Net Change in Fund Balance</i>	(698,846)	(698,580)	269,170	967,750
<i>Fund Balance Beginning of Year</i>	970,775	970,775	970,775	0
Prior Year Encumbrances Appropriated	103,974	103,974	103,974	0
<i>Fund Balance End of Year</i>	<u>\$ 375,903</u>	<u>\$ 376,169</u>	<u>\$ 1,343,919</u>	<u>\$ 967,750</u>

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

City of Ashland
Statement of Fund Net Assets
Proprietary Funds
December 31, 2007

	Enterprise Funds				Totals	Governmental Activities - Internal Service Fund
	Water	Sewer	Sanitation	All Other Enterprise Funds		
Assets						
<i>Current Assets</i>						
Equity in Pooled Cash and Cash Equivalents	\$ 3,407,231	\$ 1,190,010	\$ 473,056	\$ 0	\$ 5,070,297	\$ 121,663
Materials and Supplies Inventory	121,808	13,830	0	90,388	226,026	0
Accounts Receivable	591,075	513,389	14,047	0	1,118,511	0
Intergovernmental Receivable	675,000	0	0	0	675,000	0
Prepaid Items	16,513	21,916	8,443	0	46,872	0
<i>Total Current Assets</i>	<u>4,811,627</u>	<u>1,739,145</u>	<u>495,546</u>	<u>90,388</u>	<u>7,136,706</u>	<u>121,663</u>
<i>Non-Current Assets</i>						
Deferred Charges	90,691	48,130	0	0	138,821	0
Non-Depreciable Capital Assets	2,772,124	155,986	25,000	837,051	3,790,161	0
Depreciable Capital Assets, net	10,482,717	21,357,253	296,682	487,341	32,623,993	0
<i>Total Non-Current Assets</i>	<u>13,345,532</u>	<u>21,561,369</u>	<u>321,682</u>	<u>1,324,392</u>	<u>36,552,975</u>	<u>0</u>
<i>Total Assets</i>	<u>18,157,159</u>	<u>23,300,514</u>	<u>817,228</u>	<u>1,414,780</u>	<u>43,689,681</u>	<u>121,663</u>
Liabilities						
<i>Current Liabilities</i>						
Accounts Payable	66,543	35,562	25,397	1,573	129,075	0
Accrued Wages	21,249	19,087	12,659	4,241	57,236	0
Contracts Payable	52,011	40,657	0	0	92,668	0
Intergovernmental Payable	21,823	22,854	12,841	8,438	65,956	0
Accrued Interest Payable	38,806	206,595	0	0	245,401	0
Accrued Vacation Leave Payable	1,520	3,831	0	0	5,351	0
Interfund Payable	0	0	0	145,804	145,804	0
Bond Anticipation Notes	2,300,000	5,550,000	0	0	7,850,000	0
Compensated Absences Payable	585	1,498	374	262	2,719	0
General Obligation Bonds Payable	259,000	139,000	0	0	398,000	0
OPWC Loan Payable	794	0	0	0	794	0
OWDA Loan Payable	0	284,358	0	0	284,358	0
<i>Total Current Liabilities</i>	<u>2,762,331</u>	<u>6,303,442</u>	<u>51,271</u>	<u>160,318</u>	<u>9,277,362</u>	<u>0</u>
<i>Long-Term Liabilities</i>						
Compensated Absences Payable - Net of Current Portion	55,080	72,231	38,562	13,660	179,533	0
General Obligations Bonds Payable - Net of Current Portion	5,279,000	2,804,000	0	0	8,083,000	0
OPWC Loan Payable - Net of Current Portion	4,369	0	0	0	4,369	0
OWDA Loan Payable - Net of Current Portion	0	775,548	0	0	775,548	0
<i>Total Long-Term Liabilities</i>	<u>5,338,449</u>	<u>3,651,779</u>	<u>38,562</u>	<u>13,660</u>	<u>9,042,450</u>	<u>0</u>
<i>Total Liabilities</i>	<u>8,100,780</u>	<u>9,955,221</u>	<u>89,833</u>	<u>173,978</u>	<u>18,319,812</u>	<u>0</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	5,502,369	12,008,463	321,682	1,324,392	19,156,906	0
Unrestricted	4,554,010	1,336,830	405,713	(83,590)	6,212,963	121,663
<i>Total Net Assets</i>	<u>\$ 10,056,379</u>	<u>\$ 13,345,293</u>	<u>\$ 727,395</u>	<u>\$ 1,240,802</u>		<u>\$ 121,663</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					37,600	
Net Assets of Business-Type Activities					<u>\$ 25,407,469</u>	

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

City of Ashland
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	Enterprise Funds				Governmental Activities - Internal Service Fund	
	Water	Sewer	Sanitation	All Other Enterprise Funds		Totals
Operating Revenue						
Charges for Services	\$ 3,520,855	\$ 3,077,761	\$ 1,766,002	\$ 507,956	\$ 8,872,574	\$ 0
Operating Expenses						
Personal Services	1,179,660	1,109,815	733,635	408,887	3,431,997	0
Contractual Services	424,366	391,527	763,480	17,082	1,596,455	7,434
Materials and Supplies	616,004	446,703	165,909	163,946	1,392,562	0
Utilities	278,515	233,517	12,250	30,061	554,343	0
Claims	0	0	0	0	0	0
Depreciation	350,859	545,870	57,871	49,033	1,003,633	0
Other	0	62,750	0	0	62,750	0
<i>Total Operating Expenses</i>	<u>2,849,404</u>	<u>2,790,182</u>	<u>1,733,145</u>	<u>669,009</u>	<u>8,041,740</u>	<u>7,434</u>
<i>Operating Income (Loss)</i>	<u>671,451</u>	<u>287,579</u>	<u>32,857</u>	<u>(161,053)</u>	<u>830,834</u>	<u>(7,434)</u>
Non-Operating Revenues (Expenses)						
Interest	0	0	0	0	0	2,353
Intergovernmental	131,223	571,727	0	258	703,208	0
Other Non-Operating Revenues	0	0	0	4,057	4,057	0
Interest and Fiscal Charges	(359,990)	(607,601)	0	(758)	(968,349)	0
Loss on Disposal of Capital Assets	(9,883)	(5,360)	0	0	(15,243)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(238,650)</u>	<u>(41,234)</u>	<u>0</u>	<u>3,557</u>	<u>(276,327)</u>	<u>2,353</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>432,801</u>	<u>246,345</u>	<u>32,857</u>	<u>(157,496)</u>	<u>554,507</u>	<u>(5,081)</u>
Capital Contributions	89,340	0	0	0	89,340	0
Transfers In	0	0	0	89,874	89,874	0
<i>Total Contributions and Transfers</i>	<u>89,340</u>	<u>0</u>	<u>0</u>	<u>89,874</u>	<u>179,214</u>	<u>0</u>
<i>Change in Net Assets</i>	<u>522,141</u>	<u>246,345</u>	<u>32,857</u>	<u>(67,622)</u>	<u>733,721</u>	<u>(5,081)</u>
<i>Net Assets Beginning of Year</i>	<u>9,534,238</u>	<u>13,098,948</u>	<u>694,538</u>	<u>1,308,424</u>		<u>126,744</u>
<i>Net Assets End of Year</i>	<u>\$ 10,056,379</u>	<u>\$ 13,345,293</u>	<u>\$ 727,395</u>	<u>\$ 1,240,802</u>		<u>\$ 121,663</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					(1,496)	
Change in Net Assets of Business-Type Activities					<u>\$ 732,225</u>	

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

City of Ashland
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Enterprise Funds				Totals	Governmental Activities - Internal Service Fund
	Water	Sewer	Sanitation	All Other Enterprise Funds		
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows from Operating Activities						
Cash Received from Customers	\$ 3,523,505	\$ 3,035,345	\$ 1,762,476	\$ 510,582	\$ 8,831,908	\$ 0
Cash Payments to Suppliers for Goods and Services	(604,095)	(419,415)	(169,552)	(211,365)	(1,404,427)	0
Cash Payments to Employees	(1,165,332)	(1,119,920)	(735,761)	(405,092)	(3,426,105)	0
Cash Payments for Contractual Services	(694,766)	(683,722)	(772,435)	(45,570)	(2,196,493)	(7,434)
Other Cash Payments	0	(62,750)	0	0	(62,750)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,059,312</u>	<u>749,538</u>	<u>84,728</u>	<u>(151,445)</u>	<u>1,742,133</u>	<u>(7,434)</u>
Cash Flows from Noncapital Financing Activities						
Intergovernmental Receipts	0	0	0	258	258	0
Other Non-Operating Receipts	0	0	0	4,057	4,057	0
Advances In	0	0	0	145,804	145,804	0
Transfers In	0	0	0	89,874	89,874	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>239,993</u>	<u>239,993</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities						
Proceeds from Notes	2,300,000	5,550,000	0	0	7,850,000	0
Intergovernmental Receipts	131,223	571,727	0	0	702,950	0
Acquisition of Capital Assets	(390,952)	(840,464)	0	(76,164)	(1,307,580)	0
Principal Payments on Debt	(2,656,638)	(5,921,978)	0	(15,000)	(8,593,616)	0
Interest Payments	(335,087)	(436,553)	0	(758)	(772,398)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(951,454)</u>	<u>(1,077,268)</u>	<u>0</u>	<u>(91,922)</u>	<u>(2,120,644)</u>	<u>0</u>
Cash Flows from Investing Activities						
Interest	0	0	0	0	0	2,353
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>107,858</u>	<u>(327,730)</u>	<u>84,728</u>	<u>(3,374)</u>	<u>(138,518)</u>	<u>(5,081)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,299,373</u>	<u>1,517,740</u>	<u>388,328</u>	<u>3,374</u>	<u>5,208,815</u>	<u>126,744</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 3,407,231</u>	<u>\$ 1,190,010</u>	<u>\$ 473,056</u>	<u>\$ 0</u>	<u>\$ 5,070,297</u>	<u>\$ 121,663</u>

(Continued)

City of Ashland
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Enterprise Funds				Totals	Governmental Activities - Internal Service Fund
	Water	Sewer	Sanitation	All Other Enterprise Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
<i>Operating Income (Loss)</i>	\$ 671,451	\$ 287,579	\$ 32,857	\$ (161,053)	830,834	\$ (7,434)
Adjustments:						
Depreciation	350,859	545,870	57,871	49,033	1,003,633	0
(Increase) Decrease in Assets:						
Accounts Receivable	2,650	(42,416)	(3,526)	2,626	(40,666)	0
Materials and Supplies Inventory	(26,015)	900	0	(45,726)	(70,841)	0
Prepaid Items	2,694	2,179	385	0	5,258	0
Increase (Decrease) in Liabilities:						
Accounts Payable	43,345	(34,469)	(733)	(120)	8,023	0
Accrued Wages	5,010	2,194	(275)	681	7,610	0
Accrued Vacation Leave Payable	1,520	1,111	0	0	2,631	0
Compensated Absences Payable	3,849	(17,129)	(2,970)	2,458	(13,792)	0
Intergovernmental Payable	3,949	3,719	1,119	656	9,443	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 1,059,312</u>	<u>\$ 749,538</u>	<u>\$ 84,728</u>	<u>\$ (151,445)</u>	<u>\$ 1,742,133</u>	<u>\$ (7,434)</u>

Noncash Capital Financing Activities:

During 2007, capital assets were transferred from the governmental activities to the water enterprise fund in the amount of \$89,340.

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

City of Ashland
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2007

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 13,027
Cash and Cash Equivalents in Segregated Accounts	<u>52,270</u>
<i>Total Assets</i>	<u><u>65,297</u></u>
Liabilities	
Accounts Payable	15,656
Undistributed Monies	<u>49,641</u>
<i>Total Liabilities</i>	<u><u>\$ 65,297</u></u>

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

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

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, Council, 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.

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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The entity has elected not to apply FASB pronouncements and Interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The most significant of the City's accounting policies are described below.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets 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 activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

The statement of net assets 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.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 liabilities 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.

Street Maintenance and Repair Special Revenue 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 other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

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

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.

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

Water Fund – The water fund accounts for the provision of water 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 golf course and swimming pool.

Internal Service Fund – Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. 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 has no trust funds. 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.

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 all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

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 current liabilities 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 all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary fund activities. Private purpose trust funds are reported using the economic resources 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 revenue, and in the presentation of expenses versus expenditures.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7.) Revenue from grants, entitlements, and donations is recognized in the fiscal 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 fiscal 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 fiscal 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 Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Pooled Cash and Cash Equivalents

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 cash equivalents."

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 2007, investments were limited to certificates of deposit, overnight repurchase agreements, interest in STAROhio, (the State Treasury Asset Reserve of Ohio) and Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes and U.S Treasury Notes.

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, 2007.

Investment procedures are restricted by the provisions of the Ohio Revised Code.

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 considered to be cash equivalents. 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 Invesetments.

F. Prepaid Items

Prepayments made to vendors for services that will benefit periods beyond December 31, 2007 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.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 assets 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 assets 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 materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

The City's infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, sewer systems, and water systems.

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. These amounts are eliminated in the governmental columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On fund financial statements, long-term interfund loans reported as “due to/from other funds,” are equally offset by a fund balance reserve account which indicate that they do not constitute “available expendable financial resources” even though it is a component of net current assets. Repayment is expected to be made within a reasonable time.

J. 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.

K. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions 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, capital leases, and long-term loans are recognized as a liability on the government fund financial statements when due.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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, 2007, none of the City's net assets 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 assets are available.

M. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund balance reserves are established for encumbrances.

N. Operating Revenues and Expenses

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

O. Interfund Activity

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

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 not presented on the financial statements.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Extraordinary and Special Items

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

Q. Estimates

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

R. Budgetary Data

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

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.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 3: RESTATEMENT OF NET ASSETS

GASB Statement No. 34 requires infrastructure assets to be reported as a part of capital assets in the statement of net assets. Prior to GASB Statement No. 34, governments were not required to report general infrastructure assets associated with and arising from governmental activities. The City is retroactively reporting infrastructure assets that were not reported in years prior to the implementation of GASB Statement No. 34. Net assets have been restated to correct the value of capital assets.

	Governmental Activities
Previously Reported Net Assets 12/31/06	\$ 23,142,829
Retroactive Restatement of Capital Assets	547,833
Restated Net Assets 01/01/07	\$ 23,690,662

NOTE 4: ACCOUNTABILITY AND COMPLIANCE

Fund Deficits:

Fund balances at December 31, 2007 included the following individual fund deficits:

	Deficit
Non-Major Funds:	
Firemen's Pension	58,123
Policemen's Pension	48,863

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

Compliance:

The City made interfund transfers out of fund 405 for purposes contrary to City Ordinance No. 5-75.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

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.

The Statements 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 major special revenue 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 a reservation of fund balance (GAAP).

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 special revenue fund.

Net Change in Fund Balance

	General	Street Maintenance and Repair
GAAP Basis	\$ 196,522	\$ 343,348
Revenue accruals	(80,723)	149,134
Expenditure accruals	113,778	(102,736)
Encumbrances	(117,929)	(120,576)
Budget Basis	\$ 111,648	\$ 269,170

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

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.

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 market 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).
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

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 6: DEPOSITS AND INVESTMENTS (Continued)

8. Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 5 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 2007, 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 \$5,527,649. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2007, \$5,716,480 of the City's bank balance of \$6,274,107 was exposed to custodial risk as discussed above, while \$557,627 was covered by Federal Deposit Insurance Corporation.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 6: DEPOSITS AND INVESTMENTS (Continued)

Investments

As of December 31, 2007, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>6 Months or Less</u>	<u>7-12 Months</u>	<u>13-18 Months</u>	<u>19-24 Months</u>
FHLB	\$ 2,466,932	\$ 1,594,758	\$ 771,462	\$ 100,712	\$ 0
FNMA	100,905	0	0	0	100,905
Repurchase Agreement	2,259,941	2,259,941	0	0	0
STAROhio	946,477	946,477	0	0	0
US Treasury Note	22,750	22,750	0	0	0
Total	<u>\$ 5,797,005</u>	<u>\$ 4,823,926</u>	<u>\$ 771,462</u>	<u>\$ 100,712</u>	<u>\$ 100,905</u>

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

Credit Risk Standard & Poor's has assigned STAROhio, FHLB, and FNMA an AAA rating. The US Treasury note has no credit risk. The repurchase agreement is an unrated investment.

Concentration of Credit Risk The following table includes the percentage to total of each investment type held by the City at December 31, 2007:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
FHLB	\$ 2,466,932	42.56%
FNMA	100,905	1.74%
Repurchase Agreements	2,259,941	38.98%
STAROhio	946,477	16.33%
US Treasury Note	22,750	0.39%
Total Investments	<u>\$ 5,797,005</u>	<u>100.00%</u>

NOTE 7: PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property, and tangible personal property located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes were levied after October 1, 2006 on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2007.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 7: PROPERTY TAXES (Continued)

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. 2007 public utility property taxes which became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2007 with real property taxes.

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2007, on the value as of December 31, 2006. For 2006, tangible personal property is assessed at 18.75 percent for property including inventory. This percentage will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero percent for 2009. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the City prior to June 30.

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 will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by 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 the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The full tax rate for all City operations for the year ended December 31, 2007 was \$4.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property - 2006 Valuation:	
Residential/Agricultural	\$ 220,515,290
Other Real Property	82,760,970
Tangible Personal Property - 2007 Valuation:	
General	45,717,182
Public Utilities	9,029,400
Total	\$ 358,022,842

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.

The Ashland County Treasurer collects property tax on behalf of all tax districts within the County. The County Auditor periodically remits to the taxing district their portion of the taxes collected.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 8: RECEIVABLES

Receivables at December 31, 2007 consisted of taxes, accounts (billed and unbilled user charged services), and intergovernmental receivables arising from grants, entitlements and shared revenues. Taxes, accounts and intergovernmental receivables are deemed collectible in full.

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 Fund, a Special Revenue Fund, Bond Retirement Fund and the Park and Recreation Fund, a Special Revenue Fund. The distribution was determined by Ordinance 109-03.

This space is intentionally blank.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 10: CAPITAL ASSETS

A summary of changes in capital assets during 2007 follows:

	Restated Balance 1/01/2007	Additions	Deletions	Balance 12/31/2007
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 6,039,066	\$ 202,100	\$ (217,096)	\$ 6,024,070
Construction in Progress	8,600	146,144	(8,600)	146,144
<i>Total Capital Assets, Not Being Depreciated</i>	<u>6,047,666</u>	<u>348,244</u>	<u>(225,696)</u>	<u>6,170,214</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings Improvements	8,837,578	0	0	8,837,578
Equipment	2,617,101	141,818	(20,689)	2,738,230
Vehicles	4,553,929	537,550	(186,782)	4,904,697
Streets	22,303,508	944,995	0	23,248,503
Bridges	2,526,671	0	0	2,526,671
Street lighting	777,447	67,926	0	845,373
<i>Total Capital Assets, Being Depreciated</i>	<u>41,616,234</u>	<u>1,692,289</u>	<u>(207,471)</u>	<u>43,101,052</u>
<i>Less Accumulated Depreciation:</i>				
Buildings Improvements	(3,390,497)	(185,680)	0	(3,576,177)
Equipment	(1,405,750)	(167,069)	11,321	(1,561,498)
Vehicles	(2,509,366)	(323,388)	159,344	(2,673,410)
Streets	(17,670,339)	(539,673)	0	(18,210,012)
Bridges	(1,368,316)	(86,623)	0	(1,454,939)
Street Lighting	(355,059)	(27,936)	0	(382,995)
<i>Total Accumulated Depreciation</i>	<u>(26,699,327)</u>	<u>(1,330,369) *</u>	<u>170,665</u>	<u>(27,859,031)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>14,916,907</u>	<u>361,920</u>	<u>(36,806)</u>	<u>15,242,021</u>
<i>Total Governmental Activity Capital Assets, Net</i>	<u>\$ 20,964,573</u>	<u>\$ 710,164</u>	<u>\$ (262,502)</u>	<u>\$ 21,412,235</u>

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 10: CAPITAL ASSETS (Continued)

*Depreciation expense was charged to governmental functions as follows:

General Government	\$ 172,226
Leisure Time Services	121,361
Security of Persons and Property	256,632
Transportation	<u>780,150</u>
 Total	 <u><u>\$ 1,330,369</u></u>

	Balance 1/1/2007	Additions	Deletions	Balance 12/31/2007
Business-Type Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 3,526,518	\$ 0	\$ 0	\$ 3,526,518
Construction in Progress	<u>4,516,721</u>	<u>362,525</u>	<u>(4,615,603)</u>	<u>263,643</u>
<i>Total Capital Assets, Not Being Depreciated</i>	<u>8,043,239</u>	<u>362,525</u>	<u>(4,615,603)</u>	<u>3,790,161</u>
 <i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	8,949,360	3,075,782	0	12,025,142
Machinery and Equipment	2,109,912	1,529,929	(40,293)	3,599,548
Vehicles	1,415,881	39,276	(51,807)	1,403,350
Infrastructure	<u>34,557,915</u>	<u>1,064,496</u>	<u>0</u>	<u>35,622,411</u>
<i>Total Capital Assets, Being Depreciated</i>	<u>47,033,068</u>	<u>5,709,483</u>	<u>(92,100)</u>	<u>52,650,451</u>
 <i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(4,151,093)	(226,636)	0	(4,377,729)
Machinery and Equipment	(1,143,189)	(132,300)	25,051	(1,250,438)
Vehicles	(965,497)	(70,353)	51,808	(984,042)
Infrastructure	<u>(12,839,905)</u>	<u>(574,344)</u>	<u>0</u>	<u>(13,414,249)</u>
<i>Total Accumulated Depreciation</i>	<u>(19,099,684)</u>	<u>(1,003,633)</u>	<u>76,859</u>	<u>(20,026,458)</u>
 <i>Total Capital Assets Being Depreciated, Net</i>	 <u>27,933,384</u>	 <u>4,705,850</u>	 <u>(15,241)</u>	 <u>32,623,993</u>
 <i>Total Business-Type Capital Assets, Net</i>	 <u><u>\$ 35,976,623</u></u>	 <u><u>\$ 5,068,375</u></u>	 <u><u>\$ (4,630,844)</u></u>	 <u><u>\$ 36,414,154</u></u>

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

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. During 2007, the City contracted 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	8/30/07-8/30/08
St. Paul Travelers/Boales Insurance	Commercial General Liability	8/30/07-8/30/08
	Law Enforcement Liability	8/30/07-8/30/08
	Automobile Liability	8/30/07-8/30/08
	Umbrella Policy	8/30/07-8/30/08
	Basic Errors and Omissions	8/30/07-8/30/08

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 Mayor. Sick leave is generally earned at the rate of 4.6 hours for every 80 hours worked and employees may accumulate on 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 688 hours for members of the Northern Ohio Patrolmen's Benevolent Association, 884 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, 2007, the total liability for unpaid compensated absences was \$982,963.

B. Additional Insurance

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

The City contracts with Principal Financial Group to provide dental, vision and health insurance to employees. The City and the employees share the cost of the total monthly premiums of \$384.50 single health care, \$805.23 employee and spouse health care, \$632.11 employee and child health care and \$1,042.86 family health care. Premiums and co-payments are paid from the same funds that pay the employee's salaries.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 13: SELF-INSURANCE

On April 1, 2006, the City terminated its self-insurance plan for health care benefits with Professional Claims Management. Therefore, there is no longer a claims liability. There was no claims activity during 2007, and the fund will be closed out in 2008. Changes in claims activity for the past year are as follows:

	<u>Claims Payable December 31</u>	<u>Current Year Claims</u>	<u>Current Year Payments</u>	<u>Claims Payable December 31</u>
2006	\$ 334,113	\$ 1,956,642	\$ 2,290,755	\$ 0
2007	\$ 0	\$ 0	\$ 0	\$ 0

NOTE 14: DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing multiple-employer deferred 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 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 which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 9.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.75 percent. The employer contribution rate for pension benefits for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 17.17 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

The City's required contributions for pension obligations to all three plans for the years ended December 31, 2007, 2006 and 2005 were \$853,172, \$1,019,351 and \$837,183, respectively. The full amount has been contributed for 2007, 2006 and 2005.

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

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 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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police officers and 24.00 percent for firefighters. Contributions are authorized by state statute. The City's contributions to the OP&F for the years ended December 31, 2007, 2006, and 2005 were \$792,739, \$808,762 and \$686,291, respectively. The full amount has been contributed for 2007, 2006 and 2005.

NOTE 15: POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). The portion of employer contributions allocated to health care was 5 percent from January 1 through June 30, 2007 and 6 percent from July 1, 2007 through December 31, 2007.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 to 5 percent annually for the next eight years and 4 percent annually after eight years.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 15: POSTEMPLOYMENT BENEFITS (Continued)

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. Actual City contributions for 2007 which were used to fund postemployment benefits were \$339,382. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available), were \$12 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid the from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2007. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit program. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2007 that were used to fund postemployment benefits were \$315,063. The OP&F's total health care expense for the year ended December 31, 2006, (the latest information available) was \$120,373,722, which was net of member contributions of \$58,532,848. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006 was 14,120 for police and 10,563 for firefighters.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 16: NOTES PAYABLE

Note activity for the year ended December 31, 2007, consisted of the following:

	Outstanding 12/31/2006	Issued	Retired	Outstanding 12/31/2007
Bond Anticipation Notes:				
Governmental Activities				
Nonmajor Funds				
2.00% Maturity - 5/26/07 Municipal Building	\$ 65,000	\$ 0	\$ (65,000)	\$ 0
5.25% Maturity - 5/15/08 Soccer Field	145,000	0	(145,000)	0
5.25% Maturity - 5/15/08 Fire Engine	155,000	0	(155,000)	0
5.25% Maturity - 5/15/08 Fire Engine	370,000	0	(370,000)	0
5.25% Maturity - 5/15/08 Rescue Truck	150,000	0	(150,000)	0
2.00% Maturity - 5/26/07 Squad	62,000	0	(62,000)	0
5.00% Maturity - 2/01/08 Fire Pumper Truck	0	0	0	0
<i>Total Governmental Activities</i>	<u>\$ 947,000</u>	<u>\$ 0</u>	<u>\$ (947,000)</u>	<u>\$ 0</u>
Business-Type Activities				
Swimming Pool Fund				
2.00% Maturity - 5/26/07 Swimming Pool	\$ 15,000	\$ 0	\$ (15,000)	\$ 0
Water Fund				
5.15% Maturity - 10/01/08 Land Acquisition	2,400,000	0	(2,400,000)	0
Sewer Fund				
5.25% Maturity - 5/15/08 Equalization Basin	4,500,000	0	(4,500,000)	0
5.15% Maturity 12/1/07 Equalization Basin	1,150,000	0	(1,150,000)	0
<i>Total Business-Type Activities</i>	<u>\$ 8,065,000</u>	<u>\$ 0</u>	<u>\$ (8,065,000)</u>	<u>\$ 0</u>

All the notes were reissued for one year or less and are backed by the full faith and credit of the City.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 17: LONG-TERM OBLIGATIONS

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Governmental Activities			
OPWC Loans:			
1999 Various Road Widening Reconstruction	0.00%	\$ 43,281	1/01/2010
2000 George Rd. Reconstruction	0.00%	4,162	1/01/2011
2002 Road Improvements	0.00%	11,931	1/01/2011
2003 Baney Rd. Reconstruction	0.00%	27,745	1/01/2014
2005 ODOT Loan - US Route 250	3.00%	462,010	11/28/2015
2003 Justice Center Bond	Various	2,923,000	3/05/2018
Bond Anticipation Notes:			
Soccer Field	5.25%	117,000	05/15/2008
Fire Engine	5.25%	130,000	05/15/2008
Fire Engine	5.25%	340,000	05/15/2008
Resue Truck	5.25%	110,000	05/15/2008
Fire Pumper Truck	5.00%	300,000	02/01/2008
Business-Type Activities			
1990 OWDA Loan - Wastewater Treatment			
Plant Improvements	5.00%	4,190,216	1/01/2011
2004 OPWC Loan - Waterline Replacement	0.00%	7,942	7/01/2014
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
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
Bond Anticipation Notes:			
Land Acquisition	5.25%	2,300,000	10/01/2008
Equalization Basin	5.25%	5,550,000	05/15/2008

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 17: LONG-TERM OBLIGATIONS (Continued)

Changes in the long-term obligations of the City during 2007 were as follows:

	Outstanding 12/31/2006	Additions	(Reductions)	Outstanding 12/31/2007	Amounts Due In One Year
Business-Type Activities:					
OWDA Loan	\$ 1,196,905	\$ 0	\$ (136,999)	\$ 1,059,906	\$ 284,358
OPWC Loan	5,957	0	(794)	5,163	794
General Obligation Bonds	8,871,823	0	(390,823)	8,481,000	398,000
Bond Anticipation Notes	0	7,850,000	0	7,850,000	7,850,000
Compensated Absences	196,044	25,770	(39,562)	182,252	2,719
<i>Total Business-Type Activities</i>	<u>\$ 10,270,729</u>	<u>\$ 7,875,770</u>	<u>\$ (568,178)</u>	<u>\$ 17,578,321</u>	<u>\$ 8,535,871</u>
Governmental Activities:					
OPWC Loans	\$ 40,037	\$ 0	\$ (9,010)	\$ 31,027	\$ 9,009
General Obligation Bonds	2,598,177	0	(114,177)	2,484,000	117,000
Bond Anticipation Notes	0	997,000	0	997,000	997,000
ODOD Loan	379,500	0	(379,500)	0	0
ODOT Loan	462,010	13,964	0	475,974	53,483
Compensated Absences	725,799	153,680	(78,768)	800,711	31,587
Capital Leases	111,314	0	(111,314)	0	0
<i>Total Governmental Activities</i>	<u>\$ 4,316,837</u>	<u>\$ 1,164,644</u>	<u>\$ (692,769)</u>	<u>\$ 4,788,712</u>	<u>\$ 1,208,079</u>

The Ohio Public Works Commission (OPWC) loan, the Ohio Water Development Authority (OWDA) loan and the general obligation bonds and bond anticipation notes appearing in the business-type funds will be paid from charges for services revenue in the water and sewer funds. The OPWC loans and the general obligation bonds in the governmental activities will be repaid with property tax revenues. The governmental bond anticipation notes will be paid from fire department charges for services, park and recreation donations, income tax and property tax revenues. The compensated absences will be paid from the general operating revenues of the fund from which the employees' salaries are paid.

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

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 17: LONG-TERM OBLIGATIONS (Continued)

A summary of annual requirements to pay principal and interest on debt outstanding at December 31, 2007 is as follows:

	Business-Type Activities						
	Bond Anticipation Notes		OWDA Loan		OPWC Loan	General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2008	\$ 5,550,000	\$ 409,825	\$ 284,358	\$ 49,485	\$ 794	\$ 398,000	\$ 350,279
2009	0	0	298,754	35,089	794	410,000	340,329
2010	0	0	313,879	19,965	794	422,000	328,849
2011	0	0	162,915	4,007	794	433,000	315,767
2012	0	0	0	0	794	449,000	301,045
2013-2017	0	0	0	0	1,193	2,513,000	1,234,173
2018-2022	0	0	0	0	0	3,136,000	607,525
2023	0	0	0	0	0	720,000	32,400
Totals	\$ 5,550,000	\$ 409,825	\$ 1,059,906	\$ 108,546	\$ 5,163	\$ 8,481,000	\$ 3,510,367

	Governmental Activities						
	Bond Anticipation Notes		OPWC Loan	General Obligation Bonds		ODOT Loan	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2008	\$ 997,000	\$ 51,593	\$ 9,009	\$ 117,000	\$ 102,609	\$ 53,483	\$ 13,881
2009	0	120,000	9,010	120,000	99,684	55,100	12,265
2010	0	123,000	4,683	123,000	96,323	56,766	10,599
2011	0	127,000	2,775	127,000	92,510	58,481	8,883
2012	0	131,000	2,775	131,000	88,193	60,249	7,116
2013-2017	0	737,000	2,775	737,000	361,690	191,895	10,198
2018-2022	0	919,000	0	919,000	177,812	0	0
2023	0	210,000	0	210,000	9,450	0	0
Totals	\$ 997,000	\$ 2,418,593	\$ 31,027	\$ 2,484,000	\$ 1,028,271	\$ 475,974	\$ 62,942

	Business Type Activities		Governmental Activities	
	Total		Total	
	Principal	Interest	Principal	Interest
2008	\$ 6,233,152	\$ 809,589	\$ 1,176,492	\$ 168,083
2009	709,548	375,418	184,110	231,949
2010	736,673	348,814	184,449	229,922
2011	596,709	319,774	188,256	228,393
2012	449,794	301,045	194,024	226,309
2013-2017	2,514,193	1,234,173	931,670	1,108,888
2018-2022	3,136,000	607,525	919,000	1,096,812
2023	720,000	32,400	210,000	219,450
Totals	\$ 15,096,069	\$ 4,028,738	\$ 3,988,001	\$ 3,509,806

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 17: LONG-TERM OBLIGATIONS (Continued)

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.

NOTE 18: CAPITAL LEASES

During 2006, the City entered into capital leases for the acquisition of a Chevrolet Suburban and rescue squad vehicle. Both leases met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership.

The assets acquired by the leases were capitalized in the governmental activities in the amount of \$142,560, which was equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded and is reduced for each required principal payment.

The leases were paid off during 2007.

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 19: INTERFUND TRANSFERS AND BALANCES

A. Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed, and as required by court order. The transfer from the Indigent Drivers fund to the General fund was to assist with salaries, as required by court order. The City's policy is to transfer funds out of the Capital Improvement Fund to provide additional funding into the funds accounting for the projects. The transfer from the Community Development Block Grant Fund to the Water Fund was for capital assets.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 25,000	\$ 55,000
Park and Recreation	50,811	1,000
Public Transportation	49,000	0
Indigent Drivers	0	25,000
Community Corrections	3,944	0
Capital Improvements	0	147,164
D.A.R.E.	6,106	0
Note Retirement Fund	1,000	0
Sidewalk Program	6,479	0
Brookside Swimming Pool	20,843	0
Brookside Golf Course	69,031	0
CCA Monitoring	0	3,944
Drug Law Enforcement	0	106
Community Development Block Grant	0	89,340
Water Fund	89,340	0
	<hr/>	<hr/>
Total	<u>\$ 321,554</u>	<u>\$ 321,554</u>

B. Interfund Balances

As of December 31, 2007, interfund balances were as follows:

	<u>Receivable</u>	<u>Payable</u>
General	\$ 145,804	\$ 0
Brookside Golf Course	0	136,597
Brookside Swimming Pool	0	9,207
	<hr/>	<hr/>
Total	<u>\$ 145,804</u>	<u>\$ 145,804</u>

CITY OF ASHLAND, OHIO
Notes To The Basic Financial Statements
December 31, 2007

NOTE 19: INTERFUND TRANSFERS AND BALANCES (Continued)

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

NOTE 20: CONTRACTUAL COMMITMENTS

As of December 31, 2007, the City had contractual commitments for the following projects:

	Contractual Commitment	Expended	Balance 12/31/2007
Reynolds, Inc. - Production Well Drilling on Bates Property	\$ 195,600	\$ 0	\$ 195,600
Simonson Construction - Garfield Waterline Project	63,244	0	63,244
Burgess & Niple - WTP Water Softner No. 1	82,900	78,500	161,400
Burgess & Niple - Mifflin Ave. Booster Station Improvement	17,900	4,170	22,070
	<u>\$ 359,644</u>	<u>\$ 82,670</u>	<u>\$ 442,314</u>
Total Business-Type Activities	<u>\$ 359,644</u>	<u>\$ 82,670</u>	<u>\$ 442,314</u>

NOTE 21: 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, 2007.

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 22: SUBSEQUENT EVENT

On May 22, 2008, the City re-issued \$6,063,000 in bond anticipation notes for various capital improvement projects and equipment purchases throughout the City's different departments. The notes were issued at an interest rate of 2.5% with a maturity date of January 13, 2009.

**COMBINING STATEMENTS FOR
NONMAJOR GOVERNMENTAL FUNDS**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special revenue funds are used to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

State Highway Fund - 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 - To account for the deposit, control and expenditure of donated moneys 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.

Kate Myers Trust - To account for interest revenue and operating costs from the trust.

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

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

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

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

Fireman 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.

Police 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.

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

Fund Descriptions – Nonmajor Governmental Funds (continued)

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

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

D.A.R.E. - To account for the deposit, control of grant moneys, donations and transfers-in and for the expenditure of supplies, contractual services, travel and salary reimbursement.

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

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

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

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

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

Community Correction - 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 Programs - To account for the deposit, control and expenditure of moneys 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 moneys from fees to be used for personal services and other expenses.

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

Mayors Underprivileged Childrens Fund - To account for the deposit, control and expenditure of moneys from program income and interest to be used for miscellaneous expenses related to this fund.

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds.)

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

Sidewalk Program - To account for the deposit, control and expenditure of moneys from assessments and transfers to pay for the construction of sidewalks throughout the City.

Nonmajor Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

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

Note Retirement - To account for resources used for the payment of principal and interest and fiscal charges related to note debt.

(This page is left intentionally blank.)

City of Ashland
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,630,397	\$ 88,472	\$ 938,357	\$ 2,657,226
Receivables:				
Taxes	556,311	231,935	0	788,246
Accounts	27,790	0	0	27,790
Intergovernmental Receivable	822,562	7,160	0	829,722
Prepaid Items	12,279	0	0	12,279
<i>Total Assets</i>	<u>\$ 3,049,339</u>	<u>\$ 327,567</u>	<u>\$ 938,357</u>	<u>\$ 4,315,263</u>
Liabilities				
Accounts Payable	\$ 86,710	\$ 0	\$ 15,585	\$ 102,295
Accrued Wages	98,247	0	0	98,247
Intergovernmental Payable	42,397	0	0	42,397
Deferred Revenue	1,149,228	239,095	0	1,388,323
<i>Total Liabilities</i>	<u>1,376,582</u>	<u>239,095</u>	<u>15,585</u>	<u>1,631,262</u>
Fund Balances				
Reserved for Encumbrances	3,884	0	123,934	127,818
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,668,873	0	0	1,668,873
Debt Service Fund	0	88,472	0	88,472
Capital Projects Funds	0	0	798,838	798,838
<i>Total Fund Balances</i>	<u>1,672,757</u>	<u>88,472</u>	<u>922,772</u>	<u>2,684,001</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,049,339</u>	<u>\$ 327,567</u>	<u>\$ 938,357</u>	<u>\$ 4,315,263</u>

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$ 388,052	\$ 180,110	\$ 0	\$ 568,162
Income Taxes	862,010	0	0	862,010
Charges for Services	369,740	0	0	369,740
Fines and Forfeitures	471,429	0	0	471,429
Intergovernmental	1,131,889	18,540	41,447	1,191,876
Interest	1,640	0	631,678	633,318
Contributions and Donations	70,756	0	0	70,756
Other	18,649	0	504	19,153
<i>Total Revenues</i>	<u>3,314,165</u>	<u>198,650</u>	<u>673,629</u>	<u>4,186,444</u>
Expenditures				
Current:				
General Government	564,904	0	0	564,904
Security of Persons and Property	543,445	0	0	543,445
Leisure Time Services	1,037,444	0	0	1,037,444
Community and Economic Development	90,731	0	0	90,731
Transportation	300,047	0	0	300,047
Capital Outlay	433,159	0	254,960	688,119
Debt Service:				
Principal Retirement	111,314	114,177	388,510	614,001
Interest and Fiscal Charges	57,944	108,436	484	166,864
<i>Total Expenditures</i>	<u>3,138,988</u>	<u>222,613</u>	<u>643,954</u>	<u>4,005,555</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>175,177</u>	<u>(23,963)</u>	<u>29,675</u>	<u>180,889</u>
Other Financing Sources (Uses)				
Transfers In	109,861	1,000	6,479	117,340
Proceeds of Loans	13,964	0	0	13,964
Proceeds from Bond Anticipation Notes	997,000	0	0	997,000
Proceeds from Sales of Capital Assets	0	0	367,716	367,716
Premium on Debt Issued	0	16,117	0	16,117
Transfers Out	(30,050)	0	(147,164)	(177,214)
<i>Total Other Financing Sources</i>	<u>1,090,775</u>	<u>17,117</u>	<u>227,031</u>	<u>1,334,923</u>
<i>Net Change in Fund Balances</i>	1,265,952	(6,846)	256,706	1,515,812
<i>Fund Balances Beginning of Year</i>	<u>406,805</u>	<u>95,318</u>	<u>666,066</u>	<u>1,168,189</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,672,757</u>	<u>\$ 88,472</u>	<u>\$ 922,772</u>	<u>\$ 2,684,001</u>

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	State Highway Improvement	Permissive Tax	City Permissive	Bandshell Improvements	Park & Recreation
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 45,408	\$ 0	\$ 7,320	\$ 64,038	\$ 172,240
Receivables:					
Taxes	0	0	0	0	354,045
Accounts	0	0	0	0	0
Intergovernmental Receivable	31,222	0	45,823	0	9,130
Prepaid Items	0	0	0	0	9,906
<i>Total Assets</i>	<u>\$ 76,630</u>	<u>\$ 0</u>	<u>\$ 53,143</u>	<u>\$ 64,038</u>	<u>\$ 545,321</u>
Liabilities					
Accounts Payable	0	0	0	0	1,709
Accrued Wages	0	0	0	0	8,732
Intergovernmental Payable	0	0	0	0	13,266
Deferred Revenue	19,370	0	31,546	0	231,602
<i>Total Liabilities</i>	<u>19,370</u>	<u>0</u>	<u>31,546</u>	<u>0</u>	<u>255,309</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Capital Projects Funds	0	0	0	0	0
Debt Service Funds	0	0	0	0	0
Special Revenue Funds	57,260	0	21,597	64,038	290,012
<i>Total Fund Balances</i>	<u>57,260</u>	<u>0</u>	<u>21,597</u>	<u>64,038</u>	<u>290,012</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 76,630</u>	<u>\$ 0</u>	<u>\$ 53,143</u>	<u>\$ 64,038</u>	<u>\$ 545,321</u>

(Continued)

<u>Kate Myers Trust</u>	<u>Fire/Rescue Training</u>	<u>Fire/Rescue Equipment</u>	<u>Community Development Block Grant</u>	<u>Ohio Regional Development</u>	<u>Firemens Pension</u>	<u>Policemens Pension</u>
\$ 7,051	\$ 30,860	\$ 351,248	\$ 47,734	\$ 83,092	\$ 0	\$ 0
0	0	0	0	0	101,133	101,133
0	0	0	0	0	0	0
0	0	0	79,662	522,000	5,806	5,806
0	0	0	0	0	0	0
<u>\$ 7,051</u>	<u>\$ 30,860</u>	<u>\$ 351,248</u>	<u>\$ 127,396</u>	<u>\$ 605,092</u>	<u>\$ 106,939</u>	<u>\$ 106,939</u>
0	2,985	0	0	0	0	0
0	0	0	0	0	45,207	39,383
0	0	0	0	0	12,916	9,480
0	0	0	79,662	522,000	106,939	106,939
0	2,985	0	79,662	522,000	165,062	155,802
0	0	0	2,360	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
7,051	27,875	351,248	45,374	83,092	(58,123)	(48,863)
<u>7,051</u>	<u>27,875</u>	<u>351,248</u>	<u>47,734</u>	<u>83,092</u>	<u>(58,123)</u>	<u>(48,863)</u>
<u>\$ 7,051</u>	<u>\$ 30,860</u>	<u>\$ 351,248</u>	<u>\$ 127,396</u>	<u>\$ 605,092</u>	<u>\$ 106,939</u>	<u>\$ 106,939</u>

(Continued)

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2007

	<u>Drug Law Enforcement</u>	<u>Enforcement & Education</u>	<u>Ashland Public Transportation</u>	<u>D.A.R.E.</u>	<u>Municipal Court Computer</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 14,565	\$ 1,097	\$ 69,643	\$ 0	\$ 304,682
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	1,240	0	9,095
Due from Other Governments	0	0	77,884	15,588	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 14,565</u>	<u>\$ 1,097</u>	<u>\$ 148,767</u>	<u>\$ 15,588</u>	<u>\$ 313,777</u>
Liabilities					
Accounts Payable	0	0	79,174	0	0
Accrued Wages	0	0	692	0	0
Intergovernmental Payable	0	0	874	0	0
Deferred Revenue	0	0	21,529	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>102,269</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	1,524
Undesignated Reported In:					
Capital Projects Funds	0	0	0	0	0
Debt Service Funds	0	0	0	0	0
Special Revenue Funds	14,565	1,097	46,498	15,588	312,253
<i>Total Fund Balances</i>	<u>14,565</u>	<u>1,097</u>	<u>46,498</u>	<u>15,588</u>	<u>313,777</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 14,565</u>	<u>\$ 1,097</u>	<u>\$ 148,767</u>	<u>\$ 15,588</u>	<u>\$ 313,777</u>

(Continued)

Indigent Drivers	Municipal Probation	Police Donations	Home Arrest	Community Corrections	Municipal Court Special Program	CCA Monitoring
\$ 55,065	\$ 93,638	\$ 10,677	\$ 1,728	\$ 11,916	\$ 221,477	\$ 2,558
0	0	0	0	0	0	0
0	13,491	0	0	0	3,964	0
0	0	0	0	29,641	0	0
0	1,626	0	0	747	0	0
<u>\$ 55,065</u>	<u>\$ 108,755</u>	<u>\$ 10,677</u>	<u>\$ 1,728</u>	<u>\$ 42,304</u>	<u>\$ 225,441</u>	<u>\$ 2,558</u>
0	0	0	0	2,842	0	0
0	2,894	0	0	1,339	0	0
0	4,231	0	0	1,630	0	0
0	0	0	0	29,641	0	0
0	7,125	0	0	35,452	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
55,065	101,630	10,677	1,728	6,852	225,441	2,558
<u>55,065</u>	<u>101,630</u>	<u>10,677</u>	<u>1,728</u>	<u>6,852</u>	<u>225,441</u>	<u>2,558</u>
<u>\$ 55,065</u>	<u>\$ 108,755</u>	<u>\$ 10,677</u>	<u>\$ 1,728</u>	<u>\$ 42,304</u>	<u>\$ 225,441</u>	<u>\$ 2,558</u>

(Continued)

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2007

	Revolving Loan	Mayor's Underprivileged Children	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 33,495	\$ 865	\$ 1,630,397
Receivables:			
Taxes	0	0	556,311
Accounts	0	0	27,790
Due from Other Governments	0	0	822,562
Prepaid Items	0	0	12,279
<i>Total Assets</i>	<u>\$ 33,495</u>	<u>\$ 865</u>	<u>\$ 3,049,339</u>
Liabilities			
Accounts Payable	0	0	86,710
Accrued Wages	0	0	98,247
Intergovernmental Payable	0	0	42,397
Deferred Revenue	0	0	1,149,228
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>1,376,582</u>
Fund Balances			
Reserved for Encumbrances	0	0	3,884
Undesignated Reported In:			
Capital Projects Funds	0	0	0
Debt Service Funds	0	0	0
Special Revenue Funds	33,495	865	1,668,873
<i>Total Fund Balances</i>	<u>33,495</u>	<u>865</u>	<u>1,672,757</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 33,495</u>	<u>\$ 865</u>	<u>\$ 3,049,339</u>

This Page is Intentionally Left Blank.

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	State Highway Improvement	Permissive Tax	City Permissive	Bandshell Improvements	Park & Recreation
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 184,446
Income Taxes	0	0	0	0	862,010
Charges for Services	0	0	0	0	56,366
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	76,770	176,000	96,199	0	30,471
Contributions and Donations	0	0	0	20,807	17,200
Interest	0	0	0	0	0
Other	0	0	0	0	11,131
<i>Total Revenues</i>	<u>76,770</u>	<u>176,000</u>	<u>96,199</u>	<u>20,807</u>	<u>1,161,624</u>
Expenditures					
Current:					
General Government:	0	0	0	0	0
Security of Persons and Property	0	0	0	0	0
Leisure Time Services	0	0	0	9,976	1,027,468
Community and Economic Development	0	0	0	0	0
Transportation	300,001	0	0	0	0
Capital Outlay	55,000	176,000	128,300	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	13,964	0	0	0	7,220
<i>Total Expenditures</i>	<u>368,965</u>	<u>176,000</u>	<u>128,300</u>	<u>9,976</u>	<u>1,034,688</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(292,195)</u>	<u>0</u>	<u>(32,101)</u>	<u>10,831</u>	<u>126,936</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	50,811
Proceeds of Loans	13,964	0	0	0	0
Proceeds from Bond Anticipation Notes	0	0	0	0	117,000
Transfers Out	0	0	0	0	(1,000)
<i>Total Other Financing Sources (Uses)</i>	<u>13,964</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>166,811</u>
<i>Net Change in Fund Balances</i>	(278,231)	0	(32,101)	10,831	293,747
<i>Fund Balances Beginning of Year</i>	<u>335,491</u>	<u>0</u>	<u>53,698</u>	<u>53,207</u>	<u>(3,735)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 57,260</u>	<u>\$ 0</u>	<u>\$ 21,597</u>	<u>\$ 64,038</u>	<u>\$ 290,012</u>

(Continued)

<u>Kate Myers Trust</u>	<u>Fire/Rescue Training</u>	<u>Fire/Rescue Equipment</u>	<u>Community Development Block Grant</u>	<u>Ohio Regional Development</u>	<u>Firemens Pension</u>	<u>Policemens Pension</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 101,803	\$ 101,803
0	0	0	0	0	0	0
0	0	220,000	0	0	0	0
0	0	0	0	0	0	0
0	0	0	75,700	79,092	8,557	8,557
0	22,050	0	0	0	0	0
258	0	0	0	0	0	0
0	48	5,895	0	0	0	0
<u>258</u>	<u>22,098</u>	<u>225,895</u>	<u>75,700</u>	<u>79,092</u>	<u>110,360</u>	<u>110,360</u>
0	0	0	0	0	0	0
0	20,051	34,490	0	0	10,499	35,770
0	0	0	0	0	0	0
0	0	0	(18,877)	109,608	0	0
0	0	0	0	0	0	0
0	0	31,246	0	0	0	0
0	0	111,314	0	0	0	0
0	0	36,760	0	0	0	0
<u>0</u>	<u>20,051</u>	<u>213,810</u>	<u>(18,877)</u>	<u>109,608</u>	<u>10,499</u>	<u>35,770</u>
<u>258</u>	<u>2,047</u>	<u>12,085</u>	<u>94,577</u>	<u>(30,516)</u>	<u>99,861</u>	<u>74,590</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	880,000	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>880,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
258	2,047	892,085	94,577	(30,516)	99,861	74,590
<u>6,793</u>	<u>25,828</u>	<u>(540,837)</u>	<u>(46,843)</u>	<u>113,608</u>	<u>(157,984)</u>	<u>(123,453)</u>
<u>\$ 7,051</u>	<u>\$ 27,875</u>	<u>\$ 351,248</u>	<u>\$ 47,734</u>	<u>\$ 83,092</u>	<u>\$ (58,123)</u>	<u>\$ (48,863)</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, 2007

	Drug Law Enforcement	Enforcement & Education	Ashland Public Transportation	D.A.R.E.	Municipal Court Computer
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Income Taxes	0	0	0	0	0
Charges for Services	0	0	86,523	0	0
Fines and Forfeitures	4,378	1,741	0	0	128,185
Intergovernmental	0	0	462,158	15,588	0
Contributions and Donations	0	0	200	500	0
Interest	0	0	0	0	0
Other	0	0	396	0	0
<i>Total Revenues</i>	<u>4,378</u>	<u>1,741</u>	<u>549,277</u>	<u>16,088</u>	<u>128,185</u>
Expenditures					
Current:					
General Government:	0	0	564,522	0	0
Security of Persons and Property	6,544	5,549	0	16,424	59,872
Leisure Time Services	0	0	0	0	0
Community and Economic Development	0	0	0	0	0
Transportation	0	0	46	0	0
Capital Outlay	0	0	42,613	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>6,544</u>	<u>5,549</u>	<u>607,181</u>	<u>16,424</u>	<u>59,872</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,166)</u>	<u>(3,808)</u>	<u>(57,904)</u>	<u>(336)</u>	<u>68,313</u>
Other Financing Sources (Uses)					
Transfers In	0	0	49,000	6,106	0
Proceeds of Loans	0	0	0	0	0
Premium on Debt Issued	0	0	0	0	0
Transfers Out	(106)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(106)</u>	<u>0</u>	<u>49,000</u>	<u>6,106</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(2,272)</u>	<u>(3,808)</u>	<u>(8,904)</u>	<u>5,770</u>	<u>68,313</u>
<i>Fund Balances Beginning of Year</i>	<u>16,837</u>	<u>4,905</u>	<u>55,402</u>	<u>9,818</u>	<u>245,464</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 14,565</u>	<u>\$ 1,097</u>	<u>\$ 46,498</u>	<u>\$ 15,588</u>	<u>\$ 313,777</u>

(Continued)

<u>Indigent Drivers</u>	<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>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
24,607	251,700	0	0	0	56,016	4,802
0	0	0	0	102,797	0	0
0	0	9,999	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>24,607</u>	<u>251,700</u>	<u>9,999</u>	<u>0</u>	<u>102,797</u>	<u>56,016</u>	<u>4,802</u>
0	(213)	0	0	0	0	0
15,040	175,754	23,714	0	120,013	12,852	6,873
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	0	0	0	0	0	0
<u>15,040</u>	<u>175,541</u>	<u>23,714</u>	<u>0</u>	<u>120,013</u>	<u>12,852</u>	<u>6,873</u>
<u>9,567</u>	<u>76,159</u>	<u>(13,715)</u>	<u>0</u>	<u>(17,216)</u>	<u>43,164</u>	<u>(2,071)</u>
0	0	0	0	3,944	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>(25,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,944)</u>
<u>(25,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,944</u>	<u>0</u>	<u>(3,944)</u>
(15,433)	76,159	(13,715)	0	(13,272)	43,164	(6,015)
<u>70,498</u>	<u>25,471</u>	<u>24,392</u>	<u>1,728</u>	<u>20,124</u>	<u>182,277</u>	<u>8,573</u>
<u>\$ 55,065</u>	<u>\$ 101,630</u>	<u>\$ 10,677</u>	<u>\$ 1,728</u>	<u>\$ 6,852</u>	<u>\$ 225,441</u>	<u>\$ 2,558</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, 2007

	Revolving Loan	Mayor's Underprivileged Children	Totals
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 388,052
Income Taxes	0	0	862,010
Charges for Services	6,851	0	369,740
Fines and Forfeitures	0	0	471,429
Intergovernmental	0	0	1,131,889
Contributions and Donations	0	0	70,756
Interest	1,352	30	1,640
Other	0	1,179	18,649
<i>Total Revenues</i>	<u>8,203</u>	<u>1,209</u>	<u>3,314,165</u>
Expenditures			
Current:			
General Government:			
Security of Persons and Property	0	595	564,904
Leisure Time Services	0	0	543,445
Community and Economic Development	0	0	1,037,444
Transportation	0	0	90,731
Capital Outlay	0	0	300,047
Debt Service:			
Principal Retirement	0	0	433,159
Interest and Fiscal Charges	0	0	111,314
	<u>0</u>	<u>595</u>	<u>57,944</u>
<i>Total Expenditures</i>	<u>0</u>	<u>595</u>	<u>3,138,988</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,203</u>	<u>614</u>	<u>175,177</u>
Other Financing Sources (Uses)			
Transfers In	0	0	109,861
Proceeds of Loans	0	0	13,964
Premium on Debt Issued	0	0	997,000
Transfers Out	0	0	(30,050)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>1,090,775</u>
<i>Net Change in Fund Balances</i>	8,203	614	1,265,952
<i>Fund Balances Beginning of Year</i>	<u>25,292</u>	<u>251</u>	<u>406,805</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 33,495</u>	<u>\$ 865</u>	<u>\$ 1,672,757</u>

City of Ashland
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	<u>Capital Improvements</u>	<u>Sidewalk Program</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$ 938,357</u>	<u>\$ 0</u>	<u>\$ 938,357</u>
Liabilities			
Accounts Payable	<u>\$ 15,585</u>	<u>\$ 0</u>	<u>\$ 15,585</u>
Fund Balances			
Reserved for Encumbrances	123,934	0	123,934
Unreserved, Undesignated, Reported in: Capital Projects Funds	<u>798,838</u>	<u>0</u>	<u>798,838</u>
<i>Total Fund Balances</i>	<u>922,772</u>	<u>0</u>	<u>922,772</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 938,357</u>	<u>\$ 0</u>	<u>\$ 938,357</u>

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007

	<u>Capital Improvements</u>	<u>Sidewalk Program</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ 41,447	\$ 0	\$ 41,447
Interest	631,678	0	631,678
Other	0	504	504
<i>Total Revenues</i>	<u>673,125</u>	<u>504</u>	<u>673,629</u>
Expenditures			
Current:			
Capital Outlay	247,977	6,983	254,960
Debt Service:			
Principal Retirement	388,510	0	388,510
Interest and Fiscal Charges	484	0	484
<i>Total Expenditures</i>	<u>636,971</u>	<u>6,983</u>	<u>643,954</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>36,154</u>	<u>(6,479)</u>	<u>29,675</u>
Other Financing Sources (Uses)			
Transfers In	0	6,479	6,479
Proceeds from Sales of Capital Assets	367,716	0	367,716
Transfers Out	(147,164)	0	(147,164)
<i>Total Other Financing Sources (Uses)</i>	<u>220,552</u>	<u>6,479</u>	<u>227,031</u>
<i>Net Change in Fund Balances</i>	256,706	0	256,706
<i>Fund Balance Beginning of Year</i>	<u>666,066</u>	<u>0</u>	<u>666,066</u>
<i>Fund Balances End of Year</i>	<u>\$ 922,772</u>	<u>\$ 0</u>	<u>\$ 922,772</u>

City of Ashland
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

	General Obligation Bond Retirement	Note Retirement	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 13,783	\$ 74,689	\$ 88,472
Receivables:			
Taxes	231,935	0	231,935
Intergovernmental Receivable	<u>7,160</u>	<u>0</u>	<u>7,160</u>
<i>Total Assets</i>	<u><u>\$ 252,878</u></u>	<u><u>\$ 74,689</u></u>	<u><u>\$ 327,567</u></u>
Liabilities			
Deferred Revenue	<u>\$ 239,095</u>	<u>\$ 0</u>	<u>\$ 239,095</u>
Fund Balances			
Unreserved, Undesignated, Reported in:			
Debt Service Funds	<u>13,783</u>	<u>74,689</u>	<u>88,472</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$ 252,878</u></u>	<u><u>\$ 74,689</u></u>	<u><u>\$ 327,567</u></u>

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2007

	General Obligation <u>Bond Retirement</u>	Note Retirement	<u>Total</u>
Revenues			
Property Taxes	\$ 180,110	\$ 0	\$ 180,110
Intergovernmental	<u>18,540</u>	<u>0</u>	<u>18,540</u>
<i>Total Revenues</i>	<u>198,650</u>	<u>0</u>	<u>198,650</u>
Expenditures			
Current:			
Debt Service:			
Principal Retirement	114,177	0	114,177
Interest and Fiscal Charges	<u>108,436</u>	<u>0</u>	<u>108,436</u>
<i>Total Expenditures</i>	<u>222,613</u>	<u>0</u>	<u>222,613</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(23,963)</u>	<u>0</u>	<u>(23,963)</u>
Other Financing Sources			
Transfers In	0	1,000	1,000
Premium on Debt Issued	<u>0</u>	<u>16,117</u>	<u>16,117</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>17,117</u>	<u>17,117</u>
<i>Net Change in Fund Balances</i>	(23,963)	17,117	(6,846)
<i>Fund Balance Beginning of Year</i>	<u>37,746</u>	<u>57,572</u>	<u>95,318</u>
<i>Fund Balances End of Year</i>	<u>\$ 13,783</u>	<u>\$ 74,689</u>	<u>\$ 88,472</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET (NON-GAAP BASIS)
AND ACTUAL**

(This page is left intentionally blank.)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 723,200	\$ 723,200	\$ 749,195	\$ 25,995
Income Taxes	5,569,202	5,979,202	6,754,838	775,636
Charges for Services	1,284,251	1,450,574	1,541,330	90,756
Licenses and Permits	28,050	28,050	40,911	12,861
Fines and Forfeitures	579,235	579,235	674,899	95,664
Intergovernmental	966,456	1,159,457	1,358,026	198,569
Interest	0	0	7,228	7,228
Rent	4,800	4,800	5,400	600
Contributions and Donations	2,000	2,000	905	(1,095)
Other	83,200	83,200	87,150	3,950
<i>Total Revenues</i>	<u>9,240,394</u>	<u>10,009,718</u>	<u>11,219,882</u>	<u>1,210,164</u>
Expenditures				
Current:				
General Government				
Mayor				
Personal Services	173,512	170,512	170,217	295
Other	6,584	9,584	8,677	907
Total Mayor	<u>180,096</u>	<u>180,096</u>	<u>178,894</u>	<u>1,202</u>
Director of Finance				
Personal Services	365,135	365,135	298,199	66,936
Other	70,468	70,468	47,527	22,941
Total Director of Finance	<u>435,603</u>	<u>435,603</u>	<u>345,726</u>	<u>89,877</u>
Income Tax				
Personal Services	0	207,990	205,435	2,555
Other	0	205,312	176,966	28,346
Total Income Tax	<u>0</u>	<u>413,302</u>	<u>382,401</u>	<u>30,901</u>
Director of Law				
Personal Services	194,969	194,969	190,547	4,422
Other	41,400	49,583	43,006	6,577
Total Director of Law	<u>236,369</u>	<u>244,552</u>	<u>233,553</u>	<u>10,999</u>

(Continued)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Department of Human Services				
Personal Services	142,423	152,423	152,134	289
Other	14,164	14,164	11,590	2,574
Total Department of Human Services	156,587	166,587	163,724	2,863
Council				
Personal Services	84,858	84,858	84,069	789
Other	13,085	13,085	5,595	7,490
Total Council	97,943	97,943	89,664	8,279
Municipal Court Judge				
Personal Services	0	50,834	51,103	(269)
Other	0	4,400	4,150	250
Total Municipal Court Judge	0	55,234	55,253	(19)
Municipal Court Clerk				
Personal Services	974,183	912,349	904,686	7,663
Other	128,590	135,190	134,695	495
Total Municipal Court Judge	1,102,773	1,047,539	1,039,381	8,158
Technical Services Department				
Personal Services	133,947	133,947	122,836	11,111
Other	7,871	7,871	5,934	1,937
Total Technical Services Department	141,818	141,818	128,770	13,048
Municipal Building Maintenance				
Personal Services	57,048	57,048	52,863	4,185
Other	64,166	64,166	44,237	19,929
Total Municipal Building Maintenance	121,214	121,214	97,100	24,114
Justice Center Maintenance				
Personal Services	58,898	58,898	57,692	1,206
Other	149,178	150,378	131,504	18,874
Total Justice Center Maintenance	208,076	209,276	189,196	20,080

(Continued)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Engineer				
Personal Services	273,740	270,740	238,141	32,599
Other	48,332	51,504	51,485	19
Total Engineer	322,072	322,244	289,626	32,618
General Miscellaneous				
Personal Services	146,000	146,000	130,473	15,527
Other	1,088,332	1,057,317	968,248	89,069
Total General Miscellaneous	1,234,332	1,203,317	1,098,721	104,596
City Maintenance				
Personal Services	0	58,700	58,047	653
Other	0	23,131	16,138	6,993
Total City Maintenance	0	81,831	74,185	7,646
Section 125				
Other	0	175,492	174,451	1,041
Total General Government	4,236,883	4,896,048	4,540,645	355,403
Security of Persons and Property				
Police Department				
Personal Services	2,523,027	2,688,027	2,686,514	1,513
Other	410,994	414,199	409,828	4,371
Total Police Department	2,934,021	3,102,226	3,096,342	5,884
Fire Department				
Personal Services	2,899,021	2,899,021	2,555,823	343,198
Other	318,097	324,486	306,937	17,549
Total Fire Department	3,217,118	3,223,507	2,862,760	360,747
Street Lighting				
Other	90,031	103,031	102,847	184
Total Security of Persons and Property	6,241,170	6,428,764	6,061,949	366,815

(Continued)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Health				
Health Department				
Personal Services	203,167	207,167	206,804	363
Other	78,645	79,145	78,974	171
Total Health Department	281,812	286,312	285,778	534
Community and Economic Development				
Building and Zoning				
Personal Services	161,582	165,582	165,264	318
Other	23,829	23,829	21,271	2,558
Total Building and Zoning	185,411	189,411	186,535	2,876
Planning Commission				
Other	2,150	2,150	1,958	192
Economic Development				
Personal Services	3,140	3,140	1,320	1,820
Other	750	750	49	701
Total Economic Development	3,890	3,890	1,369	2,521
Total Community and Economic Development	191,451	195,451	189,862	5,589
<i>Total Expenditures</i>	10,951,316	11,806,575	11,078,234	728,341
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,710,922)	(1,796,857)	141,648	1,938,505
Other Financing Sources (Uses):				
Transfers In	25,000	25,000	25,000	0
Transfers Out	0	(46,000)	(55,000)	(9,000)
Total Other Financing Sources (Uses)	25,000	(21,000)	(30,000)	(9,000)
<i>Net Change in Fund Balance</i>	(1,685,922)	(1,817,857)	111,648	1,929,505
<i>Fund Balance Beginning of Year</i>	1,820,949	1,820,949	1,820,949	0
Prior Year Encumbrances Appropriated	40,954	40,954	40,954	0
<i>Fund Balance End of Year</i>	\$ 175,981	\$ 44,046	\$ 1,973,551	\$ 1,929,505

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, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Income Taxes	\$ 821,099	\$ 821,099	\$ 940,765	\$ 119,666
Charges for Services	239,600	239,600	305,120	65,520
Fines and Forfeitures	5,400	5,400	11,750	6,350
Intergovernmental	1,237,211	1,237,211	1,202,036	(35,175)
Interest	700	700	1,099	399
Other	31,500	31,500	45,445	13,945
<i>Total Revenues</i>	<u>2,335,510</u>	<u>2,335,510</u>	<u>2,506,215</u>	<u>170,705</u>
Expenditures				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	1,002,548	1,002,548	1,000,432	2,116
Other	1,861,477	1,894,227	1,011,432	882,795
Total Street Maintenance and Repair	<u>2,864,025</u>	<u>2,896,775</u>	<u>2,011,864</u>	<u>884,911</u>
Bridges				
Other	93,016	60,000	2,480	57,520
Total Transportation	2,957,041	2,956,775	2,014,344	942,431
Capital Outlay				
Personal Services	0	0	145,386	(145,386)
Bridges				
Capital Outlay	55,000	55,000	55,000	0
Ashland Business Park				
Capital Outlay	22,315	22,315	22,315	0
Total Capital Outlay	<u>77,315</u>	<u>77,315</u>	<u>222,701</u>	<u>(145,386)</u>
<i>Total Expenditures</i>	<u>3,034,356</u>	<u>3,034,090</u>	<u>2,237,045</u>	<u>797,045</u>
<i>Net Change in Fund Balance</i>	(698,846)	(698,580)	269,170	967,750
<i>Fund Balance Beginning of Year</i>	970,775	970,775	970,775	0
Prior Year Encumbrances Appropriated	103,974	103,974	103,974	0
<i>Fund Balance End of Year</i>	<u>\$ 375,903</u>	<u>\$ 376,169</u>	<u>\$ 1,343,919</u>	<u>\$ 967,750</u>

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Improvement Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 69,000	\$ 69,000	\$ 76,872	7,872
Expenditures				
Current:				
Transportation				
Other	300,000	300,000	300,001	(1)
Total Transportation	300,000	300,000	300,001	(1)
Capital Outlay				
Capital Outlay	55,000	55,000	55,000	0
<i>Total Expenditures</i>	<u>355,000</u>	<u>355,000</u>	<u>355,001</u>	<u>(1)</u>
<i>Net Change in Fund Balance</i>	(286,000)	(286,000)	(278,129)	7,871
<i>Fund Balance Beginning of Year</i>	<u>323,537</u>	<u>323,537</u>	<u>323,537</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 37,537</u>	<u>\$ 37,537</u>	<u>\$ 45,408</u>	<u>\$ 7,871</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 176,000	\$ 176,000	\$ 176,000	\$ 0
Expenditures				
Capital Outlay				
Other	176,000	176,000	176,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0	\$ 0

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Permissive Tax Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 96,435	\$ 1,435
<i>Total Revenues</i>	<u>95,000</u>	<u>95,000</u>	<u>96,435</u>	<u>1,435</u>
Expenditures				
Capital Outlay				
Other	134,000	134,000	128,300	5,700
<i>Net Change in Fund Balance</i>	(39,000)	(39,000)	(31,865)	7,135
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>39,185</u>	<u>39,185</u>	<u>39,185</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 185</u>	<u>\$ 185</u>	<u>\$ 7,320</u>	<u>\$ 7,135</u>

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$ 12,000	\$ 12,000	\$ 20,807	\$ 8,807
Expenditures				
Current:				
Leisure Time Services	114,000	114,000	9,976	104,024
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(102,000)</u>	<u>(102,000)</u>	<u>10,831</u>	<u>112,831</u>
Other Financing Sources				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
<i>Net Change in Fund Balance</i>	(52,000)	(52,000)	10,831	62,831
<i>Fund Balance Beginning of Year</i>	<u>53,207</u>	<u>53,207</u>	<u>53,207</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,207</u>	<u>\$ 1,207</u>	<u>\$ 64,038</u>	<u>\$ 62,831</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park and Recreation Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 161,000	\$ 161,000	\$ 184,446	\$ 23,446
Income Taxes	749,698	749,698	858,959	109,261
Charges for Services	64,250	64,250	56,366	(7,884)
Intergovernmental	31,185	31,185	30,471	(714)
Contributions and Donations	1,300	17,300	17,200	(100)
Other	9,000	9,000	11,131	2,131
<i>Total Revenues</i>	<u>1,016,433</u>	<u>1,032,433</u>	<u>1,158,573</u>	<u>126,140</u>
Expenditures				
Current:				
Leisure Time Services				
Park Levy				
Park Levy	91,409	91,409	86,664	4,745
Park and Recreation				
Personal Services	426,916	426,916	427,619	(703)
Other	346,878	346,313	303,461	42,852
Total Park and Recreation	<u>773,794</u>	<u>773,229</u>	<u>731,080</u>	<u>42,149</u>
Arborist				
Personal Services	172,395	172,395	160,556	11,839
Other	40,522	40,522	43,659	(3,137)
Total Arborist	<u>212,917</u>	<u>212,917</u>	<u>204,215</u>	<u>8,702</u>
Total Leisure Time Services	1,078,120	1,077,555	1,021,959	55,596
Debt Service				
Principal Retirement	12,000	145,000	145,000	0
Interest and Fiscal Charges	5,800	5,800	7,220	(1,420)
Total Debt Service	<u>17,800</u>	<u>150,800</u>	<u>152,220</u>	<u>(1,420)</u>
<i>Total Expenditures</i>	<u>1,095,920</u>	<u>1,228,355</u>	<u>1,174,179</u>	<u>54,176</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(79,487)	(195,922)	(15,606)	180,316
Other Financing Sources (Uses):				
Transfers In	60,000	60,000	50,811	(9,189)
Revenue Notes Issued	0	117,000	117,000	0
Transfers Out	(1,000)	(1,000)	(1,000)	0
Total Other Financing Sources (Uses)	<u>59,000</u>	<u>176,000</u>	<u>166,811</u>	<u>(9,189)</u>
<i>Net Change in Fund Balance</i>	(20,487)	(19,922)	151,205	171,127
<i>Fund Balance (Deficit) Beginning of Year</i>	20,068	20,068	20,068	0
Prior Year Encumbrances Appropriated	967	967	967	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 548</u>	<u>\$ 1,113</u>	<u>\$ 172,240</u>	<u>\$ 171,127</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Kate Myers Trust Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 150	\$ 150	\$ 258	\$ 108
Expenditures				
Current:				
General Government				
Other	150	150	0	150
<i>Net Change in Fund Balance</i>	0	0	258	258
<i>Fund Balance Beginning of Year</i>	6,793	6,793	6,793	0
<i>Fund Balance End of Year</i>	<u>\$ 6,793</u>	<u>\$ 6,793</u>	<u>\$ 7,051</u>	<u>\$ 258</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$ 4,000	\$ 4,000	\$ 22,050	\$ 18,050
Other	0	0	48	48
<i>Total Revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>22,098</u>	<u>18,098</u>
Expenditures				
Current:				
Security of Persons and Property				
Other	<u>20,000</u>	<u>20,055</u>	<u>20,051</u>	<u>4</u>
<i>Net Change in Fund Balance</i>	(16,000)	(16,055)	2,047	18,102
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>25,828</u>	<u>25,828</u>	<u>25,828</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 9,828</u>	<u>\$ 9,773</u>	<u>\$ 27,875</u>	<u>\$ 18,102</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 220,000	\$ 220,000	\$ 220,000	\$ 0
Other	0	0	5,895	5,895
<i>Total Revenues</i>	<u>220,000</u>	<u>220,000</u>	<u>225,895</u>	<u>5,895</u>
Expenditures				
Current:				
Security of Persons and Property				
Other	32,647	32,647	34,490	(1,843)
Capital Outlay				
Other	442,560	442,560	31,246	411,314
Debt Service				
Principal Retirement	157,000	157,000	848,314	(691,314)
Interest and Fiscal Charges	36,851	36,851	36,760	91
Total Debt Service	<u>193,851</u>	<u>193,851</u>	<u>885,074</u>	<u>(691,223)</u>
<i>Total Expenditures</i>	<u>669,058</u>	<u>669,058</u>	<u>950,810</u>	<u>(281,752)</u>
<i>Excess of Revenues Under Expenditures</i>	(449,058)	(449,058)	(724,915)	(275,857)
Other Financing Sources:				
Revenue Notes Issued	300,000	300,000	880,000	580,000
<i>Net Change in Fund Balance</i>	(149,058)	(149,058)	155,085	304,143
<i>Fund Balance Beginning of Year</i>	53,603	53,603	53,603	0
Prior Year Encumbrances Appropriated	<u>142,560</u>	<u>142,560</u>	<u>142,560</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 47,105</u>	<u>\$ 47,105</u>	<u>\$ 351,248</u>	<u>\$ 304,143</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Block Grant Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 114,050	\$ 114,050	\$ 75,700	\$ (38,350)
Expenditures				
Current:				
Community and Economic Development				
Other	319,300	209,300	107,126	102,174
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(205,250)</u>	<u>(95,250)</u>	<u>(31,426)</u>	<u>63,824</u>
Other Financing Sources				
Transfers In	166,850	0	0	0
<i>Net Change in Fund Balance</i>	(38,400)	(95,250)	(31,426)	63,824
<i>Fund Balance Beginning of Year</i>	30,802	30,802	30,802	0
Prior Year Encumbrances Appropriated	45,998	45,998	45,998	0
<i>Fund Balance End of Year</i>	<u>\$ 38,400</u>	<u>\$ (18,450)</u>	<u>\$ 45,374</u>	<u>\$ 63,824</u>

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Regional Development Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 252,500	\$ 252,500	\$ 87,792	\$ (164,708)
Expenditures				
Current:				
Community and Economic Development				
Other	315,940	314,189	109,608	204,581
<i>Net Change in Fund Balance</i>	(63,440)	(61,689)	(21,816)	39,873
<i>Fund Balance (Deficit) Beginning of Year</i>	45,218	45,218	45,218	0
Prior Year Encumbrances Appropriated	59,690	59,690	59,690	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 41,468</u>	<u>\$ 43,219</u>	<u>\$ 83,092</u>	<u>\$ 39,873</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 101,100	\$ 101,803	\$ 101,803	\$ 0
Intergovernmental	8,400	8,557	8,557	0
<i>Total Revenues</i>	<u>109,500</u>	<u>110,360</u>	<u>110,360</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	<u>109,500</u>	<u>110,360</u>	<u>110,360</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 100,605	\$ 101,803	\$ 101,803	\$ 0
Intergovernmental	3,400	8,557	8,557	0
<i>Total Revenues</i>	<u>104,005</u>	<u>110,360</u>	<u>110,360</u>	<u>0</u>
Expenditures				
Current:				
Security of Person and Property				
Personal Services	104,005	110,360	110,360	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 2,600	\$ 2,600	\$ 4,378	\$ 1,778
Expenditures				
Current:				
Security of Persons and Property				
Other	16,640	16,534	6,544	9,990
<i>Excess of Revenues Over (Under) Expenditures</i>	(14,040)	(13,934)	(2,166)	11,768
Other Financing Uses				
Transfers Out	0	(106)	(106)	0
<i>Net Change in Fund Balance</i>	(14,040)	(14,040)	(2,272)	11,768
<i>Fund Balance (Deficit) Beginning of Year</i>	13,897	13,897	13,897	0
Prior Year Encumbrances Appropriated	2,940	2,940	2,940	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,797</u>	<u>\$ 2,797</u>	<u>\$ 14,565</u>	<u>\$ 11,768</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 1,741	\$ (259)
Expenditures				
Current:				
Security of Persons and Property				
Other	4,850	5,850	5,549	301
<i>Net Change in Fund Balance</i>	(2,850)	(3,850)	(3,808)	42
<i>Fund Balance (Deficit) Beginning of Year</i>	4,905	4,905	4,905	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,055</u>	<u>\$ 1,055</u>	<u>\$ 1,097</u>	<u>\$ 42</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 79,006	\$ 79,006	\$ 85,283	\$ 6,277
Intergovernmental	499,055	499,055	413,045	(86,010)
Contributions and Donations	305	305	200	(105)
Other	0	0	396	396
<i>Total Revenues</i>	<u>578,366</u>	<u>578,366</u>	<u>498,924</u>	<u>(79,442)</u>
Expenditures				
Current:				
Public Transit				
Other	<u>565,080</u>	<u>565,080</u>	<u>543,977</u>	<u>21,103</u>
Coordination				
Personal Services	47,617	47,617	42,066	5,551
Other	<u>14,391</u>	<u>14,391</u>	<u>16,114</u>	<u>(1,723)</u>
Total Coordination	<u>62,008</u>	<u>62,008</u>	<u>58,180</u>	<u>3,828</u>
Cancer				
Other	<u>0</u>	<u>0</u>	<u>31</u>	<u>(31)</u>
<i>Total Expenditures</i>	<u>627,088</u>	<u>627,088</u>	<u>602,188</u>	<u>24,900</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(48,722)</u>	<u>(48,722)</u>	<u>(103,264)</u>	<u>(54,542)</u>
Other Financing Source				
Transfers In	<u>47,164</u>	<u>47,164</u>	<u>49,000</u>	<u>1,836</u>
<i>Net Change in Fund Balance</i>	(1,558)	(1,558)	(54,264)	(52,706)
<i>Fund Balance Beginning of Year</i>	78,267	78,267	78,267	0
Prior Year Encumbrances Appropriated	<u>3,221</u>	<u>3,221</u>	<u>3,221</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 79,930</u></u>	<u><u>\$ 79,930</u></u>	<u><u>\$ 27,224</u></u>	<u><u>\$ (52,706)</u></u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
D.A.R.E. Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 15,300	\$ 15,300	\$ 0	\$ (15,300)
Contributions and Donations	3,000	3,000	500	(2,500)
<i>Total Revenues</i>	<u>18,300</u>	<u>18,300</u>	<u>500</u>	<u>(17,800)</u>
Expenditures				
Current:				
Security of Persons and Property				
Other	<u>34,100</u>	<u>34,100</u>	<u>16,424</u>	<u>17,676</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(15,800)</u>	<u>(15,800)</u>	<u>(15,924)</u>	<u>(124)</u>
Other Financing Sources				
Transfers In	<u>6,000</u>	<u>6,000</u>	<u>6,106</u>	<u>106</u>
<i>Net Change in Fund Balance</i>	(9,800)	(9,800)	(9,818)	(18)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>9,818</u>	<u>9,818</u>	<u>9,818</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 18</u>	<u>\$ 18</u>	<u>\$ 0</u>	<u>\$ (18)</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 130,000	\$ 130,000	\$ 126,927	\$ (3,073)
Expenditures				
Current:				
Security of Persons and Property				
Other	364,214	355,000	61,396	293,604
<i>Net Change in Fund Balance</i>	(234,214)	(225,000)	65,531	290,531
<i>Fund Balance (Deficit) Beginning of Year</i>	168,413	168,413	168,413	0
Prior Year Encumbrances Appropriated	69,214	69,214	69,214	0
<i>Fund Balance End of Year</i>	<u>\$ 3,413</u>	<u>\$ 12,627</u>	<u>\$ 303,158</u>	<u>\$ 290,531</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 26,000	\$ 26,000	\$ 24,607	\$ (1,393)
Expenditures				
Current:				
Security of Persons and Property				
Other	59,000	59,000	15,040	43,960
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,000)	(33,000)	9,567	42,567
Other Financing Uses				
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Net Change in Fund Balance</i>	(58,000)	(58,000)	(15,433)	42,567
<i>Fund Balance (Deficit) Beginning of Year</i>	70,498	70,498	70,498	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 12,498</u>	<u>\$ 12,498</u>	<u>\$ 55,065</u>	<u>\$ 42,567</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 200,000	\$ 200,000	\$ 254,870	\$ 54,870
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	174,567	174,567	164,367	10,200
Other	18,950	18,950	10,311	8,639
Total Security of Persons and Property	193,517	193,517	174,678	18,839
<i>Net Change in Fund Balance</i>	6,483	6,483	80,192	73,709
<i>Fund Balance at Beginning of Year</i>	13,446	13,446	13,446	0
<i>Fund Balance at End of Year</i>	\$ 19,929	\$ 19,929	\$ 93,638	\$ 73,709

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$ 15,100	\$ 15,100	\$ 9,999	\$ (5,101)
Expenditures				
Current:				
Security of Persons and Property				
Other	38,548	38,548	23,714	14,834
<i>Net Change in Fund Balance</i>	(23,448)	(23,448)	(13,715)	9,733
<i>Fund Balance (Deficit) Beginning of Year</i>	3,986	3,986	3,986	0
Prior Year Encumbrances Appropriated	20,406	20,406	20,406	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 944</u>	<u>\$ 944</u>	<u>\$ 10,677</u>	<u>\$ 9,733</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, 2007

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

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Corrections Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 87,463	\$ 113,913	\$ 124,663	\$ 10,750
Expenditures				
Current:				
Security of Persons and Property				
Community Corrections				
Personal Services	70,736	72,036	72,027	9
Other	16,919	18,206	13,415	4,791
Total Community Corrections	87,655	90,242	85,442	4,800
Special Programs				
Other	0	26,450	31,249	(4,799)
<i>Total Expenditures</i>	87,655	116,692	116,691	1
<i>Excess of Revenues Over (Under) Expenditures</i>	(192)	(2,779)	7,972	10,751
Other Financing Sources				
Operating Transfers In	3,944	3,944	3,944	0
<i>Net Change in Fund Balance</i>	3,752	1,165	11,916	10,751
<i>Fund Balance (Deficit) Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 3,752</u>	<u>\$ 1,165</u>	<u>\$ 11,916</u>	<u>\$ 10,751</u>

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Programs Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 41,000	\$ 41,000	\$ 56,007	\$ 15,007
Expenditures				
Current:				
Security of Persons and Property				
Other	<u>41,000</u>	<u>106,000</u>	<u>12,852</u>	<u>93,148</u>
<i>Net Change in Fund Balance</i>	0	(65,000)	43,155	108,155
<i>Fund Balance Beginning of Year</i>	<u>178,322</u>	<u>178,322</u>	<u>178,322</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 178,322</u></u>	<u><u>\$ 113,322</u></u>	<u><u>\$ 221,477</u></u>	<u><u>\$ 108,155</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 4,802	\$ 1,802
Expenditures				
Current				
Security of Persons and Property				
Personal Services	805	1,305	977	328
Other	2,000	6,000	5,896	104
Total Security of Persons and Property	2,805	7,305	6,873	432
<i>Excess of Revenues Over (Under) Expenditures</i>	195	(4,305)	(2,071)	1,370
Other Financing Uses				
Transfers Out	(3,944)	(3,944)	(3,944)	0
<i>Net Change in Fund Balance</i>	(3,749)	(8,249)	(6,015)	2,234
<i>Fund Balance Beginning of Year</i>	8,573	8,573	8,573	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,824</u>	<u>\$ 324</u>	<u>\$ 2,558</u>	<u>\$ 2,234</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 4,000	\$ 4,000	\$ 6,851	\$ 2,851
Interest	400	400	1,352	952
<i>Total Revenues</i>	<u>4,400</u>	<u>4,400</u>	<u>8,203</u>	<u>3,803</u>
Expenditures				
Current:				
General Government				
Other	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(5,600)	(5,600)	8,203	13,803
<i>Fund Balance Beginning of Year</i>	<u>25,292</u>	<u>25,292</u>	<u>25,292</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 19,692</u>	<u>\$ 19,692</u>	<u>\$ 33,495</u>	<u>\$ 13,803</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 25	\$ 25	\$ 30	\$ 5
Other	<u>1,100</u>	<u>1,100</u>	<u>1,179</u>	<u>79</u>
<i>Total Revenues</i>	<u>1,125</u>	<u>1,125</u>	<u>1,209</u>	<u>84</u>
Expenditures				
Current:				
General Government				
Other	<u>1,100</u>	<u>1,100</u>	<u>595</u>	<u>505</u>
<i>Net Change in Fund Balance</i>	25	25	614	589
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>251</u>	<u>251</u>	<u>251</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 276</u>	<u>\$ 276</u>	<u>\$ 865</u>	<u>\$ 589</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 178,000	\$ 178,000	\$ 180,110	\$ 2,110
Intergovernmental	18,216	18,216	18,540	324
<i>Total Revenues</i>	<u>196,216</u>	<u>196,216</u>	<u>198,650</u>	<u>2,434</u>
Expenditures				
Debt Service				
Principal Retirements	179,178	179,178	179,177	1
Interest and Fiscal Charges	108,456	108,456	108,436	20
<i>Total Debt Service</i>	<u>287,634</u>	<u>287,634</u>	<u>287,613</u>	<u>21</u>
<i>Net Change in Fund Balance</i>	(91,418)	(91,418)	(88,963)	2,455
<i>Fund Balance Beginning of Year</i>	<u>102,746</u>	<u>102,746</u>	<u>102,746</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 11,328</u>	<u>\$ 11,328</u>	<u>\$ 13,783</u>	<u>\$ 2,455</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Note Retirement Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources				
Transfers In	\$ 1,000	\$ 1,000	\$ 1,000	\$ 0
Premium in Debt Issued	<u>15,000</u>	<u>15,000</u>	<u>16,117</u>	<u>1,117</u>
<i>Total Other Financing Sources</i>	<u>16,000</u>	<u>16,000</u>	<u>17,117</u>	<u>1,117</u>
<i>Net Change in Fund Balance</i>	16,000	16,000	17,117	1,117
<i>Fund Balance Beginning of Year</i>	<u>57,572</u>	<u>57,572</u>	<u>57,572</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 73,572</u>	<u>\$ 73,572</u>	<u>\$ 74,689</u>	<u>\$ 1,117</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 41,000	\$ 41,000	\$ 41,447	\$ 447
Interest	<u>350,000</u>	<u>350,000</u>	<u>665,942</u>	<u>315,942</u>
<i>Total Revenues</i>	<u>391,000</u>	<u>391,000</u>	<u>707,389</u>	<u>316,389</u>
Expenditures				
Current:				
Capital Outlay				
Personal Services	<u>460,548</u>	<u>578,495</u>	<u>371,911</u>	<u>206,584</u>
Debt Service				
Principal Retirement	0	388,513	388,510	3
Interest and Fiscal Charges	<u>285</u>	<u>285</u>	<u>484</u>	<u>(199)</u>
Total Debt Service	<u>285</u>	<u>388,798</u>	<u>388,994</u>	<u>(196)</u>
<i>Total Expenditures</i>	<u>460,833</u>	<u>967,293</u>	<u>760,905</u>	<u>206,388</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(69,833)</u>	<u>(576,293)</u>	<u>(53,516)</u>	<u>522,777</u>
Other Financing Sources (Uses)				
Transfers In	5,129	5,129	0	(5,129)
Proceeds from Sale of Capital Assets	25,135	246,701	367,716	121,015
Transfers Out	<u>(162,250)</u>	<u>(143,729)</u>	<u>(147,164)</u>	<u>(3,435)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(131,986)</u>	<u>108,101</u>	<u>220,552</u>	<u>112,451</u>
<i>Net Change in Fund Balance</i>	(201,819)	(468,192)	167,036	635,228
<i>Fund Balance Beginning of Year</i>	510,157	510,157	510,157	0
Prior Year Encumbrances Appropriated	<u>121,645</u>	<u>121,645</u>	<u>121,645</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 429,983</u>	<u>\$ 163,610</u>	<u>\$ 798,838</u>	<u>\$ 635,228</u>

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Program Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$ 0	\$ 0	\$ 504	\$ 504
Expenditures				
Current:				
Capital Outlay				
Personal Services	125,000	125,000	6,983	118,017
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(125,000)</u>	<u>(125,000)</u>	<u>(6,479)</u>	<u>118,521</u>
Other Financing Sources				
Transfers In	25,000	25,000	6,479	(18,521)
Notes Issued	100,000	100,000	0	(100,000)
<i>Total Other Financing Sources (Uses)</i>	125,000	125,000	6,479	(118,521)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**COMBINING STATEMENTS FOR
NONMAJOR PROPRIETARY FUNDS**

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.

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

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

City of Ashland
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2007

	<u>Brookside Swimming Pool</u>	<u>Brookside Golf Course</u>	<u>Total</u>
Assets			
<i>Current Assets</i>			
Materials and Supplies Inventory	\$ 0	\$ 90,388	\$ 90,388
<i>Noncurrent Assets</i>			
Non-Depreciable Capital Assets	37,120	799,931	837,051
Depreciable Capital Assets, net	<u>110,299</u>	<u>377,042</u>	<u>487,341</u>
<i>Total Noncurrent Assets</i>	<u>147,419</u>	<u>1,176,973</u>	<u>1,324,392</u>
<i>Total Assets</i>	<u>147,419</u>	<u>1,267,361</u>	<u>1,414,780</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	0	1,573	1,573
Accrued Wages	0	4,241	4,241
Intergovernmental Payable	1,033	7,405	8,438
Interfund Payable	9,207	136,597	145,804
Compensated Absences Payable	<u>0</u>	<u>262</u>	<u>262</u>
<i>Total Current Liabilities</i>	<u>10,240</u>	<u>150,078</u>	<u>160,318</u>
<i>Noncurrent Liabilities</i>			
Compensated Absences Payable - net of current portion	<u>0</u>	<u>13,660</u>	<u>13,660</u>
<i>Total Liabilities</i>	<u>10,240</u>	<u>163,738</u>	<u>173,978</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	147,420	1,176,972	1,324,392
Unrestricted	<u>(10,241)</u>	<u>(73,349)</u>	<u>(83,590)</u>
<i>Total Net Assets</i>	<u>\$ 137,179</u>	<u>\$ 1,103,623</u>	<u>\$ 1,240,802</u>

City of Ashland
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2007

	Brookside Swimming Pool	Brookside Golf Course	Total
Operating Revenue			
Charges for Services	\$ 54,899	\$ 453,057	\$ 507,956
Operating Expenses			
Personal Services	48,557	360,330	408,887
Contractual Services	5,788	11,294	17,082
Materials and Supplies	11,015	152,931	163,946
Utilities	6,075	23,986	30,061
Depreciation	17,634	31,399	49,033
<i>Total Operating Expenses</i>	89,069	579,940	669,009
<i>Operating Loss</i>	(34,170)	(126,883)	(161,053)
Non-Operating Revenues (Expenses)			
Intergovernmental	0	258	258
Other Non-Operating Revenues	0	4,057	4,057
Interest and Fiscal Charges	(758)	0	(758)
<i>Total Non-Operating Revenues (Expenses)</i>	(758)	4,315	3,557
<i>Loss Before Transfers</i>	(34,928)	(122,568)	(157,496)
Transfers In	20,843	69,031	89,874
<i>Change in Net Assets</i>	(14,085)	(53,537)	(67,622)
<i>Net Assets (Deficit) at Beginning of Year</i>	151,264	1,157,160	1,308,424
<i>Net Assets (Deficit) at End of Year</i>	\$ 137,179	\$ 1,103,623	\$ 1,240,802

City of Ashland
Combining Statements of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Brookside Swimming Pool	Brookside Golf Course	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 54,899	\$ 455,683	\$ 510,582
Cash Payments to Suppliers for Goods and Services	(11,015)	(200,350)	(211,365)
Cash Payments to Employees	(48,472)	(356,620)	(405,092)
Cash Payments for Contractual Services	(11,863)	(33,706)	(45,569)
<i>Net Cash Used for Operating Activities</i>	<u>(16,451)</u>	<u>(134,993)</u>	<u>(151,444)</u>
Cash Flows from Noncapital Financing Activities			
Intergovernmental Receipts	0	258	258
Other Non-Operating Receipts	0	4,057	4,057
Advances In	9,207	136,597	145,804
Transfers In	20,843	69,030	89,873
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>30,050</u>	<u>209,942</u>	<u>239,992</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	0	(76,164)	(76,164)
Principal Payments on Debt	(15,000)	0	(15,000)
Interest Payments	(758)	0	(758)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(15,758)</u>	<u>(76,164)</u>	<u>(91,922)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(2,159)	(1,215)	(3,374)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,159</u>	<u>1,215</u>	<u>3,374</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
<i>Operating Loss</i>	\$ (34,170)	\$ (126,883)	(161,053)
Adjustments:			
Depreciation	17,634	31,399	49,033
(Increase) Decrease in Assets:			
Accounts Receivable	0	2,626	2,626
Materials and Supplies Inventory	0	(45,726)	(45,726)
Increase (Decrease) in Liabilities:			
Accounts Payable	0	(120)	(120)
Accrued Wages	0	682	682
Compensated Absences Payable	0	2,458	2,458
Intergovernmental Payable	85	571	656
<i>Net Cash Used for Operating Activities</i>	<u>\$ (16,451)</u>	<u>\$ (134,993)</u>	<u>\$ (151,444)</u>

**COMBINING STATEMENTS FOR
FIDUCIARY FUNDS**

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 does 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.

State Patrol Transfer - To account for the deposit, control and expenditure of revenue received from fines for use in the Law Library.

City of Ashland
Combining Statement of Fiduciary Assets and Liabilities
 Agency Funds
 December 31, 2007

	Municipal Court	Performance Bond	Brookside Golf Course	State Patrol Transfer	Total
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 2,610	\$ 10,417	\$ 0	\$ 13,027
Cash and Cash Equivalents in Segregated Accounts	<u>52,270</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>52,270</u>
<i>Total Assets</i>	<u>\$ 52,270</u>	<u>\$ 2,610</u>	<u>\$ 10,417</u>	<u>\$ 0</u>	<u>\$ 65,297</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 15,656	\$ 15,656
Undistributed Monies	<u>52,270</u>	<u>2,610</u>	<u>10,417</u>	<u>(15,656)</u>	<u>49,641</u>
<i>Total Liabilities</i>	<u>\$ 52,270</u>	<u>\$ 2,610</u>	<u>\$ 10,417</u>	<u>\$ 0</u>	<u>\$ 65,297</u>

City of Ashland
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2007

	Balance 12/31/06	Additions	Reductions	Balance 12/31/07
<i>Municipal Court</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 63,869	\$ 0	\$ 11,599	\$ 52,270
Liabilities				
Undistributed Monies	\$ 63,869	\$ 0	\$ 11,599	\$ 52,270
<i>Performance Bond</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 2,950	\$ 0	\$ 340	\$ 2,610
Liabilities				
Undistributed Monies	\$ 2,950	\$ 0	\$ 340	\$ 2,610
<i>Brookside Golf Course</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 9,088	\$ 1,329	\$ 0	\$ 10,417
Liabilities				
Undistributed Monies	\$ 9,088	\$ 1,329	\$ 0	\$ 10,417
<i>State Patrol Transfer</i>				
Liabilities				
Accounts Payable	\$ 5,512	\$ 15,656	\$ 5,512	\$ 15,656
Undistributed Monies	(5,512)	5,512	15,656	(15,656)
<i>Total Liabilities</i>	\$ 0	\$ 21,168	\$ 21,168	\$ 0
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 75,907	\$ 1,329	\$ 11,939	\$ 65,297
<i>Total Assets</i>	\$ 75,907	\$ 1,329	\$ 11,939	\$ 65,297
Liabilities				
Accounts Payable	\$ 5,512	\$ 15,656	\$ 5,512	\$ 15,656
Undistributed Monies	70,395	6,841	27,595	49,641
<i>Total Liabilities</i>	\$ 75,907	\$ 22,497	\$ 33,107	\$ 65,297

(This page is left intentionally blank.)

City of Ashland,



Statistical Section



Ashland



BalloonFest



Statistical Section

This part of City of Ashland'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.

<u>Contents</u>	<u>Pages</u>
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source which is income tax.	S-2 - S-8
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.	S-9 - S-12
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 and to provide information that facilitates comparisons of financial information over time and among governments.	S-13 - S-14
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.	S-15 - S-21
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	S-22 - S-25

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 fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

City of Ashland, Ohio

Revenue Capacity

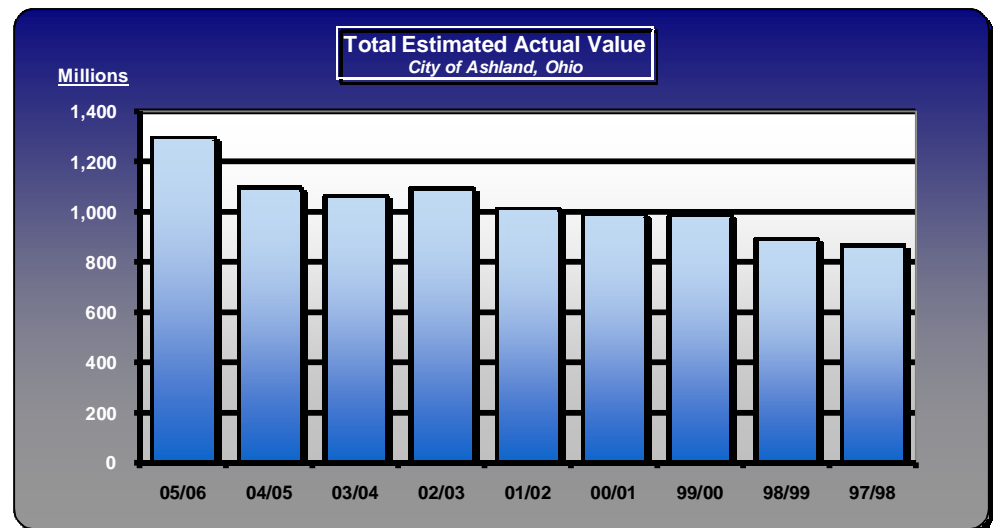
Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years

Tax Year/Collection Year	Real Property Assessed Values		Estimated Actual Value	Tangible Personal Property Assessed Values		Estimated Actual Value	Total		Ratio	Direct Tax Rate
	Residential/Agricultural	Other Real Property		Tangible Personal Property	Public Utilities		Assessed Values	Estimated Actual Value		
2006/2007	\$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
2005/2006	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
2004/2005	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
2003/2004	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
2002/2003	199,870,710	74,910,880	785,090,257	67,959,249	9,766,440	306,573,223	352,507,279	1,091,663,480	32.29%	3.90
2001/2002	174,907,620	59,240,980	668,996,000	75,804,187	9,794,410	340,713,433	319,747,197	1,009,709,433	31.67%	3.90
2000/2001	173,113,300	56,759,100	656,778,286	73,534,971	11,530,750	332,820,390	314,938,121	989,598,676	31.82%	3.90
1999/2000	170,852,010	56,836,550	650,538,743	72,512,939	14,259,620	331,477,761	314,461,119	982,016,504	32.02%	3.90
1998/1999	144,290,970	55,657,030	571,280,000	69,615,897	14,563,160	319,226,858	284,127,057	890,506,858	31.91%	3.90
1997/1998	142,048,290	55,240,350	563,681,829	65,621,554	14,883,820	302,224,536	277,794,014	865,906,365	32.08%	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.

Source: Ashland County, Ohio: County Auditor



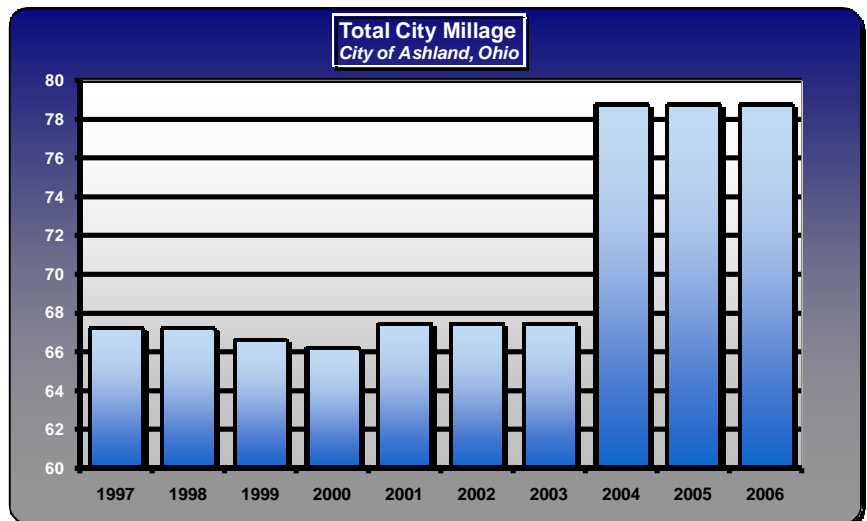
City of Ashland, Ohio

Revenue Capacity

Direct and Overlapping Property Tax Rates
(Per \$1,000 of Assessed Valuation)
Last Ten Collection Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Inside Millage										
Operating	2.43	2.43	2.43	2.43	2.68	2.80	2.80	2.80	2.80	2.80
Debt	0.37	0.37	0.37	0.37	0.12	0.00	0.00	0.00	0.00	0.00
Fire Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total Unvoted Millage	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Outside Millage										
Recreation	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Voted Millage	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Millage	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Overlapping Rates by Taxing District										
Ashland County	9.10	8.50	8.50	8.50	7.00	7.00	7.00	6.00	6.00	6.20
Ashland School District	62.25	62.25	62.25	62.25	52.35	52.35	52.35	52.10	52.10	52.10
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	0.00	0.00	0.00	0.00	0.10	0.10	0.10	0.10	0.50	0.90
City of Ashland	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Total	79.35	78.75	78.75	78.75	67.45	67.45	67.45	66.20	66.60	67.20

Source: Ashland County, Ohio: County Auditor



City of Ashland, Ohio

Revenue Capacity

Principal Property Tax Payers

2007

Taxpayer	January 1, 2007	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Ohio Edison Company	\$4,093,110	1.85%
Wal-Mart Real Estate	3,045,010	1.38%
American Transmission	3,045,010	1.38%
Myers Pump Company	2,433,070	1.10%
Samariton Regional Hospital	2,327,640	1.05%
Home Depot U.S.A, Inc.	1,909,850	0.86%
Baker Properties	1,603,090	0.72%
Brethern Care Inc.	1,445,140	0.65%
Ashland 250 Apartments	1,268,380	0.57%
Wurster Properties, Inc.	1,245,290	0.56%
	<u>\$22,415,590</u>	<u>10.12%</u>

Total Assessed Valuation **\$221,436,630**

Note: Property is assessed at 35 percent of fair market value. Real property taxes paid in 2006 are based on January 1, 2005 values. Data for nine years ago is not available.

Source: Ashland County, Ohio: County Auditor

City of Ashland, Ohio

Revenue Capacity

Property Tax Levies and Collections

Last Ten Fiscal 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
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%
2003	871,034	871,034	100%	N/A	303,130	244,658	81%	58,472	1,174,164	1,115,692	95.02%
2002	824,964	824,964	100%	N/A	333,834	262,004	78%	52,669	1,158,798	1,086,968	93.80%

Note: Data for years prior to 2002 is unavailable. Special assessments are not included.

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

City of Ashland, Ohio

Revenue Capacity

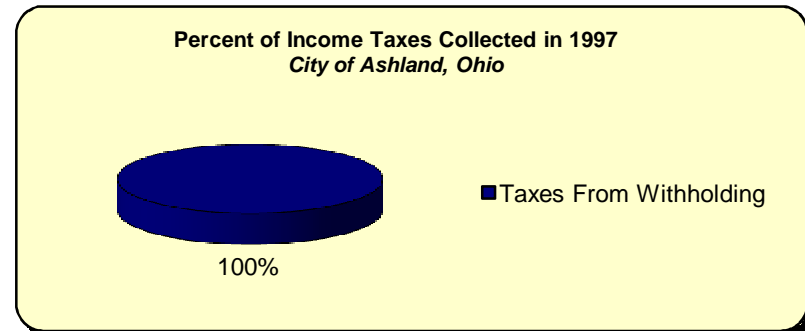
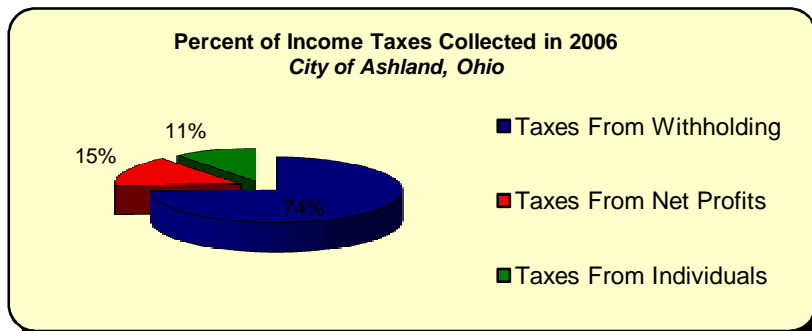
Income Tax Revenue Base and Collections

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
2007	1.50%	\$8,554,563	\$6,434,318	75%	\$1,226,463	14%	\$893,782	10%
2006	1.50%	8,542,453	6,350,938	74%	1,277,454	15%	914,061	11%
2005	1.50%	7,890,443	5,993,886	76%	979,308	12%	917,249	12%
2004	1.50%	7,523,618	5,836,891	78%	811,456	11%	875,271	12%
2003	1.50%	7,760,498	5,967,838	77%	1,027,124	13%	765,536	10%
2002	1.50%	7,524,585	6,040,343	80%	754,690	10%	729,552	10%
2001	1.50%	7,244,642	5,980,171	83%	540,222	7%	724,249	10%
2000	1.50%	7,344,697	5,977,475	81%	713,750	10%	653,472	9%
1999	1.50%	7,396,029	5,831,041	79%	844,227	11%	680,761	9%
1998	1.50%	7,649,944	6,251,863	82%	798,909	10%	599,172	8%

% 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 Fiscal Years

Income Averages for City of Ashland Tax Years 1998-2007					
Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2007	0-24,999	4,043	51%	\$ 41,693,849	15%
2007	25,000-49,999	1,986	25%	71,818,388	25%
2007	50,000-74,999	969	12%	58,940,634	21%
2007	75,000-99,999	394	5%	33,915,792	12%
2007	Over 100,000	<u>389</u>	5%	<u>60,649,201</u>	22%
<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	27%
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	53%	\$ 47,443,989	14%
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	
2003	0-24,999	4,994	54%	\$ 49,818,232	15%
2003	25,000-49,999	2,375	25%	85,482,246	25%
2003	50,000-74,999	1,073	12%	65,099,706	19%
2003	75,000-99,999	436	5%	37,452,745	11%
2003	Over 100,000	<u>446</u>	5%	<u>102,355,545</u>	30%
<i>Total</i>		9,324		\$ 340,208,474	

2002	0-24,999	5,082	53%	\$ 50,292,025	15%
2002	25,000-49,999	2,487	26%	89,735,825	27%
2002	50,000-74,999	1,093	11%	66,479,889	20%
2002	75,000-99,999	454	5%	38,775,251	12%
2002	Over 100,000	<u>424</u>	4%	<u>86,169,433</u>	26%
<i>Total</i>		9,540		\$ 331,452,423	
(Continued)					
2001	0-24,999	5,351	55%	\$ 52,999,695	16%
2001	25,000-49,999	2,525	26%	89,999,485	28%
2001	50,000-74,999	1,133	12%	68,642,785	21%
2001	75,000-99,999	425	4%	36,441,113	11%
2001	Over 100,000	<u>366</u>	4%	<u>76,331,259</u>	24%
<i>Total</i>		9,800		\$ 324,414,337	
2000	0-24,999	5,453	55%	\$ 55,473,506	17%
2000	25,000-49,999	2,640	27%	93,963,585	29%
2000	50,000-74,999	1,066	11%	64,879,845	20%
2000	75,000-99,999	401	4%	34,061,058	10%
2000	Over 100,000	<u>355</u>	4%	<u>76,472,757</u>	24%
<i>Total</i>		9,915		\$ 324,850,751	
1999	0-24,999	5,512	56%	\$ 55,235,381	17%
1999	25,000-49,999	2,560	26%	91,691,206	29%
1999	50,000-74,999	1,032	11%	62,500,965	20%
1999	75,000-99,999	389	4%	32,997,479	10%
1999	Over 100,000	<u>328</u>	3%	<u>75,339,755</u>	24%
<i>Total</i>		9,821		\$ 317,764,786	
1998	0-24,999	5,597	57%	\$ 55,679,186	18%
1998	25,000-49,999	2,569	26%	92,323,227	30%
1998	50,000-74,999	1,028	10%	62,141,444	20%
1998	75,000-99,999	367	4%	31,234,769	10%
1998	Over 100,000	<u>316</u>	3%	<u>70,199,072</u>	23%
<i>Total</i>		9,877		\$ 311,577,698	

Source: Income Tax Department, City of Ashland, Ohio
2007 figures as of May 31, 2008

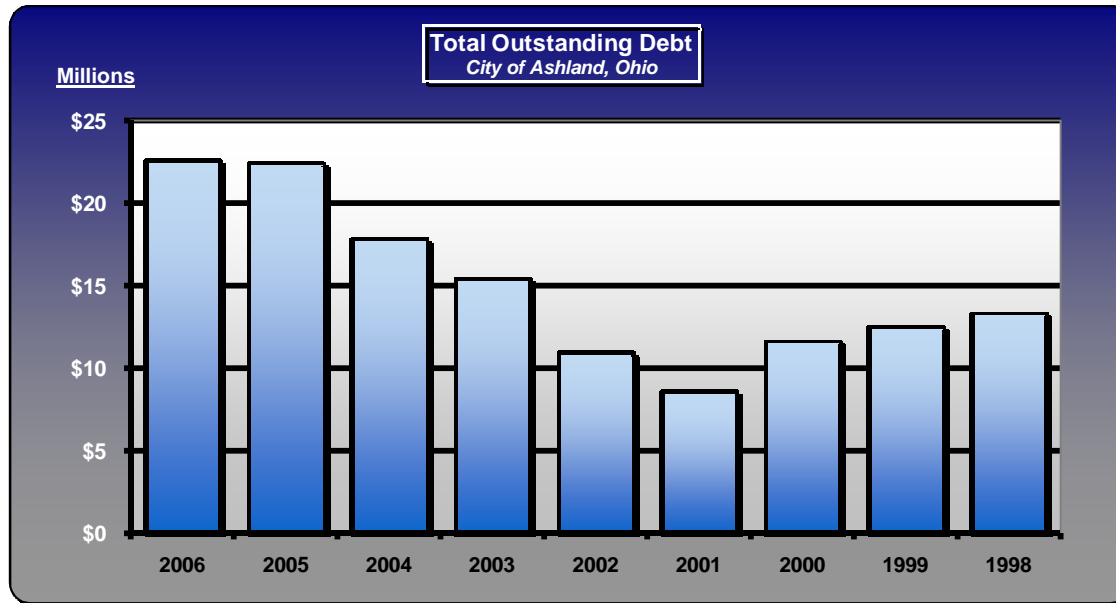
City of Ashland, Ohio

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			
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
2003	2,870,000	0	0	629,000	0	9,800,000	135,000	1,951,511	0	\$15,385,511	4.32%	724
2002	165,000	0	0	3,772,000	0	165,000	4,650,000	2,179,205	0	\$10,931,205	3.07%	514
2001	195,000	0	0	4,525,000	0	190,000	1,250,000	2,395,927	0	\$8,555,927	2.40%	403
2000	280,000	0	0	5,015,000	0	2,200,000	1,500,000	2,602,206	0	\$11,597,206	3.26%	546
1999	360,000	0	0	5,203,000	0	2,360,000	1,750,000	2,798,546	0	\$12,471,546	3.71%	621
1998	449,000	0	0	5,343,000	0	2,505,000	2,000,000	2,985,425	0	\$13,282,425	5.50%	662



City of Ashland, Ohio

Debt Capacity

Ratios of Net General Bonded Debt Outstanding

Last Ten Years

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Less: Amounts Available in Debt Service Fund (4)	Net General Bonded Debt	Percentage of Estimated Actual Value of Taxable Property	Net General Bonded Debt Per Capita
2007	21,249	\$1,144,898,979	10,965,000	\$13,783	\$ 10,951,217	0.96%	\$515
2006	21,249	1,295,709,184	11,470,000	102,746	11,367,254	0.88%	535
2005	21,249	1,094,991,202	11,730,002	43,250	11,686,752	1.07%	550
2004	21,249	1,061,842,469	12,215,001	0	12,215,001	1.15%	575
2003	21,249	1,091,663,480	12,670,000	130,972	12,539,028	1.15%	590
2002	21,249	1,009,709,433	330,000	148,126	181,874	0.02%	9
2001	21,249	989,598,676	385,000	177,284	207,716	0.02%	10
2000	21,249	982,016,504	2,480,000	211,001	2,268,999	0.23%	107
1999	20,079	890,506,858	2,720,000	233,975	2,486,025	0.28%	124
1998	20,079	865,906,365	2,954,000	267,898	2,686,102	0.31%	134

City of Ashland, Ohio

Debt Capacity

Direct and Overlapping Governmental Activities Debt

As of December 31, 2007

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashland
Direct - City of Ashland			
General Obligation Bonds	\$11,470,000	100.00%	\$11,470,000
OWDA Loan	1,196,905	100.00%	1,196,905
Bond Anticipation Notes	9,012,000	100.00%	9,012,000
OPWC Loan	45,994	100.00%	45,994
ODOT Loan	462,010	100.00%	462,010
ODOD Loan	<u>379,500</u>	100.00%	<u>379,500</u>
<i>City of Ashland</i>	22,566,409		22,566,409
Overlapping			
Ashland County			
General Obligation Bonds	3,825,000	36.30%	1,388,422
Ashland City School District			
General Obligation Bonds	2,261,000	72.85%	1,647,214
Ashland-W. Holmes CC School District			
General Obligation Bonds	<u>838,925</u>	28.99%	<u>243,209</u>
<i>Total Overlapping Debt</i>	6,924,925		3,278,844
Total	\$29,491,334		\$25,845,253

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Bonded Debt Outstanding:										
General Obligation Bonds	\$10,965,000	\$11,470,000	\$11,730,002	\$12,215,001	\$12,670,000	\$330,000	\$385,000	\$2,480,000	\$2,720,000	\$2,954,000
Bond Anticipation Notes	8,847,000	9,012,000	8,181,932	3,780,000	764,000	8,422,000	5,775,000	6,515,000	6,953,000	7,343,000
Total	\$19,812,000	\$20,482,000	\$19,911,934	\$15,995,001	\$13,434,000	\$8,752,000	\$6,160,000	\$8,995,000	\$9,673,000	\$10,297,000
Percentage of Estimated Actual Property Value Assessed Property Value	1.73%	1.58%	1.82%	1.51%	1.23%	0.87%	0.62%	0.92%	1.09%	1.19%
	\$358,022,842	\$353,824,952	\$360,378,697	\$341,643,809	\$345,840,464	\$352,507,279	\$319,747,197	\$314,938,121	\$314,461,119	\$284,127,057
Total Debt Per Capita		1,062	1,054	836	724	514	403	546	621	662
Less:										
General Obligation Bonds- Business-Type Funds	8,481,000	8,871,823	9,072,930	9,448,067	9,800,000	165,000	190,000	2,200,000	2,360,000	2,505,000
Bond Anticipation Notes - Business-Type Funds	7,850,000	8,065,000	7,005,000	2,595,000	135,000	4,650,000	1,250,000	1,500,000	1,750,000	2,000,000
General Obligation Bond Retirement Fund Balance	13,783	102,746	43,250	0	130,972	148,126	177,284	211,001	233,975	267,898
Total Net Debt Applicable to Limit	\$3,467,217	\$3,442,431	\$3,790,754	\$3,951,934	\$3,368,028	\$3,788,874	\$4,542,716	\$5,083,999	\$5,329,025	\$5,524,102
Overall Legal Debt Limit										
10 1/2% of Assessed Valuation	37,592,398	37,151,620	37,839,763	35,872,600	36,313,249	37,013,264	33,573,456	33,068,503	33,018,417	29,833,341
Legal Debt Margin Within 10 1/2% Limitations	34,125,181	33,709,189	34,049,009	31,920,666	32,945,221	33,224,390	29,030,740	27,984,504	27,689,392	24,309,239
Legal Debt Margin as a Percentage of the Debt Limit	90.78%	90.73%	89.98%	88.98%	90.73%	89.76%	86.47%	84.63%	83.86%	81.48%
Unvoted Debt Limitation										
5 1/2% of Assessed Valuation	19,691,256	19,460,372	19,820,828	18,790,409	19,021,226	19,387,900	17,586,096	17,321,597	17,295,362	15,626,988
Total Net Debt Applicable to Limit	3,467,217	3,442,431	3,790,754	3,951,934	3,368,028	3,788,874	4,542,716	5,083,999	5,329,025	5,524,102
Net Debt Within 5 1/2% Limitations	#####	\$16,017,941.36	\$16,030,074.34	\$14,838,475.50	\$15,653,197.52	\$15,599,026.35	\$13,043,379.84	\$12,237,597.66	\$11,966,336.55	\$10,102,886.14
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	82.39%	82.31%	80.87%	78.97%	82.29%	80.46%	74.17%	70.65%	69.19%	64.65%

(Continued)

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

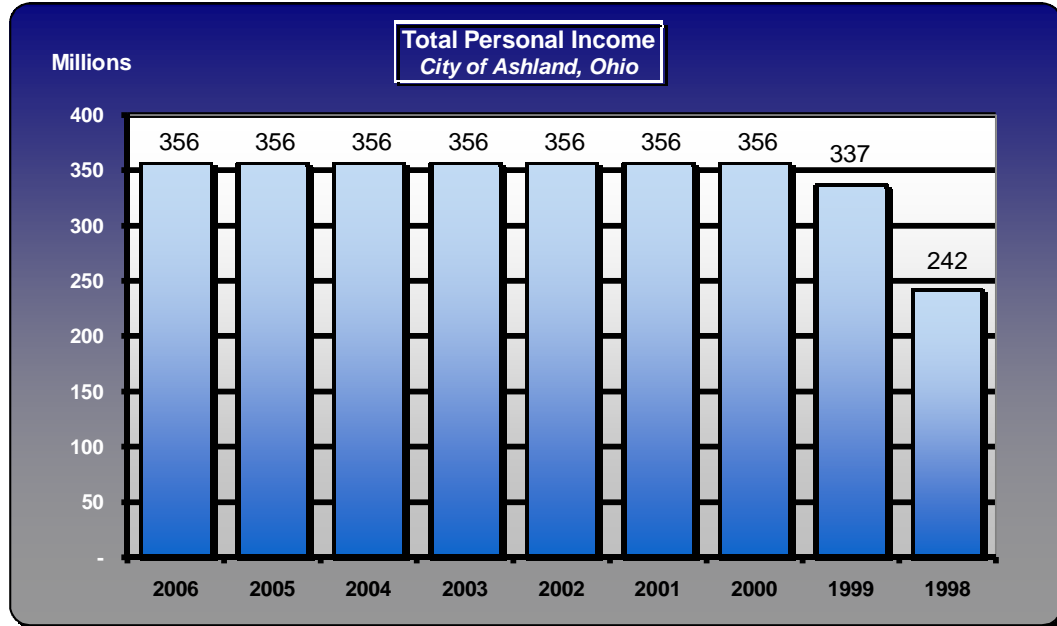
Demographic and Economic Statistics
Last Ten Years

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)
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	\$360,378,697
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	\$341,643,809
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	\$345,840,464
2003	21,249 a	356,133,240	16,760 a	34,250 a	34.8 a	19.6 a	6,104 a	5.6 a	\$352,507,279
2002	21,249 a	356,133,240	16,760 a	34,250 a	34.8 a	19.6 a	6,104 a	5.6 a	\$319,747,197
2001	21,249 a	356,133,240	16,760 a	34,250 a	34.8 a	19.6 a	6,104 a	5.6 a	\$314,938,121
2000	21,249 a	356,133,240	16,760 a	34,250 a	34.8 a	19.6 a	6,104 a	5.6 a	\$314,461,119
1999	20,079 b	336,524,040	16,760 a	34,250 a	32.6 b	18.1 b	5,585 b	6.5 b	\$284,127,057
1998	20,079 b	241,530,291	12,029 b	24,536 b	32.6 b	18.1 b	5,585 b	6.5 b	\$277,794,014

(1) **Source:** U.S. Census Bureau
 (a) 2000 Federal Census
 (b) 1990 Federal Census
 (c) 2000 Census Bureau Demographic Profile

Note: Unemployment Rate calculated by dividing Total Unemployed by Total Civilian Labor Force

(2) Ashland County, Ohio: County Auditor



City of Ashland, Ohio

Demographic and Economic Information

Principal Employers

Current Year and Ten Years Ago

2007		
Employer*	Employees	Percentage of Total City Employment
Ashland University	2,426	10.70%
Pentair Pump Group	640	2.82%
Samaritan Hospital	730	3.22%
Ashland City Schools	678	2.99%
Hospira	418	1.84%
Wil Reseach Lab	275	1.21%
Ashland County	543	2.39%
State of Ohio	289	1.27%
Archway Cookies LLC	334	1.47%
City of Ashland	382	1.68%
Total	6,715	29.61%
Total City Employees	22,680	

1998		
Employer*	Employees	Percentage of Total City Employment
Abbott Laboratories	638	2.46%
Ashland University	2,027	7.81%
F.E. Myers Co. (Pentair)	639	2.46%
Bosch Braking System Corp.	403	1.55%
Landoll Inc.	688	2.65%
Ashland City Schools	783	3.02%
Samaritan Hospital	645	2.49%
Garber Co.	371	1.43%
Aurora Hydro Pumps	292	1.13%
Ashland County	487	1.88%
Total	6,973	26.87%
Total City Employees	25,955	

Source: Income Tax Department, City of Ashland, Ohio

* Employers are listed by gross wages paid.

City of Ashland, Ohio

Financial Trends Information

Net Assets by Component

Last Five Years

(accrual basis of accounting)

Governmental Activities	2007	2006	2005	2004	2003
Invested in Capital Assets, Net of Related Debt	\$17,464,839	\$15,878,702	\$15,396,151	\$15,814,814	\$15,381,475
Restricted	5,917,701	4,546,053	4,897,655	4,486,273	0
Unrestricted	2,943,854	2,718,074	2,541,807	1,397,126	6,715,491
Total Governmental Activities Net Assets	26,326,394	23,142,829	22,835,613	21,698,213	22,096,966
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	19,156,906	17,836,938	14,082,876	11,785,629	9,207,607
Restricted	0	0	0	0	8,470,066
Unrestricted	6,250,563	6,838,306	10,655,019	11,676,466	5,321,267
Total Business-Type Activities Net Assets	25,407,469	24,675,244	24,737,895	23,462,095	22,998,940
Primary Government					
Invested in Capital Assets, Net of Related Debt	36,621,745	33,715,640	29,479,027	27,600,443	24,589,082
Restricted	5,917,701	4,546,053	4,897,655	4,486,273	8,470,066
Unrestricted	9,194,417	9,556,380	13,196,826	13,073,592	12,036,758
Total Primary Government Net Assets	\$51,733,863	\$47,818,073	\$47,573,508	\$45,160,308	\$45,095,906

City of Ashland, Ohio

Financial Trends Information

Changes in Net Assets

Last Five Fiscal Years

(accrual basis of accounting)

	2007	2006	2005	2004	2003
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$1,621,076	\$686,995	\$708,133	\$601,356	\$995,992
Security of Persons and Property	1,381,724	1,132,691	1,225,866	951,365	364,539
Public Health	62,497	282,529	189,816	44,901	253,305
Leisure Time Services	56,366	64,548	75,141	0	350,117
Transportation	315,859	7,132	4,830	55,555	39,226
Community and Economic Development	0	2,059	34,492	107,400	0
Interest and Fiscal Charges	0	0	0	0	0
Operating Grants and Contributions	2,978,931	1,735,281	2,283,613	2,568,467	420,164
Capital Grants and Contributions	41,447	383,763	1,073,487	223,583	1,066,898
Total Governmental Activities Program Revenues	6,457,900	4,294,998	5,595,378	4,552,627	3,490,241
Business-Type Activities:					
Charges for Services:					
Water	3,520,855	3,490,314	2,842,528	2,186,344	2,057,443
Sewer	3,077,761	2,875,886	2,436,514	2,596,382	2,566,747
Sanitation	1,766,002	1,653,907	1,614,162	1,528,742	1,366,529
Operating Grants and Contributions	258	233	1,098,702	419,646	0
Capital Grants and Contributions	702,950	0	0	0	0
Other	507,956	605,911	613,555	564,895	523,672
Total Business-Type Activities Program Revenues	9,575,782	8,626,251	8,605,461	7,296,009	6,514,391
Total Primary Government Program Revenues	16,033,682	12,921,249	14,200,839	11,848,636	10,004,632
Expenses					
Governmental Activities:					
General Government	4,968,816	4,263,566	4,317,791	4,113,766	4,579,262
Security of Persons and Property	6,784,358	6,724,134	6,094,828	6,639,085	6,456,979
Public Health	278,792	286,343	241,998	264,135	257,810
Leisure Time Services	1,155,718	1,080,716	1,112,301	1,121,287	1,320,476
Transportation	2,145,360	2,481,334	3,175,923	2,220,560	3,441,755
Community and Economic Development	280,071	729,787	814,799	460,434	328,626
Interest and Fiscal Charges	203,089	162,169	132,990	134,083	124,645
Total Governmental Activities Expenses	15,816,204	15,728,049	15,890,630	14,953,350	16,509,553
Business-Type Activities:					
Water	3,220,773	2,876,249	2,883,882	3,635,238	3,094,620
Sewer	3,403,143	3,457,361	2,294,196	2,554,326	2,234,682
Sanitation	1,733,145	1,742,641	1,605,048	1,459,791	1,425,809
Other	669,767	654,844	591,940	745,266	712,394
Total Business-Type Activities Expenses	9,026,828	8,731,095	7,375,066	8,394,621	7,467,505
Total Primary Government Expenses	24,843,032	24,459,144	23,265,696	23,347,971	23,977,058

(Continued)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense)/Revenue					
Governmental Activities	(\$9,358,304)	(\$11,433,051)	(\$10,295,252)	(\$10,400,723)	(\$13,019,312)
Business-Type Activities	548,954	(104,844)	1,230,395	(1,098,612)	(953,114)
Total Primary Government Net Expense	(\$8,809,350)	(\$11,537,895)	(\$9,064,857)	(\$11,499,335)	(\$13,972,426)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes	1,243,168	1,418,737	1,199,079	1,131,037	1,136,336
Income Taxes	8,493,569	8,500,884	8,031,251	7,969,508	7,204,526
Grants and Entitlements	1,512,283	1,015,634	1,094,831	861,821	801,261
Investment Earnings	641,645	467,275	503,014	217,604	219,900
Intergovernmental	0	0	0	0	2,398,369
Miscellaneous	282,585	379,930	604,477	27,564	47,619
Transfers	(179,214)	0	0	(205,564)	0
Total Governmental Activities	11,994,036	11,782,460	11,432,652	10,001,970	11,808,011
Business-Type Activities:					
Grants and Entitlements	0	0	0	0	246,093
Investment Earnings	0	0	0	34,675	1,053
Miscellaneous	4057	0	0	2,450	10,423
Transfers	179,214	0	0	205,564	0
Total Business-Type Activities	183,271	0	0	242,689	257,569
Total Primary Government	12,177,307	11,782,460	11,432,652	10,244,659	12,065,580
Change in Net Assets					
Governmental Activities	2,635,732	349,409	1,137,400	(398,753)	(1,211,301)
Business-Type Activities	732,225	(104,844)	1,230,395	(855,923)	(695,545)
Primary Government Change in Net Assets	\$3,367,957	\$244,565	\$2,367,795	(\$1,254,676)	(\$1,906,846)

City of Ashland, Ohio

Financial Trends Information

Program Revenues by Function/Program

Last Five Fiscal Years

(accrual basis of accounting)

	2007	2006	2005	2004	2003
Function/Program					
Governmental Activities:					
General Government	\$ 2,100,217	\$ 1,085,928	\$855,143	\$1,213,481	\$995,992
Security of Persons and Property	1,560,439	1,307,901	1,423,492	1,261,035	545,133
Public Health	62,497	282,529	189,816	49,401	264,266
Leisure Time Services	110,129	128,967	119,688	55,885	350,117
Community and Economic Development	645,823	27,405	1,644,520	800,082	233,042
Transportation	1,978,795	1,462,268	1,362,719	1,172,743	1,101,691
Interest and Fiscal Charges	0	0	0	0	0
Total Governmental Activities	6,457,900	4,294,998	5,595,378	4,552,627	3,490,241
Business-Type Activities:					
Water	3,652,078	3,490,547	3,941,230	2,553,195	2,057,443
Sewer	3,649,488	2,875,886	2,436,514	2,649,177	2,566,747
Sanitation	1,766,002	1,653,907	1,614,162	1,528,742	1,366,529
Other	508,214	605,911	613,555	564,895	523,672
Total Business-Type Activities	9,575,782	8,626,251	8,605,461	7,296,009	6,514,391
Total Primary Government	\$16,033,682	\$12,921,249	\$14,200,839	\$11,848,636	\$10,004,632

City of Ashland, Ohio

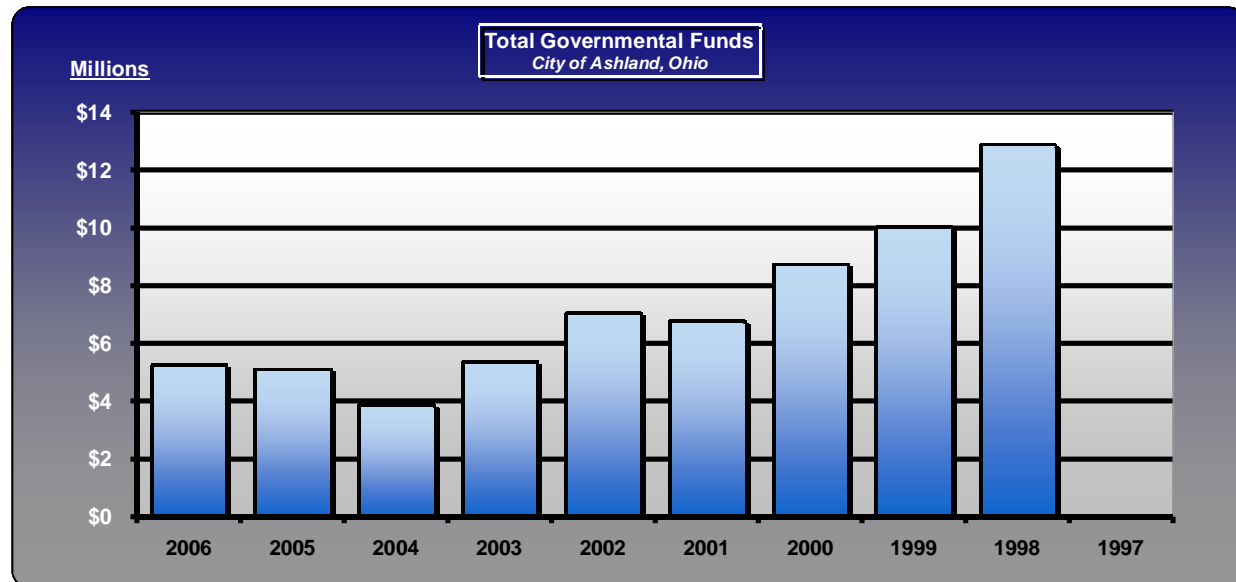
Financial Trends Information

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	\$111,382	\$3,292	\$22,342	\$26,564	\$23,440	\$89,495	\$85,534	\$108,245	\$98,454	\$115,699
Unreserved	2,696,509	2,608,077	2,625,459	1,306,344	2,173,978	2,376,890	1,220,909	2,110,440	1,987,769	2,232,951
Total General Fund	2,807,891	2,611,369	2,647,801	1,332,908	2,197,418	2,466,385	1,306,443	2,218,685	2,086,223	2,348,650
All Other Governmental Funds										
Reserved	231,726	469,464	260,159	393,122	282,618	332,310	1,051,372	1,034,679	1,692,715	1,467,352
Unreserved, Reported in:										
Special Revenue Funds	3,355,117	1,494,180	1,597,840	1,977,329	2,014,927	2,759,721	1,979,899	2,327,860	2,209,417	2,298,962
Debt Service Funds	88,472	95,318	13,038	(42,889)	0	41,240	19,816	0	0	0
Capital Projects Funds	798,838	556,031	573,523	170,022	827,941	1,437,680	2,406,397	3,141,318	4,019,448	6,754,417
Total All Other Governmental Funds	4,474,153	2,614,993	2,444,560	2,497,584	3,125,486	4,570,951	5,457,484	6,503,857	7,921,580	10,520,731
Total Governmental Funds	\$7,282,044	\$5,226,362	\$5,092,361	\$3,830,492	\$5,322,904	\$7,037,336	\$6,763,927	\$8,722,542	\$10,007,803	\$12,869,381



City of Ashland, Ohio

Financial Trends Information

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

	2007	2006	2005	2004	2003	2002
Revenues						
Property Taxes	\$1,317,357	\$1,309,090	\$1,194,484	\$1,131,298	\$1,150,823	\$1,065,937
Income Taxes	8,578,034	8,510,633	7,978,111	7,492,176	7,190,039	7,601,283
Charges for Services	2,216,258	1,064,562	1,036,034	2,338,964	1,610,612	1,198,362
Licenses and Permits	40,911	23,127	83,351	99,910	68,660	39,774
Fines and Forfeitures	1,159,926	1,066,175	974,169	786,667	748,504	789,292
Intergovernmental	3,806,575	3,593,929	4,188,542	2,934,298	3,460,834	3,530,352
Special Assessments	0	0	0	0	0	0
Interest	641,645	467,275	503,014	217,604	219,900	0
Investment Income	0	0	0	0	0	412,956
Contributions and Donations	71,661	91,617	84,192	71,027	0	160,585
Other	157,148	311,482	552,596	8,759	63,329	116,945
Total Revenues	17,989,515	16,437,890	16,594,493	15,080,703	14,512,701	14,915,486
Expenditures						
Current:						
General Government	5,054,855	4,165,136	3,840,023	4,651,136	4,188,441	3,075,339
Security of Persons and Property	6,658,923	6,711,420	5,659,723	6,065,738	6,031,241	5,801,862
Public Health	278,792	283,364	243,830	263,467	255,409	257,120
Leisure Time Services	1,037,444	1,321,117	1,054,649	992,576	1,104,013	1,226,527
Community and Economic Development	280,593	742,619	790,187	456,665	326,108	596,201
Transportation	2,236,464	2,608,188	2,852,190	1,857,441	2,112,726	1,572,079
Capital Outlay	910,820	343,386	1,302,007	2,099,478	1,844,402	986,615
Debt Service:						
Principal Retirements	614,001	99,150	239,373	112,076	225,236	5,709,744
Interest and Fiscal Charges	166,864	196,205	142,109	124,964	124,645	150,562
Total Expenditures	17,238,756	16,470,585	16,124,091	16,623,541	16,212,221	19,376,049
Excess of Revenues Over (Under) Expenditures	750,759	(32,695)	470,402	(1,542,838)	(1,699,520)	(4,460,563)
Other Financing Sources (Uses)						
Bond and Note Proceeds	997,000	0	0	0	2,870,000	4,922,000
Proceeds from Loans	13,964	0	962,010	0	0	0
Premium on Debt Issued	16,117	66,728	52,431	0	0	21,425
Contributions and Donations	0	0	0	0	801,261	0
Proceeds from Sale of Capital Assets	367,716	0	0	18,805	0	81,622
Transfers In	142,340	1,001,162	964,843	565,623	0	2,468,153
Transfers Out	(232,214)	(1,043,355)	(964,843)	(750,151)	0	(2,813,562)
Other	0	142,560	0	0	58,549	54,334
Total Other Financing Sources (Uses)	1,304,923	167,095	1,014,441	(165,723)	3,729,810	4,733,972
Net Change in Fund Balances	\$2,055,682	\$134,400	\$1,484,843	(\$1,708,561)	\$2,030,290	\$273,409
Debt Service as a Percentage of Noncapital Expenditures	4.78%	1.83%	2.68%	1.63%	2.44%	31.88%

(Continued)

2001	2000	1999	1998
\$973,865	\$1,054,024	\$976,186	\$963,547
6,582,060	6,360,487	7,096,058	6,007,423
823,932	795,554	785,136	675,800
70,389	30,506	39,471	36,595
762,029	761,015	693,597	747,722
2,929,918	4,182,643	3,019,050	2,249,851
0	0	2,388	2,532
0	0	0	0
795,838	826,397	1,026,492	873,464
0	0	0	0
456,546	353,610	352,385	361,312
13,394,577	14,364,236	13,990,763	11,918,246
3,203,881	2,578,958	2,205,030	2,011,706
6,292,296	5,781,883	5,307,519	5,338,831
245,139	221,724	217,162	209,954
1,276,602	976,152	1,044,513	796,009
464,796	808,589	193,672	93,617
2,132,175	1,577,627	1,725,972	1,501,668
617,455	3,174,807	5,430,339	430,378
6,354,328	6,783,000	7,351,967	2,624,834
256,463	221,417	245,533	65,571
20,843,135	22,124,157	23,721,707	13,072,568
(7,448,558)	(7,759,921)	(9,730,944)	(1,154,322)
5,775,000	6,515,000	6,953,000	7,343,000
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
1,868,224	1,590,215	1,949,738	1,179,410
(2,153,278)	(1,630,555)	(2,033,370)	(1,247,796)
0	0	0	0
5,489,946	6,474,660	6,869,368	7,274,614
(\$1,958,612)	(\$1,285,261)	(\$2,861,576)	\$6,120,292
32.69%	36.97%	41.54%	21.28%

(This page is left intentionally blank.)

City of Ashland, Ohio

Operating Information

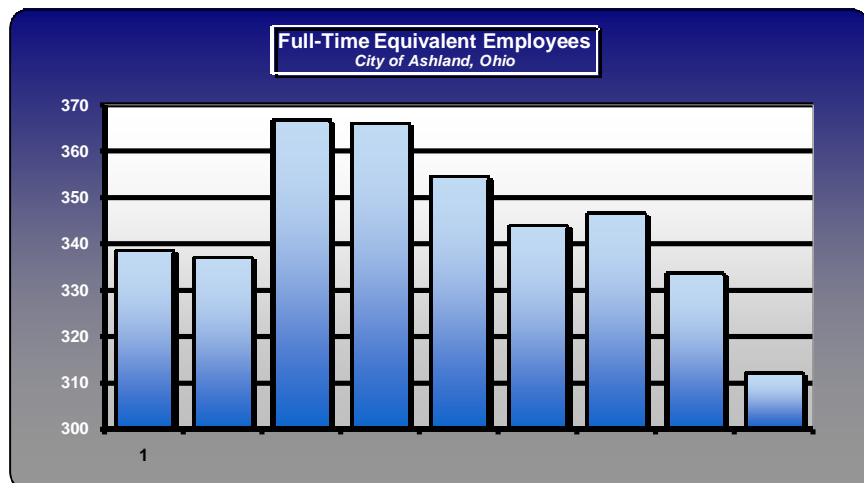
Full-Time Equivalent City Government Employees by Function/Program Last Ten Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government:										
Council	3.5	3.5	3.5	3.5	4.5	3.5	3.5	4	3.5	3.5
Mayor	2	2	2	3	3	4	3	3	3	4
Finance	6.5	7	6	9	7	7	7	8	9	5
Law	4.5	5	5	5	4	4	4	5	4.5	4
Engineering	7	6.5	6.5	7	6.5	5	6	6	5.5	5.5
Building and Zoning	3	2.5	2.5	2	3.5	3.5	3.5	3	3	3.5
Human Resources	3	3	4	3	3	3	3	3	3	3
Income Tax	6	5.5	5	6	5	5	5	5	4	4
Municipal Court	28.5	29.5	31	33	31	31	30	30.5	29	29
Municipal Court Community Corrections	2	2	2	2	2	2	2	2	2	2
Municipal Court Probation	4.5	4	3	3	3	4	4	4	4	4
Security of Persons and Property:										
Police	57.5	42.5	57.5	53.5	49	49	48	42.5	42.5	42.5
Fire	60	64.5	59.5	62.5	55.5	50	51	47.5	38	40
Recreation:										
Golf Course	22.5	23	24.5	23.5	24	22.5	19.5	20	21	20.5
Park	28.5	27	37.5	37.5	36.5	35.5	34	31	33	31.5
Swimming Pool	9.5	14	11	10.5	13	10.5	11	9.5	9.5	8
Service:										
Building Maintenance	1	2	2.5	1	2	2	2	2	2	2
Economic Development	0	0	0	0	1	4.5	4	4	1	0
Justice Center Maintenance	0	0	2.5	2.5	2.5	2	2.5	2	1	1
Maintenance	2	2	2	2	2	2	2	2	1	1
Sanitation	23	24	28.5	25	26	26	22	24	24	20
Sewer	4	7	6	7	7	6	10.5	7	6	6
Street Maintenance	20.5	19.5	22.5	22.5	20.5	20.5	21.5	21	19	18
Technical Services	0	0	1	1.5	1.5	1.5	2	2	2	2
Water Distribution	15	15	16	15.5	15.5	14	15.5	13.5	14.5	14.5
Water Pollution	13.5	15	14	14	15	15	19	21	17	21
Water Treatment	11	11	11	11	11	11	11	11	10	10
Total Number of Employees	338.5	337	366.5	366	354.5	344	346.5	333.5	312	305.5

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 at December 31.

Some employees have more than one W-2.



City of Ashland, Ohio

Operating Information

Operating Indicators by Function/Program
Last Ten Years

Function/Program	2007	2006	2005	2004	2003	2002	2001
General Government							
Construction Permits Issued (1)	95	85	121	118	121	114	113
Estimated Value of Construction (1)	\$21,240,687	\$17,154,880	\$27,558,156	\$20,278,983	\$11,818,195	\$14,281,011	\$11,582,029
Total Cases Filed (2)	11,807	11,903	12,501	10,814	14,605	13,652	14,453
Fines Collected (2)	\$2,838,741	\$746,640	\$827,615	\$867,073	\$1,020,309	\$970,999	\$1,014,424
Economic Development Projects (3)	40	40	26	48	40	N/A	8
Purchase Orders Issued (4)	656	708	454	659	715	608	718
Number of W-2 Forms Issued (4)	382	388	409	443	441	459	484
Police (5)							
Total Incidents	14,699	14,256	13,500	14,887	14,009	15,796	16,681
Total Arrests	1,515	1,279	1,435	1,526	1,487	1,701	2,129
Hours of Training	1,167	514	633	1,490	1,065	1,295	2,475
Total Citations	1,180	1,093	851	1,251	1,234	1,762	1,567
Parking Tickets	1,452	1,015	760	1,576	1,300	1,398	1,437
Parking Ticket Fines Collected	\$11,750	\$6,290	\$4,830	\$9,530	\$8,110	\$8,405	\$8,950
Fire (6)							
Fire Calls	592	553	562	586	642	651	647
EMS Calls	3,336	3,041	3,049	3,020	2,919	3,238	3,597
Total People Reached (Fire Safety Classes)	2,018	4,100	3,838	4,000	3,917	2,754	4,497
Hours of Training	7,396	6,902	4,692	9,070	8,556	7,617	7,616
Fire Loss	\$398,950	\$1,291,520	\$420,200	\$581,795	\$474,050	\$3,510,275	\$473,550
Public Service							
Tons of snow melting salt used (7)	3,537	1,547	4,792	4,519	5,268	4,136	2,225
Leaves picked up (cubic yards) (7)	7,957	6,361	6,697	1,076	6,515	7,029	6,573
Diesel Fuel Used (gal.) (7)*	11,181	6,522	9,662	11,529	12,028	14,162	14,292
Unleaded Fuel Used (gal.) (7)*	6,794	6,202	7,079	6,854	8,110	10,565	9,627
Total Water Customers (8)	7,737	7,924	7,903	7,823	7,898	8,022	7,954
Water Receipts (8)	\$3,144,930	\$2,937,860	\$2,542,479	\$2,039,641	\$1,969,500	\$1,881,070	\$1,864,968
Sewer Receipts (8)	\$2,390,680	\$2,446,003	\$2,484,555	\$2,464,513	\$2,537,693	\$2,613,221	\$2,491,522
Refuse Receipts (8)	\$1,723,705	\$1,719,232	\$1,577,952	\$1,475,639	\$1,339,493	\$1,173,000	\$1,076,594
Number of trees removed (9)	123	228	107	116	91	87	63
Number of trees planted (9)	129	245	40	455	422	139	196
Transports (10)	26,486	24,334	25,700	29,838	13,995	N/A	N/A
Miles Transported (10)	164,387	176,677	138,105	156,548	61,861	N/A	N/A
Recreation (11)							
Number of Brookside Pool Memberships	186	212	179	254	354	368	389
Number of Parks	13	13	13	12	11	9	9
Size of Parks (Acres)	388	388	388	383	350	338	338
Number of Golf Courses	1	1	1	1	1	1	1

(Continued)

* 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: N/A indicates statistics were not available.

2000	1999	1998
------	------	------

134	173	151
\$40,029,225	\$28,137,343	\$12,327,613
15,298	13,676	14,552
\$936,782	\$796,260	\$838,112
5	10	3
793	736	604
497	460	494

16,332	15,707	16,538
1,766	1,762	1,741
1,549	1,562	2,558
1,596	1,654	2,753
1,681	1,936	1,657
\$9,828	\$11,507	\$10,130

650	707	750
3,174	3,575	3,600
2,605	4,017	3,283
5,156	6,096	4,752
\$768,457	\$601,768	\$7,848,060

6,118	3,905	1,053
7,358	7,522	7,232
13,890	15,140	10,764
9,951	8,472	7,205
7,969	7,956	7,920
\$1,839,451	\$1,947,636	\$2,001,005
\$2,491,987	\$2,489,262	\$2,602,093
\$1,055,638	\$1,071,720	\$1,120,187
97	89	39
65	167	288
N/A	N/A	N/A
N/A	N/A	N/A

476	475	417
9	9	7
338	338	332
1	1	1

City of Ashland, Ohio

Operating Information

Capital Asset Statistics by Function/Program

Last Five Years

	2007	2006	2005	2004	2003
Function/Program					
General Government					
Square Footage Occupied	21,726	21,726	21,726	21,726	21,726
Engineering Vehicles	5	4	4	5	5
Other Departmental Vehicles	10	10	10	11	11
Police					
Stations	1	1	1	1	1
Square Footage of Building	100,000	100,000	100,000	100,000	100,000
Vehicles	31	31	31	30	27
Fire Station					
Stations	1	1	1	1	1
Square Footage of Building	15,377	15,377	15,377	15,377	15,377
Vehicles	19	19	19	20	18
Other Public Works					
Streets (miles)	95	93	92	91	90
Streetlights	*	*	*	*	*
Traffic Signals	31	31	31	31	31
Public Service Vehicles	130	95	89	93	97
* Streetlights are owned by the Electric Company					
Recreation					
Number of Parks	13	13	13	12	11
Vehicles	29	34	33	35	31
Water					
Water mains (miles)	103	102	102	102	101
Fire hydrants	910	900	900	900	900
Wastewater					
Sanitary Sewers (miles)	96	95	95	95	94
Storm Sewers (miles)	64	63	62	62	61
Transit					
Vehicles	10	9	9	9	9



Mary Taylor, CPA
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
DECEMBER 9, 2008