



CITY OF ASHLAND, OHIO

Comprehensive Annual Financial Report

For The Year Ended December 31, 2018





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

We have reviewed the *Independent Auditor's Report* of the City of Ashland, Ashland County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 5, 2019

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City of Ashland, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2018**

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



Introductory Section



*City of Ashland
Comprehensive Annual Financial Report
Year Ended December 31, 2018*

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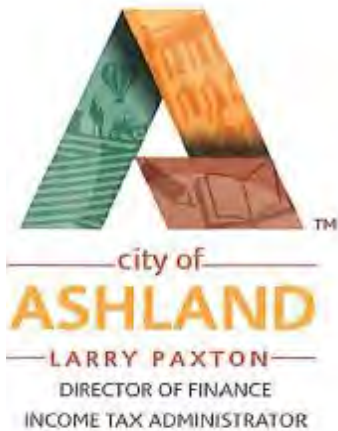
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INCOME TAX DIVISION
218 LUTHER STREET
ASHLAND, OHIO 44805
PHONE: 419.289.0386
FAX: 419.289.9225

City of Ashland

June 26, 2019

The Honorable Mayor, Director of Law,
Municipal Judge Members of City Council,
And the Citizens of the City of Ashland;

The Comprehensive Annual Financial Report

Attached please find the City of Ashland's Comprehensive Annual Financial Report for the year ending December 31, 2018. As a part of our commitment to good government transparency, and as a requirement of the State of Ohio, we have prepared this report for your review and consideration. In conjunction with preparing this report we have filed our Basic Financial Statements with the Auditor of State's office within one hundred and fifty (150) days of the mandatory year end requirement. It is our hope that you find this report both helpful and informative in detailing our local government's activities and initiatives. This report was prepared pursuant to Generally Accepted Accounting Principles (GAAP). That standard requires the City to adhere to strict accounting standards and principles. Within the report you will find the City's financial statements, notes, statements of revenues and expenditures, fund balances, and an informational statistical section. We have diligently worked to prepare a complete and accurate representation of the information contained within this report. We also have included a section of the Management Discussion and Analysis (MD&A). The MD&A section provides a narrative of our financial statements, as well as an overview of information contained within the report and our community.

The annual audit for the City was performed in cooperation with the Honorable Auditor of State Mr. Keith Faber's Columbus Regional Office. Auditor Faber's office and the City have entered into a contract with the IPA firm Julian & Grube Inc. a Certified Public Accounting firm to perform the annual audit for the City. The City also independently has employed Rea & Associates, Inc., another Certified Public Accounting firm to assist it in the preparation of the Basic Financial Statements and the Comprehensive Annual Financial Report (CAFR) contained within this report. Julian & Grube, Inc. have issued an unmodified ("clean") opinion of the City of Ashland's financial statements for the year ended December 31, 2018. The independent auditor's report is located in the front of the financial section of this report. The Auditor of States office has acknowledged the completion of the annual audit.

Historical Background

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

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

Profile of the Government

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

The City provides a full range of services as directed by its' Charter. These services include Police & Fire protection, Law Administration and Enforcement, Health Care Administration, Utility Services, Recreational Activities, Programing, Planning and Zoning, Right-of-Maintenance, Sanitation Services, Tax Collection and Enforcement, and General Administrative services. The City includes within this report all funds, agencies, boards and commissions that are either controlled by or dependent on the City's funding process, taxing authority, and / or the City's obligation to fund those activities.

Annual tax budgets are prepared for all funds and departments of the City and approved. Annual spending appropriations are prepared and adopted. Both the Tax Budgets and the Annual Spending Appropriations are approved by the legislative body. The spending appropriation builds upon the tax budget which establishes revenues streams. All Budgets and Appropriations are prepared at the department levels of controls and projected five years into the future

Financial Policies & Management Initiatives

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

The City continually strives to developing long-term financial plans in an effort to increase its major fund reserve balances. One of these initiatives is aggressively retiring long term debt. Another is issuing short term financing where possible in an effort to reduce interest costs. The end of the fiscal year accounting period cash carryover policy for major funds stipulates that an estimated dollar amount of two payrolls will be carried forward each year for major operating funds. The City's management continually monitors operational costs including personnel, health care and production cost in an effort to make sure revenue and expenditure targets meet and community needs.

Major Initiatives

In 2018 the City continued to work on several capital improvement projects. These projects included the ongoing street resurfacing program, catch basin replacement, the phosphate reduction project at the Waste Water Treatment Plant, replacement of the Cleveland Avenue bridge, the replacement and upgrade of several traffic signals, the extension of utility services to areas outside the City in anticipation of future development, the development of a second fire station, the replacement of the Brookside tennis courts, the development of Wells Road extension, redevelopment of the center of town by developing new green space and park, the replacement of all the MARCS radio's for Police and Fire departments, the participation in the state highway paving program, the major reconstruction of a Claremont Ave., the development of a roundabout for US RT 250 North, and the ongoing improvements to the Municipal Building. Most of this funding came from additional income tax collection or grant funding. Some will come from the City issuing additional debt.

Economy

The economy continued to improve at a steady pace. The local business climate improved during the year. Some business expanded their investments and employment while other consolidated changing management teams or ownerships. The local economy was supported by the efforts of Ashland Area Economic Development Inc., and The Ashland Area Chamber of Commerce.

Retail markets remained strong during the year with a surge coming during the holiday season. A Hampton Inn has now opened enhancing the community's lodging market to make it more accommodating to the Interstate 71 door trade. A new strip mall was completed allowing for more retail markets.

In 2018 the housing market increased slightly during the construction season with few new homes being built. The demand for affordable housing is putting pressure on home sales in the community.

The Ashland University one of the pillars' in our community for over 140 years and continues today training the next generation in a private, liberal arts and sciences setting. Curriculums include Arts & Sciences, Business & Economics, Education and Nursing and Health Sciences, Graduate courses, Online, Adult studies; Continuing Education; and the Ashland Theological Seminary.

These activities and many more all contributed to the positive positioning of our community for the future while establishing a sound financial base for the City to operate from.

Disclaimer

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in financial Reporting to The City of Ashland for its Comprehensive Annual Financial Report for the fiscal year ending December 31, 2017. This was the eleventh consecutive year the City of Ashland has achieved this prestigious award. 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 general accepted accounting principles and all applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated employees of the Finance Division, the division directors, managers, staff and employees who contributed to this report. It is our hope that you find this report most informative of your government's activities. We strive to excel in financial reporting of your governments accomplishments within the reasonable cost associated with that benefit.

Sincerely,

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

Larry D. Paxton
Director of Finance

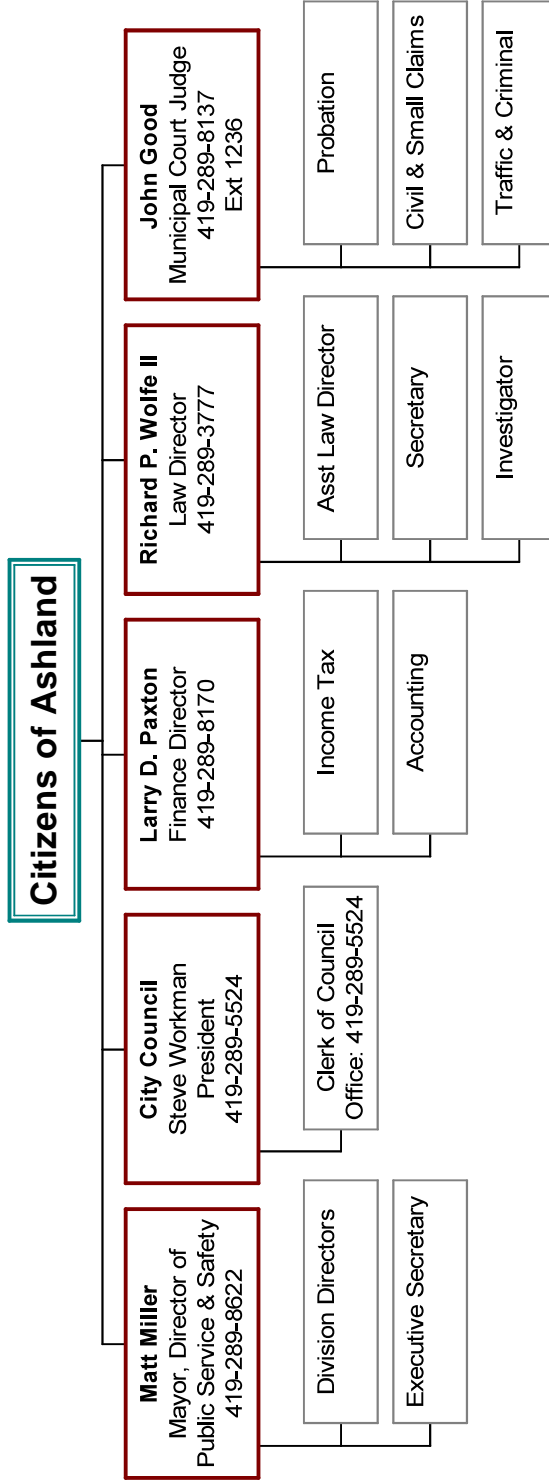
**CITY OF ASHLAND
ASHLAND COUNTY
ELECTED AND
ADMINISTRATIVE PERSONNEL
AS OF JANUARY 1, 2018**

| | |
|-----------------------------|-------------------|
| Mayor | Matt Miller* |
| Judge Municipal Court | John Good* |
| Law Director | Richard Wolfe* |
| Finance Director | Larry Paxton* |
| Council President Ward 1 | Steve Workman* |
| Councilperson Ward 2 | Robert Valentine* |
| Councilperson Ward 3 | Dennis Miller* |
| Councilperson Ward 4 | Al Farnam* |
| Councilperson at Large | Dan Lawson* |
| Police Chief | David Marcelli |
| Fire Chief | Richard Anderson |
| City Engineer | Shane Kremser |
| Director of Human Resources | Mark Burgess |
| Director of City Utilities | Michael Hunter |
| Director of City Services | Jerry Mack |
| Brookside Golf Course | Terry Valentine |
| Clerk of Courts | Eric Akers |
| Information Technology | Aaron Doerrer |

* elected position



City of Ashland Elected Officials





Government Finance Officers Association

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

Presented to

**City of Ashland
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

Financial Section





Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ashland, Ashland County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Ashland's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ashland, Ashland County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2018, the City of Ashland adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, as discussed in Note 2, the City of Ashland determined that a certain nonmajor enterprise fund, no longer met the criteria mandating it to be an enterprise fund, and thus, reclassified this fund within a nonmajor governmental fund. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other postemployment benefit liabilities and pension and other postemployment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019, on our consideration of the City of Ashland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ashland's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Julian & Grube, Inc.
June 26, 2019

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City of Ashland
Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018

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, 2018. 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 2018 are as follows:

- In total, net position decreased \$356,278, which represents a less than 1 percent decrease from 2017. Net position of governmental activities decreased \$343,108. Net position of business-type activities decreased \$13,170.
- Total capital assets decreased \$1,452,160 during 2018. Capital assets of governmental activities decreased \$447,994 and capital assets of business-type activities decreased \$1,004,166.
- Outstanding debt decreased from \$10,773,626 to \$9,077,307.
- The City implemented GASB 75, which reduced beginning net position as previously reported by \$11,299,628 and \$1,819,273 for governmental and business-type activities, respectively.

Using this Annual Financial Report

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

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2018 and how they affected the operations of the City as a whole.

Reporting the City of Ashland as a Whole

Statement of Net Position and the Statement of Activities

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

City of Ashland
Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018

A question typically asked about the City's finances "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources* and *liabilities and deferred inflows of resources* (excluding fiduciary funds) using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the City of Ashland's Most Significant Funds

Fund Financial Statements

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

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

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

City of Ashland
Ashland County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018

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

The City of Ashland as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2018 compared to 2017:

Table 1
Net Position

| | Governmental Activities | | | Business-Type Activities | | |
|---|-------------------------|---------------------|---------------------|--------------------------|----------------------|--------------------|
| | 2018 | Restated 2017 | Change | 2018 | Restated 2017 | Change |
| Assets | | | | | | |
| Current and Other Assets | \$ 14,926,125 | \$ 14,817,630 | \$ 108,495 | \$ 12,183,968 | \$ 11,747,424 | \$ 436,544 |
| Capital Assets | 24,074,704 | 24,522,698 | (447,994) | 32,925,950 | 33,930,116 | (1,004,166) |
| <i>Total Assets</i> | <u>39,000,829</u> | <u>39,340,328</u> | <u>(339,499)</u> | <u>45,109,918</u> | <u>45,677,540</u> | <u>(567,622)</u> |
| Deferred Outflows of Resources | | | | | | |
| Deferred Charges | 18,648 | 22,573 | (3,925) | 63,632 | 77,029 | (13,397) |
| Pension & OPEB | 5,276,366 | 4,387,835 | 888,531 | 832,756 | 1,628,299 | (795,543) |
| <i>Total Deferred Outflows of Resources</i> | <u>5,295,014</u> | <u>4,410,408</u> | <u>884,606</u> | <u>896,388</u> | <u>1,705,328</u> | <u>(808,940)</u> |
| Liabilities | | | | | | |
| Current and Other Liabilities | 1,726,474 | 2,874,101 | (1,147,627) | 202,474 | 139,703 | 62,771 |
| Long-Term Liabilities: | | | | | | |
| Due within One Year | 254,129 | 1,215,772 | (961,643) | 914,191 | 886,356 | 27,835 |
| Due in More Than One Year: | | | | | | |
| Net Pension Liability | 16,227,838 | 17,514,663 | (1,286,825) | 2,745,715 | 4,101,222 | (1,355,507) |
| Net OPEB Liability | 14,051,523 | 11,355,056 | 2,696,467 | 1,915,143 | 1,842,974 | 72,169 |
| Other Amounts | 1,757,371 | 1,575,226 | 182,145 | 7,019,066 | 7,949,360 | (930,294) |
| <i>Total Liabilities</i> | <u>34,017,335</u> | <u>34,534,818</u> | <u>(517,483)</u> | <u>12,796,589</u> | <u>14,919,615</u> | <u>(2,123,026)</u> |
| Deferred Inflows of Resources | | | | | | |
| Property Taxes | 1,160,401 | 1,187,096 | (26,695) | 0 | 0 | 0 |
| Pension & OPEB | 2,010,756 | 547,643 | 1,463,113 | 915,424 | 186,510 | 728,914 |
| <i>Total Deferred Inflows of Resources</i> | <u>3,171,157</u> | <u>1,734,739</u> | <u>1,436,418</u> | <u>915,424</u> | <u>186,510</u> | <u>728,914</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 22,751,827 | 23,072,906 | (321,079) | 25,407,010 | 25,480,276 | (73,266) |
| Restricted | 7,969,404 | 5,827,078 | 2,142,326 | 0 | 0 | 0 |
| Unrestricted | (23,613,880) | (21,449,525) | (2,164,355) | 6,887,283 | 6,827,187 | 60,096 |
| <i>Total Net Position</i> | <u>\$ 7,107,351</u> | <u>\$ 7,450,459</u> | <u>\$ (343,108)</u> | <u>\$ 32,294,293</u> | <u>\$ 32,307,463</u> | <u>\$ (13,170)</u> |

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For 2018, the City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, by \$11,299,628 for governmental activities and \$1,819,273 for business-type activities.

At year end, capital assets represented 68 percent of total assets. Capital assets include land, buildings and improvements, equipment, vehicles, streets, bridges, street lighting, infrastructure and construction in progress. Capital assets, net of related debt were \$48,158,837 at December 31, 2018, with \$22,751,827 in governmental activities and \$25,407,010 in business-type activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$7,969,404 represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit balance of \$16,726,597.

Current liabilities in governmental funds decreased mainly due to payment of notes payable in the street 60 fund partially offset by the issuance of notes payable in the note retirement fund.

Long term liabilities due within one year for governmental activities decreased. This decrease is mainly due to the retirement of a street resurfacing note and principal payments on debt made by the City. Other amounts due in more than one year for business-type activities decreased during the year mainly due to principal payments on debt made by the City.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2018 and 2017.

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Table 2
Changes in Net Position

| | Governmental Activities | | | Business-Type Activities | | |
|--|-------------------------|---------------------|---------------------|--------------------------|----------------------|--------------------|
| | 2018 | 2017 | Change | 2018 | 2017 | Change |
| Revenues | | | | | | |
| <i>Program Revenues:</i> | | | | | | |
| Charges for Services | \$ 3,226,995 | \$ 2,713,800 | \$ 513,195 | \$ 10,322,923 | \$ 10,150,171 | \$ 172,752 |
| Operating Grants | 1,788,293 | 1,985,583 | (197,290) | 43,355 | 0 | 43,355 |
| Capital Grants | 522,664 | 285,875 | 236,789 | 0 | 0 | 0 |
| <i>General Revenues:</i> | | | | | | |
| Property Taxes | 1,212,361 | 1,095,238 | 117,123 | 0 | 0 | 0 |
| Income Taxes | 14,709,160 | 14,248,752 | 460,408 | 0 | 0 | 0 |
| Grants and Entitlements | 375,134 | 407,689 | (32,555) | 0 | 0 | 0 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 30,081 | 0 | 30,081 |
| Hotel Lodging Tax | 5,759 | 6,609 | (850) | 0 | 0 | 0 |
| Investment Earnings | 259,952 | 121,075 | 138,877 | 0 | 0 | 0 |
| Other | 577,442 | 502,506 | 74,936 | 11,348 | 0 | 11,348 |
| Total Revenues | 22,677,760 | 21,367,127 | 1,310,633 | 10,407,707 | 10,150,171 | 257,536 |
| Program Expenses | | | | | | |
| General Government | 6,022,361 | 5,371,248 | 651,113 | 0 | 0 | 0 |
| Security of Persons and Property | 10,797,877 | 9,093,099 | 1,704,778 | 0 | 0 | 0 |
| Public Health | 250,851 | 353,126 | (102,275) | 0 | 0 | 0 |
| Leisure Time Services | 1,377,402 | 1,026,708 | 350,694 | 0 | 0 | 0 |
| Community Development | 311,042 | 605,713 | (294,671) | 0 | 0 | 0 |
| Transportation | 4,090,829 | 4,693,766 | (602,937) | 0 | 0 | 0 |
| Interest and Fiscal Charges | 110,506 | 45,046 | 65,460 | 0 | 0 | 0 |
| <i>Enterprise Operations:</i> | | | | | | |
| Water | 0 | 0 | 0 | 3,791,780 | 3,891,852 | (100,072) |
| Sewer | 0 | 0 | 0 | 3,519,696 | 3,499,914 | 19,782 |
| Sanitation | 0 | 0 | 0 | 2,013,625 | 1,860,019 | 153,606 |
| Stormwater Management | 0 | 0 | 0 | 612,651 | 460,837 | 151,814 |
| Golf Course | 0 | 0 | 0 | 543,125 | 688,671 | (145,546) |
| Swimming Pool | 0 | 0 | 0 | 0 | 78,765 | (78,765) |
| Total Program Expenses | 22,960,868 | 21,188,706 | 1,772,162 | 10,480,877 | 10,480,058 | 819 |
| Increase (Decrease) in Net Position | (283,108) | 178,421 | (461,529) | (73,170) | (329,887) | 256,717 |
| Transfers | (60,000) | 55,638 | (115,638) | 60,000 | (55,638) | 115,638 |
| Change in Net Position | (343,108) | 234,059 | (577,167) | (13,170) | (385,525) | 372,355 |
| <i>Net Position Beginning of Year</i> | 7,450,459 | 18,440,113 | (10,989,654) | 32,307,463 | 34,588,176 | (2,280,713) |
| <i>Restatement - See Note 2</i> | 0 | (11,223,713) | 11,223,713 | 0 | (1,895,188) | 1,895,188 |
| Net Position End of Year | \$ 7,107,351 | \$ 7,450,459 | \$ (343,108) | \$ 32,294,293 | \$ 32,307,463 | \$ (13,170) |

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$79,129 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,341,517. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

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| | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| Total 2018 Expenses under GASB 75 | \$ 22,960,868 | \$ 10,480,877 |
| OPEB Expense under GASB 75 | (1,202,475) | (139,042) |
| 2018 Contractually Required Contributions | 22,474 | 0 |
| Adjusted 2018 Expenses | 21,780,867 | 10,341,835 |
| Total 2017 Expenses under GASB 45 | 21,188,706 | 10,480,058 |
| Increase/(Decrease) in Expenses not Related to OPEB | \$ 592,161 | \$ (138,223) |

The City's overall net position decreased \$356,278 from the prior year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

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

In 2017, the City levied a 0.5 percent increase in the income tax rate making the new tax rate 2 percent. This increase is due to a five year levy passed by residents to pay for safety services and street paving. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

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

Charges for services increased primarily as the result of an increase in accounts receivable paired with the swimming pool now operating out of the park and recreation fund.

The largest program function of the City is for security of persons and property, which includes police and fire departments. The significant increase is primarily the result of the implementation of GASB Statement No. 75.

The City's street maintenance and repair department (transportation) provides the City and its citizens many services that include public road salting, leaf and debris pickup, paint striping and alley profiling. These expenses decreased during 2018 because of a large street resurfacing project in the prior year.

The City also maintains a health department (public health) and a park and swimming pool (leisure time services) within the City. Leisure time services expense showed a significant increase during the year. This is the result of the swimming pool now being operated out of the park and recreation fund.

Community and economic expense decreased due to a decrease in city projects and improvements in the community development block fund.

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Business-Type Activities

Business-type activities include water, sewer, sanitation, stormwater management and golf course operations. The revenues are generated primarily from charges for services. In 2018, charges for services accounted for 99 percent of the business-type revenues.

The City's Funds

Governmental Funds

As noted earlier, the City's governmental funds are accounted for using the modified accrual method of accounting. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

The general fund is the chief operating fund of the City. The fund balance of the general fund increased by \$515,828 during the current fiscal year. This is primarily the result of revenues outpacing expenditures paired with a decrease in funds being transferred out when compared to the prior year.

The note retirement fund had a \$771,805 decrease in fund balance due to the retirement of a long term note.

Proprietary Funds

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

Unrestricted net position of the water fund at the end of the year was a deficit balance \$415,005. The sewer fund was \$6,685,881 and the sanitation was \$708,685. Total change in net position for these funds was a deficit of \$134,077, growth of \$385,692 and a deficit of \$184,698, respectively. The decrease in net position of the sanitation fund can be attributed to an increase in expenses related to truck maintenance and fuel paired with the purchase of non-capitalized equipment. Other factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

General Fund Budgeting Highlights

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

During the course of 2018, the City amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the Director of Finance.

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Original Budget Compared to Final Budget During the year there was a need to make an amendment to decrease original appropriations. The City recognized cost savings, mainly for general government expenses. The City did not make any changes to estimated revenues.

Final Budget Compared to Actual Results Actual budget basis revenue was significantly higher than final budgeted revenue. Most of this difference was attributable to an underestimation of income taxes and other revenues. Actual budget basis expenditures were lower than final appropriations as cost savings were recognized for general government and security of persons and property throughout the year.

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

Capital Assets and Debt Administration

Capital Assets

Table 3 shows fiscal year 2018 balances compared with 2017.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2018 | Restated 2017 | 2018 | Restated 2017 | 2018 | Restated 2017 |
| Land | \$ 7,064,220 | \$ 7,042,995 | \$ 3,551,306 | \$ 3,588,021 | \$ 10,615,526 | \$ 10,631,016 |
| Construction in Progress | 439,053 | 569,982 | 189,391 | 13,400 | 628,444 | 583,382 |
| Buildings and Improvements | 4,051,695 | 4,237,825 | 6,208,758 | 6,454,719 | 10,260,453 | 10,692,544 |
| Equipment | 646,159 | 704,384 | 821,907 | 853,656 | 1,468,066 | 1,558,040 |
| Vehicles | 2,370,857 | 2,069,891 | 948,415 | 1,118,783 | 3,319,272 | 3,188,674 |
| Streets | 8,207,513 | 8,892,731 | 0 | 0 | 8,207,513 | 8,892,731 |
| Bridges | 292,446 | 330,719 | 0 | 0 | 292,446 | 330,719 |
| Street Lighting | 1,002,761 | 674,171 | 0 | 0 | 1,002,761 | 674,171 |
| Infrastructure | 0 | 0 | 21,206,173 | 21,901,537 | 21,206,173 | 21,901,537 |
| <i>Total</i> | <u>\$ 24,074,704</u> | <u>\$ 24,522,698</u> | <u>\$ 32,925,950</u> | <u>\$ 33,930,116</u> | <u>\$ 57,000,654</u> | <u>\$ 58,452,814</u> |

Overall, capital assets decreased mainly due to depreciation exceeding additions during the year.

See Note 8 for additional information about the capital assets of the City.

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Debt

Table 4 summarizes outstanding debt. See Note 13 for additional details.

Table 4
Outstanding Debt, at December 31

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| General Obligation Bonds | \$ 935,000 | \$ 1,110,000 | \$ 7,555,000 | \$ 8,400,000 | \$ 8,490,000 | \$ 9,510,000 |
| OPWC Loans | 369,948 | 0 | 0 | 0 | 369,948 | 0 |
| Premium on Bonds | 7,519 | 9,102 | 111,556 | 126,870 | 119,075 | 135,972 |
| Notes | 0 | 1,000,000 | 0 | 0 | 0 | 1,000,000 |
| Capital Leases | 0 | 0 | 98,284 | 127,654 | 98,284 | 127,654 |
| <i>Total</i> | <u>\$ 1,312,467</u> | <u>\$ 2,119,102</u> | <u>\$ 7,764,840</u> | <u>\$ 8,654,524</u> | <u>\$ 9,077,307</u> | <u>\$ 10,773,626</u> |

The City also issued short-term notes payable in the amount of \$1,000,000 for street maintenance and repairs. See Note 15 for details.

Economic Factors

In 2018 the City's economy continued to improve at a steady pace. The businesses climate continued to be very positive with businesses expanding. The City applied for grants to develop and install a new roadway through the City's Industrial Park allowing for additional business sites to be developed. The city's unemployment rate leveled off just under 4%. According to the County Auditor's Office the overall City property values increased for 2018 by \$4,791,060 with a new city wide value of \$350,922,330.

Retail markets remained strong during the year. The Hampton Inn opened for business during the year bringing the total to five hotels and motels serving the local tourist market. A new strip mall opened bringing new retail markets and restaurants to the community.

The housing market increased slightly during the construction season. The newest housing development continued to develop with approximately a half a dozen new homes being built. The impact of the need for affordable housing continues to be a challenge to the community applying pressure to existing home sales.

The Ashland University, one of the pillars of our community for over 140 years, continues to prosper training young minds in a private, liberal arts and science setting. Curriculums include Arts & Sciences, Business & Economics, Education and Nursing and Health Sciences, Graduate courses, Online, Adult studies, Continuing Education, and the Ashland Theological Seminary.

During 2018 the City continued to collect the additional ½% Income Tax. These additional funds helped the City do street resurfacing and employ additional Police & Fire Personnel. Income Tax collection increased overall from the previous year in all categories by 7.9%. Individual Taxes increased by 27.9%, Withholding Taxes increased by 9.6%, Business Profit Taxes decreased by -13.0% percent. Overall income tax collections increased by \$1,049,470 over the prior year to a new total of \$14,322,186 which exceeded our projections by about 3%.

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The Director of Finance budgets on a realistic but conservative approach when estimating revenue projections. Because of the better than anticipated income tax collection and budgeting processes the City realized an increase in its fund balances / fund net position for most its operating funds during year. Because a portion of the Income Tax collection is positioned for street resurfacing the City retired \$2,000,000.00 worth of notes and rolled over another \$1,000,000 in anticipation of street resurfacing notes for 2018 resurfacing program. During the year the City continued to retire other debt in accordance with its schedules and commitments. The City continues to maintain its A1 bond rating and enjoys those savings in interest costs.

The Government Accounting Standards Board (GASB) implemented rules concerning the accounting for and disclosure of public pensions by local governments. This rule identifies the financial condition of the state's pension funds but is not a representation of the City's actual Financial Condition. This rule continues to adversely impact local governments throughout Ohio particularly through their bond ratings even though they have no control over the situation.

The State of Ohio also implemented changes to the Municipal Income Tax code that has impacted the City. The first change being that all Municipal Governments in the State of Ohio had to implement Net Loss Carried Forward (NOL) systems for business losses. The City of Ashland had never offered that tax benefit before within its tax codes. The second initiative developed a system where the State of Ohio Department of Taxation could also begin collecting business profit taxes instead of the City. Both laws represented positive approaches for businesses but negative impact to the City's ability to collect and estimate the amount of business profit taxes collected, these changes represent the reduction in business profit taxes being collected by the city during 2018.

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

Contacting the City's Finance Department

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

City of Ashland
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Statement of Net Position
December 31, 2018

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Assets | | | |
| Equity in Pooled Cash and Investments | \$ 8,741,547 | \$ 10,758,919 | \$ 19,500,466 |
| Cash and Investments in Segregated Accounts | 0 | 1,259 | 1,259 |
| Accounts Receivable | 381,995 | 1,190,785 | 1,572,780 |
| Intergovernmental Receivable | 905,451 | 0 | 905,451 |
| Taxes Receivable | 4,376,437 | 0 | 4,376,437 |
| Prepaid Items | 345,734 | 121,120 | 466,854 |
| Materials and Supplies Inventory | 174,961 | 111,885 | 286,846 |
| Non-Depreciable Capital Assets | 7,503,273 | 3,740,697 | 11,243,970 |
| Depreciable Capital Assets, Net | 16,571,431 | 29,185,253 | 45,756,684 |
| <i>Total Assets</i> | <u>39,000,829</u> | <u>45,109,918</u> | <u>84,110,747</u> |
| Deferred Outflows of Resources | | | |
| Deferred Charges on Refunding | 18,648 | 63,632 | 82,280 |
| Pension | 3,360,227 | 691,821 | 4,052,048 |
| OPEB | 1,916,139 | 140,935 | 2,057,074 |
| <i>Total Deferred Outflows of Resources</i> | <u>5,295,014</u> | <u>896,388</u> | <u>6,191,402</u> |
| Liabilities | | | |
| Accounts Payable | 165,814 | 79,744 | 245,558 |
| Accrued Wages | 200,175 | 60,757 | 260,932 |
| Contracts Payable | 156,631 | 2,046 | 158,677 |
| Retainage Payable | 4,611 | 0 | 4,611 |
| Intergovernmental Payable | 156,480 | 37,059 | 193,539 |
| Accrued Interest Payable | 2,427 | 22,868 | 25,295 |
| Accrued Vacation Leave Payable | 40,336 | 0 | 40,336 |
| Notes Payable | 1,000,000 | 0 | 1,000,000 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 254,129 | 914,191 | 1,168,320 |
| Due In More Than One Year: | | | |
| Net Pension Liability | 16,227,838 | 2,745,715 | 18,973,553 |
| Net OPEB Liability | 14,051,523 | 1,915,143 | 15,966,666 |
| Other Amounts Due in More Than One Year | 1,757,371 | 7,019,066 | 8,776,437 |
| <i>Total Liabilities</i> | <u>34,017,335</u> | <u>12,796,589</u> | <u>46,813,924</u> |
| Deferred Inflows of Resources | | | |
| Property Taxes Levied for the Next Year | 1,160,401 | 0 | 1,160,401 |
| Pension | 1,666,510 | 731,317 | 2,397,827 |
| OPEB | 344,246 | 184,107 | 528,353 |
| <i>Total Deferred Inflows of Resources</i> | <u>3,171,157</u> | <u>915,424</u> | <u>4,086,581</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 22,751,827 | 25,407,010 | 48,158,837 |
| Restricted for: | | | |
| Capital Projects | 450,757 | 0 | 450,757 |
| Debt Service | 368,427 | 0 | 368,427 |
| Roads and Bridges | 2,706,485 | 0 | 2,706,485 |
| Public Transportation | 462,566 | 0 | 462,566 |
| Police and Fire | 2,484,532 | 0 | 2,484,532 |
| Community Development | 200,874 | 0 | 200,874 |
| Municipal Court Programs | 1,295,763 | 0 | 1,295,763 |
| Unrestricted | (23,613,880) | 6,887,283 | (16,726,597) |
| <i>Total Net Position</i> | <u>\$ 7,107,351</u> | <u>\$ 32,294,293</u> | <u>\$ 39,401,644</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Activities
For the Year Ended December 31, 2018

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|----------------------|--------------------------------------|--|--|--|-----------------------------|----------------------|
| | Expenses | Charges for Services and Sales | Operating Grants, Contributions and Interest | Capital Grants, Contributions and Interest | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities | | | | | | | |
| General Government | \$ 6,022,361 | \$ 839,367 | \$ 736,171 | \$ 107,553 | \$ (4,339,270) | \$ 0 | \$ (4,339,270) |
| Security of Persons and Property | 10,797,877 | 2,154,915 | 155,614 | 100,000 | (8,387,348) | 0 | (8,387,348) |
| Public Health | 250,851 | 3,928 | 0 | 0 | (246,923) | 0 | (246,923) |
| Leisure Time Services | 1,377,402 | 149,996 | 20,035 | 80,000 | (1,127,371) | 0 | (1,127,371) |
| Community Development | 311,042 | 60,238 | 13,148 | 0 | (237,656) | 0 | (237,656) |
| Transportation | 4,090,829 | 18,551 | 863,325 | 235,111 | (2,973,842) | 0 | (2,973,842) |
| Interest and Fiscal Charges | 110,506 | 0 | 0 | 0 | (110,506) | 0 | (110,506) |
| <i>Total Governmental Activities</i> | <u>22,960,868</u> | <u>3,226,995</u> | <u>1,788,293</u> | <u>522,664</u> | <u>(17,422,916)</u> | <u>0</u> | <u>(17,422,916)</u> |
| Business-Type Activities | | | | | | | |
| Water | 3,791,780 | 3,627,622 | 0 | 0 | 0 | (164,158) | (164,158) |
| Sewer | 3,519,696 | 3,905,388 | 0 | 0 | 0 | 385,692 | 385,692 |
| Sanitation | 2,013,625 | 1,828,927 | 0 | 0 | 0 | (184,698) | (184,698) |
| Stormwater Management | 612,651 | 542,775 | 0 | 0 | 0 | (69,876) | (69,876) |
| Golf Course | 543,125 | 418,211 | 43,355 | 0 | 0 | (81,559) | (81,559) |
| <i>Total Business-Type Activities</i> | <u>10,480,877</u> | <u>10,322,923</u> | <u>43,355</u> | <u>0</u> | <u>0</u> | <u>(114,599)</u> | <u>(114,599)</u> |
| <i>Total</i> | <u>\$ 33,441,745</u> | <u>\$ 13,549,918</u> | <u>\$ 1,831,648</u> | <u>\$ 522,664</u> | <u>(17,422,916)</u> | <u>(114,599)</u> | <u>(17,537,515)</u> |
| General Revenues: | | | | | | | |
| Property Taxes Levied for: | | | | | | | |
| General Purposes | | | | | 627,427 | 0 | 627,427 |
| Debt Services | | | | | 217,773 | 0 | 217,773 |
| Parks and Recreation | | | | | 147,566 | 0 | 147,566 |
| Police and Fire Pension | | | | | 187,782 | 0 | 187,782 |
| Other Purposes | | | | | 31,813 | 0 | 31,813 |
| Income Taxes Levied for: | | | | | | | |
| General Purposes | | | | | 11,653,522 | 0 | 11,653,522 |
| Street Maintenance and Repair | | | | | 2,325,440 | 0 | 2,325,440 |
| Parks and Recreation | | | | | 730,198 | 0 | 730,198 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | 375,134 | 0 | 375,134 |
| Gain on Sale of Capital Assets | | | | | 0 | 30,081 | 30,081 |
| Hotel Lodging Tax | | | | | 5,759 | 0 | 5,759 |
| Investment Earnings | | | | | 259,952 | 0 | 259,952 |
| Miscellaneous | | | | | 577,442 | 11,348 | 588,790 |
| <i>Total General Revenues</i> | | | | | <u>17,139,808</u> | <u>41,429</u> | <u>17,181,237</u> |
| Transfers | | | | | (60,000) | 60,000 | 0 |
| <i>Total General Revenues and Transfers</i> | | | | | <u>17,079,808</u> | <u>101,429</u> | <u>17,181,237</u> |
| <i>Change in Net Position</i> | | | | | <u>(343,108)</u> | <u>(13,170)</u> | <u>(356,278)</u> |
| <i>Net Position Beginning of Year (Restated, see Note 2)</i> | | | | | <u>7,450,459</u> | <u>32,307,463</u> | <u>39,757,922</u> |
| <i>Net Position End of Year</i> | | | | | <u>\$ 7,107,351</u> | <u>\$ 32,294,293</u> | <u>\$ 39,401,644</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Balance Sheet
Governmental Funds
December 31, 2018

| | General | Note Retirement | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------|-----------------------------------|--------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 1,661,902 | \$ 11,100 | \$ 7,068,545 | \$ 8,741,547 |
| Accounts Receivable | 247,046 | 0 | 134,949 | 381,995 |
| Intergovernmental Receivable | 161,927 | 0 | 743,524 | 905,451 |
| Taxes Receivable | 2,709,272 | 0 | 1,667,165 | 4,376,437 |
| Interfund Receivable | 361,742 | 0 | 0 | 361,742 |
| Prepaid Items | 279,527 | 0 | 66,207 | 345,734 |
| Materials and Supplies Inventory | 0 | 0 | 174,961 | 174,961 |
| <i>Total Assets</i> | <u>\$ 5,421,416</u> | <u>\$ 11,100</u> | <u>\$ 9,855,351</u> | <u>\$ 15,287,867</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 124,361 | \$ 0 | \$ 41,453 | \$ 165,814 |
| Accrued Wages | 153,117 | 0 | 47,058 | 200,175 |
| Contracts Payable | 0 | 0 | 156,631 | 156,631 |
| Retainage Payable | 0 | 0 | 4,611 | 4,611 |
| Intergovernmental Payable | 126,398 | 0 | 30,082 | 156,480 |
| Interfund Payable | 0 | 0 | 361,742 | 361,742 |
| Notes Payable | 0 | 1,000,000 | 0 | 1,000,000 |
| <i>Total Liabilities</i> | <u>403,876</u> | <u>1,000,000</u> | <u>641,577</u> | <u>2,045,453</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes Levied for the Next Year | 618,095 | 0 | 542,306 | 1,160,401 |
| Unavailable Revenue | 1,518,568 | 0 | 1,081,655 | 2,600,223 |
| <i>Total Deferred Inflows of Resources</i> | <u>2,136,663</u> | <u>0</u> | <u>1,623,961</u> | <u>3,760,624</u> |
| Fund Balances | | | | |
| Nonspendable | 279,527 | 0 | 241,168 | 520,695 |
| Restricted | 0 | 0 | 6,918,577 | 6,918,577 |
| Committed | 0 | 0 | 715,787 | 715,787 |
| Assigned | 2,601,350 | 0 | 0 | 2,601,350 |
| Unassigned | 0 | (988,900) | (285,719) | (1,274,619) |
| <i>Total Fund Balances</i> | <u>2,880,877</u> | <u>(988,900)</u> | <u>7,589,813</u> | <u>9,481,790</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$ 5,421,416</u> | <u>\$ 11,100</u> | <u>\$ 9,855,351</u> | <u>\$ 15,287,867</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2018

| | | |
|--|------------------|---------------------|
| Total Governmental Fund Balances | | \$ 9,481,790 |
| <i>Amounts reported for governmental activities in the statement of net position are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 24,074,704 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: | | |
| Delinquent Property Taxes | \$ 60,803 | |
| Income Tax | 1,891,272 | |
| Intergovernmental | 512,802 | |
| Charges for Services | <u>135,346</u> | 2,600,223 |
| Accrued interest payable is not due and payable in the current period and therefore not reported in the funds. | | (2,427) |
| Unamortized gain/loss on refunding represents deferred outflows, which do not provide current financial resources and, therefore, are not reported in the funds. | | 18,648 |
| The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds. | | |
| Deferred Outflows - Pension | 3,360,227 | |
| Deferred Outflows - OPEB | 1,916,139 | |
| Net Pension Liability | (16,227,838) | |
| Net OPEB Liability | (14,051,523) | |
| Deferred Inflows - Pension | (1,666,510) | |
| Deferred Inflows - OPEB | <u>(344,246)</u> | (27,013,751) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | | |
| General Obligation Bonds | (935,000) | |
| OPWC Loans | (369,948) | |
| Bond Premium | (7,519) | |
| Accrued Vacation Leave Payable | (40,336) | |
| Compensated Absences | <u>(699,033)</u> | (2,051,836) |
| <i>Net Position of Governmental Activities</i> | | <u>\$ 7,107,351</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

| | General | Note Retirement | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------|-----------------------------------|--------------------------------|
| Revenues | | | | |
| Property Taxes | \$ 631,839 | \$ 0 | \$ 591,112 | \$ 1,222,951 |
| Income Taxes | 9,640,507 | 0 | 4,678,391 | 14,318,898 |
| Other Local Taxes | 5,759 | 0 | 0 | 5,759 |
| Charges for Services | 814,468 | 0 | 608,673 | 1,423,141 |
| Licenses and Permits | 60,238 | 0 | 0 | 60,238 |
| Fines and Forfeitures | 678,454 | 0 | 876,434 | 1,554,888 |
| Intergovernmental | 348,506 | 0 | 2,110,625 | 2,459,131 |
| Interest | 0 | 0 | 314,678 | 314,678 |
| Rent | 0 | 0 | 81,832 | 81,832 |
| Contributions and Donations | 18,082 | 0 | 206,517 | 224,599 |
| Other | 430,454 | 0 | 141,118 | 571,572 |
| <i>Total Revenues</i> | <u>12,628,307</u> | <u>0</u> | <u>9,609,380</u> | <u>22,237,687</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 4,245,752 | 0 | 1,331,917 | 5,577,669 |
| Security of Persons and Property | 7,198,414 | 0 | 1,716,365 | 8,914,779 |
| Public Health | 234,856 | 0 | 6,399 | 241,255 |
| Leisure Time Services | 0 | 0 | 1,255,334 | 1,255,334 |
| Community Development | 241,883 | 0 | 50,454 | 292,337 |
| Transportation | 0 | 0 | 3,135,323 | 3,135,323 |
| Capital Outlay | 0 | 0 | 1,046,577 | 1,046,577 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 1,000,000 | 216,105 | 1,216,105 |
| Interest and Fiscal Charges | 0 | 67,830 | 40,725 | 108,555 |
| <i>Total Expenditures</i> | <u>11,920,905</u> | <u>1,067,830</u> | <u>8,799,199</u> | <u>21,787,934</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>707,402</u> | <u>(1,067,830)</u> | <u>810,181</u> | <u>449,753</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sale of Capital Assets | 12,926 | 0 | 115,209 | 128,135 |
| Issuance of OPWC Loans | 0 | 0 | 411,053 | 411,053 |
| Premium on Debt Issuance | 0 | 5,870 | 0 | 5,870 |
| Insurance Recoveries | 0 | 0 | 20,679 | 20,679 |
| Transfers In | 0 | 290,155 | 144,500 | 434,655 |
| Transfers Out | (204,500) | 0 | (290,155) | (494,655) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(191,574)</u> | <u>296,025</u> | <u>401,286</u> | <u>505,737</u> |
| <i>Net Change in Fund Balance</i> | 515,828 | (771,805) | 1,211,467 | 955,490 |
| <i>Fund Balance Beginning of Year</i> | <u>2,365,049</u> | <u>(217,095)</u> | <u>6,378,346</u> | <u>8,526,300</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 2,880,877</u> | <u>\$ (988,900)</u> | <u>\$ 7,589,813</u> | <u>\$ 9,481,790</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018*

| | | |
|---|--------------------|------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 955,490 |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. | | |
| Capital Asset Additions | \$ 1,365,118 | |
| Current Year Depreciation | <u>(1,619,121)</u> | (254,003) |
| 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. | | |
| | | (193,991) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property Taxes | (10,590) | |
| Income Tax | 390,262 | |
| Intergovernmental | (148,904) | |
| Charges for Services | <u>106,897</u> | 337,665 |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| General Obligation Bonds | 175,000 | |
| OPWC Loans | 41,105 | |
| Bond Anticipation Notes | <u>1,000,000</u> | 1,216,105 |
| Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues. | | |
| OPWC Loans | | (411,053) |
| In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued. | | |
| Accrued Interest Payable | 391 | |
| Amortization of Premium on Bonds | 1,583 | |
| Amortization of Refunding Loss | <u>(3,925)</u> | (1,951) |
| Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | | |
| Pension | 1,446,560 | |
| OPEB | <u>22,474</u> | 1,469,034 |
| Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities. | | |
| Pension | (2,220,063) | |
| OPEB | <u>(1,202,475)</u> | (3,422,538) |
| Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Accrued Vacation Leave Payable | (10,729) | |
| Compensated Absences | <u>(27,137)</u> | <u>(37,866)</u> |
| <i>Change in Net Position of Governmental Activities</i> | <u>\$</u> | <u>(343,108)</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|---|--------------------|--------------------|---------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$ 551,354 | \$ 551,354 | \$ 631,839 | \$ 80,485 |
| Income Taxes | 8,403,255 | 8,403,255 | 8,959,268 | 556,013 |
| Other Local Taxes | 6,609 | 6,609 | 5,759 | (850) |
| Charges for Services | 924,759 | 924,759 | 839,620 | (85,139) |
| Licenses and Permits | 56,458 | 56,458 | 60,238 | 3,780 |
| Fines and Forfeitures | 579,087 | 579,087 | 672,796 | 93,709 |
| Intergovernmental | 361,011 | 361,011 | 369,118 | 8,107 |
| Contributions and Donations | 0 | 0 | 18,082 | 18,082 |
| Other | 222,088 | 222,088 | 427,107 | 205,019 |
| <i>Total Revenues</i> | <u>11,104,621</u> | <u>11,104,621</u> | <u>11,983,827</u> | <u>879,206</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 4,601,009 | 4,005,993 | 3,636,259 | 369,734 |
| Security of Persons and Property | 7,574,500 | 7,608,009 | 7,214,219 | 393,790 |
| Public Health | 321,432 | 242,043 | 189,781 | 52,262 |
| Community Development | 216,148 | 248,648 | 243,186 | 5,462 |
| <i>Total Expenditures</i> | <u>12,713,089</u> | <u>12,104,693</u> | <u>11,283,445</u> | <u>821,248</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(1,608,468)</u> | <u>(1,000,072)</u> | <u>700,382</u> | <u>1,700,454</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sale of Capital Assets | 0 | 0 | 12,926 | 12,926 |
| Advances In | 100,000 | 100,000 | 2,170 | (97,830) |
| Advances Out | 0 | (361,742) | (361,742) | 0 |
| Transfers Out | 0 | (248,547) | (204,500) | 44,047 |
| <i>Total Other Financing Sources (Uses)</i> | <u>100,000</u> | <u>(510,289)</u> | <u>(551,146)</u> | <u>(40,857)</u> |
| <i>Net Change in Fund Balance</i> | (1,508,468) | (1,510,361) | 149,236 | 1,659,597 |
| <i>Fund Balance Beginning of Year</i> | <u>1,512,667</u> | <u>1,512,667</u> | <u>1,512,667</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 4,199</u> | <u>\$ 2,306</u> | <u>\$ 1,661,903</u> | <u>\$ 1,659,597</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2018

| | Enterprise Funds | | | | Total |
|---|---------------------|----------------------|---------------------|---------------------------------|-------------------|
| | Water | Sewer | Sanitation | Nonmajor Enterprise Funds | |
| Assets | | | | | |
| <i>Current Assets:</i> | | | | | |
| Equity in Pooled Cash and Investments | \$ 998,806 | \$ 7,877,771 | \$ 1,457,898 | \$ 424,444 | \$ 10,758,919 |
| Cash and Investments in Segregated Accounts | 0 | 0 | 0 | 1,259 | 1,259 |
| Accounts Receivable | 496,360 | 608,022 | 72,208 | 14,195 | 1,190,785 |
| Prepaid Items | 50,689 | 42,423 | 22,206 | 5,802 | 121,120 |
| Materials and Supplies Inventory | 62,347 | 0 | 0 | 49,538 | 111,885 |
| <i>Total Current Assets</i> | <u>1,608,202</u> | <u>8,528,216</u> | <u>1,552,312</u> | <u>495,238</u> | <u>12,183,968</u> |
| <i>Non-Current Assets:</i> | | | | | |
| Non-Depreciable Capital Assets | 2,743,447 | 215,960 | 73,374 | 707,916 | 3,740,697 |
| Depreciable Capital Assets, Net | 9,684,620 | 15,918,404 | 691,611 | 2,890,618 | 29,185,253 |
| <i>Total Non-Current Assets</i> | <u>12,428,067</u> | <u>16,134,364</u> | <u>764,985</u> | <u>3,598,534</u> | <u>32,925,950</u> |
| <i>Total Assets</i> | <u>14,036,269</u> | <u>24,662,580</u> | <u>2,317,297</u> | <u>4,093,772</u> | <u>45,109,918</u> |
| Deferred Outflows of Resources | | | | | |
| Deferred Charges on Refunding | 41,560 | 22,072 | 0 | 0 | 63,632 |
| Pension | 261,692 | 240,600 | 140,322 | 49,207 | 691,821 |
| OPEB | 56,374 | 49,327 | 24,664 | 10,570 | 140,935 |
| <i>Total Deferred Outflows of Resources</i> | <u>359,626</u> | <u>311,999</u> | <u>164,986</u> | <u>59,777</u> | <u>896,388</u> |
| Liabilities | | | | | |
| <i>Current Liabilities:</i> | | | | | |
| Accounts Payable | 6,067 | 8,886 | 18,356 | 46,435 | 79,744 |
| Accrued Wages | 25,414 | 21,816 | 9,896 | 3,631 | 60,757 |
| Contracts Payable | 0 | 2,046 | 0 | 0 | 2,046 |
| Intergovernmental Payable | 15,033 | 13,374 | 6,397 | 2,255 | 37,059 |
| Accrued Interest Payable | 6,033 | 16,697 | 0 | 138 | 22,868 |
| Compensated Absences Payable | 2,971 | 5,009 | 3,729 | 1,627 | 13,336 |
| Capital Leases Payable | 0 | 0 | 0 | 30,855 | 30,855 |
| General Obligation Bonds Payable | 480,000 | 390,000 | 0 | 0 | 870,000 |
| <i>Total Current Liabilities</i> | <u>535,518</u> | <u>457,828</u> | <u>38,378</u> | <u>84,941</u> | <u>1,116,665</u> |
| <i>Long-Term Liabilities:</i> | | | | | |
| Compensated Absences Payable - Net of Current Portion | 65,079 | 76,695 | 12,829 | 478 | 155,081 |
| Capital Leases Payable - Net of Current Portion | 0 | 0 | 0 | 67,429 | 67,429 |
| General Obligation Bonds Payable - Net of Current Portion | 1,817,731 | 4,978,825 | 0 | 0 | 6,796,556 |
| Net Pension Liability | 1,098,286 | 961,000 | 480,500 | 205,929 | 2,745,715 |
| Net OPEB Liability | 766,057 | 670,300 | 335,150 | 143,636 | 1,915,143 |
| <i>Total Long-Term Liabilities</i> | <u>3,747,153</u> | <u>6,686,820</u> | <u>828,479</u> | <u>417,472</u> | <u>11,679,924</u> |
| <i>Total Liabilities</i> | <u>4,282,671</u> | <u>7,144,648</u> | <u>866,857</u> | <u>502,413</u> | <u>12,796,589</u> |
| Deferred Inflows of Resources | | | | | |
| Pension | 283,681 | 229,623 | 114,810 | 103,203 | 731,317 |
| OPEB | 61,591 | 53,893 | 26,946 | 41,677 | 184,107 |
| <i>Total Deferred Inflows of Resources</i> | <u>345,272</u> | <u>283,516</u> | <u>141,756</u> | <u>144,880</u> | <u>915,424</u> |
| Net Position | | | | | |
| Net Investment in Capital Assets | 10,182,957 | 10,860,534 | 764,985 | 3,598,534 | 25,407,010 |
| Unrestricted | (415,005) | 6,685,881 | 708,685 | (92,278) | 6,887,283 |
| <i>Total Net Position</i> | <u>\$ 9,767,952</u> | <u>\$ 17,546,415</u> | <u>\$ 1,473,670</u> | <u>\$ 3,506,256</u> | <u>32,294,293</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

| | Enterprise Funds | | | | Total |
|--|---------------------|----------------------|---------------------|---------------------------------|----------------------|
| | Water | Sewer | Sanitation | Nonmajor Enterprise Funds | |
| Operating Revenues | | | | | |
| Charges for Services | \$ 3,627,622 | \$ 3,905,388 | \$ 1,828,927 | \$ 960,986 | \$ 10,322,923 |
| Other | 0 | 0 | 0 | 11,348 | 11,348 |
| <i>Total Operating Revenues</i> | <u>3,627,622</u> | <u>3,905,388</u> | <u>1,828,927</u> | <u>972,334</u> | <u>10,334,271</u> |
| Operating Expenses | | | | | |
| Personal Services | 2,014,760 | 1,870,592 | 1,131,406 | 400,153 | 5,416,911 |
| Contractual Services | 231,727 | 56,932 | 576,032 | 159,974 | 1,024,665 |
| Materials and Supplies | 688,804 | 495,889 | 165,964 | 440,805 | 1,791,462 |
| Utilities | 270,885 | 251,861 | 12,539 | 17,646 | 552,931 |
| Depreciation | 516,159 | 620,740 | 127,684 | 93,726 | 1,358,309 |
| Other | 2,851 | 695 | 0 | 37,039 | 40,585 |
| <i>Total Operating Expenses</i> | <u>3,725,186</u> | <u>3,296,709</u> | <u>2,013,625</u> | <u>1,149,343</u> | <u>10,184,863</u> |
| <i>Operating Income (Loss)</i> | <u>(97,564)</u> | <u>608,679</u> | <u>(184,698)</u> | <u>(177,009)</u> | <u>149,408</u> |
| Non-Operating Revenues (Expense) | | | | | |
| Gain on Sale of Capital Assets | 30,081 | 0 | 0 | 0 | 30,081 |
| Donations | 0 | 0 | 0 | 43,355 | 43,355 |
| Interest and Fiscal Charges | (66,594) | (222,987) | 0 | (6,433) | (296,014) |
| <i>Total Non-Operating Revenues (Expense)</i> | <u>(36,513)</u> | <u>(222,987)</u> | <u>0</u> | <u>36,922</u> | <u>(222,578)</u> |
| <i>Income (Loss) Before Transfers</i> | <u>(134,077)</u> | <u>385,692</u> | <u>(184,698)</u> | <u>(140,087)</u> | <u>(73,170)</u> |
| Transfers In | 0 | 0 | 0 | 60,000 | 60,000 |
| <i>Change in Net Position</i> | <u>(134,077)</u> | <u>385,692</u> | <u>(184,698)</u> | <u>(80,087)</u> | <u>(13,170)</u> |
| <i>Net Position Beginning of Year (Restated, see Note 2)</i> | <u>9,902,029</u> | <u>17,160,723</u> | <u>1,658,368</u> | <u>3,586,343</u> | <u>32,307,463</u> |
| <i>Net Position End of Year</i> | <u>\$ 9,767,952</u> | <u>\$ 17,546,415</u> | <u>\$ 1,473,670</u> | <u>\$ 3,506,256</u> | <u>\$ 32,294,293</u> |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

| | Enterprise Funds | | | | Total |
|--|-------------------|---------------------|---------------------|---------------------------------|----------------------|
| | Water | Sewer | Sanitation | Nonmajor Enterprise Funds | |
| Cash Flows from Operating Activities | | | | | |
| Cash Received from Customers | \$ 3,591,238 | \$ 3,857,997 | \$ 1,786,282 | \$ 968,804 | \$ 10,204,321 |
| Cash Payments to Suppliers for Goods and Services | (968,771) | (740,069) | (178,503) | (387,026) | (2,274,369) |
| Cash Payments to Employees for Services and Benefits | (1,919,108) | (1,743,799) | (1,049,359) | (432,788) | (5,145,054) |
| Cash Payments for Contractual Services | (230,241) | (54,920) | (570,804) | (114,249) | (970,214) |
| Other Cash Payments | (2,851) | (695) | 0 | (37,039) | (40,585) |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | <u>470,267</u> | <u>1,318,514</u> | <u>(12,384)</u> | <u>(2,298)</u> | <u>1,774,099</u> |
| Cash Flows from Noncapital Financing Activities | | | | | |
| Transfers In | 0 | 0 | 0 | 60,000 | 60,000 |
| Contributions and Donations Received | 0 | 0 | 0 | 43,355 | 43,355 |
| Principal Payments on Noncapital Debt | 0 | 0 | 0 | (29,370) | (29,370) |
| Interest Payments on Noncapital Debt | 0 | 0 | 0 | (6,703) | (6,703) |
| <i>Net Cash Provided by (Used for) Noncapital Financing Activities</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>67,282</u> | <u>67,282</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Capital Grants | 158,210 | 0 | 0 | 0 | 158,210 |
| Acquisition of Capital Assets | (132,133) | (244,529) | 0 | (12,150) | (388,812) |
| Proceeds from Sale of Capital Assets | 66,796 | 0 | 0 | 0 | 66,796 |
| Principal Payments on Debt | (465,000) | (380,000) | 0 | 0 | (845,000) |
| Interest Payments on Debt | (68,019) | (225,810) | 0 | 0 | (293,829) |
| <i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i> | <u>(440,146)</u> | <u>(850,339)</u> | <u>0</u> | <u>(12,150)</u> | <u>(1,302,635)</u> |
| <i>Net Increase (Decrease) in Cash and Investments</i> | 30,121 | 468,175 | (12,384) | 52,834 | 538,746 |
| <i>Cash and Investments Beginning of Year</i> | 968,685 | 7,409,596 | 1,470,282 | 372,869 | 10,221,432 |
| <i>Cash and Investments End of Year</i> | <u>\$ 998,806</u> | <u>\$ 7,877,771</u> | <u>\$ 1,457,898</u> | <u>\$ 425,703</u> | <u>\$ 10,760,178</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | | | | |
| Operating Income (Loss) | \$ (97,564) | \$ 608,679 | \$ (184,698) | \$ (177,009) | \$ 149,408 |
| Adjustments: | | | | | |
| Depreciation | 516,159 | 620,740 | 127,684 | 93,726 | 1,358,309 |
| (Increase) Decrease in Assets and Deferred Outflows: | | | | | |
| Accounts Receivable | (36,384) | (47,391) | (42,645) | (3,530) | (129,950) |
| Prepaid Items | 350 | 2,315 | 3,620 | 1,707 | 7,992 |
| Materials and Supplies Inventory | (5,475) | 0 | 0 | 71,425 | 65,950 |
| Deferred Outflows - Pension/OPEB | 305,798 | 255,954 | 137,602 | 96,189 | 795,543 |
| Increase (Decrease) in Liabilities and Deferred Inflows: | | | | | |
| Accounts Payable | (3,607) | 7,681 | 4,489 | 46,435 | 54,998 |
| Accrued Wages | 4,621 | 3,004 | 1,022 | (879) | 7,768 |
| Compensated Absences Payable | (7,744) | 8,190 | 1,832 | (15,053) | (12,775) |
| Intergovernmental Payable | 614 | 553 | 474 | (1,081) | 560 |
| Deferred Inflows - Pension/OPEB | 248,842 | 257,214 | 137,449 | 116,129 | 759,634 |
| Net Pension Liability | (502,191) | (439,417) | (219,709) | (194,190) | (1,355,507) |
| Net OPEB Liability | 46,848 | 40,992 | 20,496 | (36,167) | 72,169 |
| <i>Net Cash Provided by (Used For) Operating Activities</i> | <u>\$ 470,267</u> | <u>\$ 1,318,514</u> | <u>\$ (12,384)</u> | <u>\$ (2,298)</u> | <u>\$ 1,774,099</u> |

Noncash Capital Financing Activities:
The City purchased \$2,046 of capital assets on account for the sewer fund in 2018.

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

| | Private Purpose Trust | Agency Funds |
|---------------------------------------|--------------------------|--------------|
| Assets | | |
| Equity in Pooled Cash and Investments | \$ 4,370 | \$ 165,047 |
| Cash in Segregated Accounts | 0 | 133,959 |
| Prepaid Items | 0 | 49,253 |
| <i>Total Assets</i> | 4,370 | \$ 348,259 |
| Liabilities | | |
| Accounts Payable | 0 | \$ 4,966 |
| Undistributed Monies | 0 | 343,293 |
| <i>Total Liabilities</i> | 0 | \$ 348,259 |
| Net Position | | |
| Held in Trust for Private Purposes | \$ 4,370 | |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2018

| | Private Purpose Trust |
|--|--------------------------|
| Additions | |
| Interest | \$ 468 |
| Deductions | |
| Payments in Accordance with Trust Agreements | 325 |
| <i>Change in Net Position</i> | 143 |
| <i>Net Position Beginning of Year</i> | 4,227 |
| <i>Net Position End of Year</i> | \$ 4,370 |

See accompanying notes to the basic financial statements.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 1: REPORTING ENTITY

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

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

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

The City is involved with the Wooster-Ashland Regional Council of Governments and the Ashland Community Improvement Corporation which are defined as jointly governed organizations. Additional information concerning the jointly governed organizations is presented in Note 17.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

B. Fund Accounting

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

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

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

Note Retirement Fund – To account for resources used for the payments of principle and interest and fiscal charges related to note debt.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

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

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

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

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

C. Measurement Focus

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

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

D. Basis of Accounting

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

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

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

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position (both the government-wide statements of net position and the governmental fund financial statements) report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue may include delinquent property taxes, income taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12).

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

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

E. Cash and Investments

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

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

During 2018, the City invested in STAR Ohio, a money market mutual fund, negotiable certificates of deposit, Sallie Mae and Federal National Mortgage Association securities. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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

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

F. Prepaid Items

Prepayments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it is consumed.

G. Materials and Supplies Inventory

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

H. Capital Assets

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

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000 for its capital assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

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

I. Compensated Absences

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

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

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

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

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

J. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements; and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

K. Pensions/Other Postemployment Benefits (OPEB)

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

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At December 31, 2018, none of the City’s net position balances were restricted by enabling legislation.

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

M. Fund Balance

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

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

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

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

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

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

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

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and sanitation services, as well as charges related to the City’s storm water management and golf course. 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.

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O. Interfund Activity

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

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

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

P. Extraordinary and Special Items

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

Q. Estimates

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

R. Budgetary Data

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

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

S. Implementation of New Accounting Principles

For the fiscal year ended December 31, 2018, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits other than Pensions*, GASB Statement No. 85, *Omnibus 2017* and GASB Statement No. 86, *Certain Debt Extinguishments*.

GASB Statement No. 75 requires recognition of the entire net postemployment benefits other than pensions (other postemployment benefits or OPEB) liability and a more comprehensive measure of postemployment benefits expense for OPEB provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 75 resulted in the inclusion of net OPEB liability and OPEB expense components on the accrual financial statements.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and other postemployment benefits (OPEB). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 86 addresses the reporting and disclosure requirements of certain debt extinguishments including in-substance defeasance transactions and prepaid insurance associated with debt that is extinguished. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

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T. Restatement of Net Position

In addition to the implementation of GASB Statement No. 75, the City also determined the swimming pool fund should be reported within the park and recreation special revenue fund instead of its own enterprise fund. Capital assets balances were restated to be reported as governmental activity in accordance with this change. Beginning net position has been adjusted as follows:

| | Governmental Activities | Business-Type Activities |
|--|----------------------------|-----------------------------|
| Net Position, December 31, 2017 | \$ 18,674,172 | \$ 34,202,651 |
| Adjustments: | | |
| Net OPEB Liability | (11,355,056) | (1,842,974) |
| Deferred Outflow-Payments | | |
| Subsequent to Measurement Date | 55,428 | 23,701 |
| Reclassification of Swimming Pool Fund | 75,915 | (75,915) |
| Restated Net Position, December 31, 2017 | \$ 7,450,459 | \$ 32,307,463 |

| | Water | Sewer | Sanitation | Nonmajor | Total Enterprise Funds |
|--|---------------|---------------|--------------|--------------|---------------------------|
| Net Position, December 31, 2017 | \$ 10,611,989 | \$ 17,781,938 | \$ 1,968,975 | \$ 3,839,749 | \$ 34,202,651 |
| Adjustments: | | | | | |
| Net OPEB Liability | (719,209) | (629,308) | (314,654) | (179,803) | (1,842,974) |
| Deferred Outflow-Payments | | | | | |
| Subsequent to Measurement Date | 9,249 | 8,093 | 4,047 | 2,312 | 23,701 |
| Reclassification of Swimming Pool Fund | 0 | 0 | 0 | (75,915) | (75,915) |
| Restated Net Position, December 31, 2017 | \$ 9,902,029 | \$ 17,160,723 | \$ 1,658,368 | \$ 3,586,343 | \$ 32,307,463 |

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 3: BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement:

Net Change in Fund Balance

| | General Fund |
|---|--------------|
| GAAP Basis | \$ 515,828 |
| Net Adjustment for Revenue Accruals | (48,979) |
| Net Adjustment for Expenditure Accruals | (326,895) |
| Funds Budgeted Elsewhere | 9,282 |
| Budget Basis | \$ 149,236 |

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

NOTE 4: DEPOSITS AND INVESTMENTS

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

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

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

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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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and any other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively, from the purchase date in any amount not to exceed forty percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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9. Time certificates of deposit (CDs) in authorized depositories, provided those funds are properly insured or collateralized as provided in Ohio Revised Code Section 135.18. The payment of the principal and interest thereon for which eligible securities are pledged must be paid and deposited with the City or qualified and approved trustee.
10. Negotiable time certificates of deposit (negotiable CDs) which have a secondary market in which to trade such securities. The underlying issuer must be covered by FDIC insurance, and the amount of the acquired security is limited to ninety seven percent (97%) of the available FDIC coverage. For example, an investment in a negotiable certificate of deposit (CD) would be limited to \$242,500 assuming FDIC coverage limit of \$250,000.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits with Financial Institutions

Cash on Hand - At December 31, 2018 the City had \$4,890 in undeposited cash on hand, which is included as part of “Equity in Pooled Cash and Investments.”

Deposits - At year-end, \$1,709,129 of the City’s bank balance of \$8,237,100 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions’ trust department in the City’s name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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Cash in Segregated Accounts

The Brookside Golf Course and Mayor’s Court accounts are maintained separately from the City’s deposits. The carrying amount of the deposits is reported as “Cash in Segregated Accounts.”

Investments

As of December 31, 2018, the City had the following investments and maturities:

| Rating | Investment Type | Measurement Amount | Investment Maturities in Months | | % Total |
|--------|---------------------------------------|-----------------------|------------------------------------|-------------------|----------------|
| | | | 0-12 | 13-36 | |
| | Net Asset Value (NAV): | | | | |
| AAAm | STAR Ohio | \$ 12,045,270 | \$ 12,045,270 | \$ 0 | 96.75% |
| | Fair Value: | | | | |
| AAAm | First American Government Obligations | 8,224 | 8,224 | 0 | 0.08% |
| N/A | Negotiable Certificates of Deposit | 148,839 | 148,839 | 0 | 1.20% |
| Baa2 | Sallie Mae | 98,331 | 0 | 98,331 | 0.78% |
| Aaa | Federal National Mortgage Association | 148,079 | 0 | 148,079 | 1.19% |
| | Total Investments | <u>\$ 12,448,743</u> | <u>\$ 12,202,333</u> | <u>\$ 246,410</u> | <u>100.00%</u> |

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the City’s recurring fair value measurements as of December 31, 2018. The City’s investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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

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

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2018, is 45 days.

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

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Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Director of Finance.

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

NOTE 5: PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of the 2017 taxes.

2018 real property taxes were levied after October 1, 2018 on the assessed value as of January 1, 2018, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018 was \$3.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

| <u>Category</u> | <u>Assessed Value</u> |
|-------------------------|-----------------------|
| Real Property | \$ 327,253,250 |
| Public Utilities - Real | <u>23,669,080</u> |
| Total Assessed Value | <u>\$ 350,922,330</u> |

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The Ashland County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2018, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2018 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

NOTE 6: RECEIVABLES

Receivables at December 31, 2018 consisted of taxes, interfund, accounts (billed and unbilled user charged services), and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full.

NOTE 7: INCOME TAX

The City levies a municipal income tax of 2.0 percent on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit up to 1.0 percent for taxes paid to other municipalities.

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

Income tax revenues are distributed among the General Fund, Street Maintenance and Repair Special Revenue Fund and the Park and Recreation Special Revenue Fund. In 2017 a new tax levy was approved by the voters increasing the income tax rate from 1.5 percent to 2.0 percent for a five year period. Income tax revenues related to the additional 0.5 percent income tax, which was approved by the voters in 2017, is distributed among the Street 60 Special Revenue Fund, Police 60 Special Revenue Fund and the Fire 60 Special Revenue Fund.

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Notes to the Basic Financial Statements
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NOTE 8: CAPITAL ASSETS

A summary of changes in capital assets during 2018 follows:

| | Restated Balance 1/1/2018 | Additions | Deletions | Balance 12/31/2018 |
|--|---------------------------------|----------------------|---------------------|-----------------------|
| Governmental Activities: | | | | |
| <i>Capital Assets Not Being Depreciated:</i> | | | | |
| Land | \$ 7,042,995 | \$ 209,961 | \$ (188,736) | \$ 7,064,220 |
| Construction in Progress | 569,982 | 675,038 | (805,967) | 439,053 |
| <i>Total Capital Assets, Not Being Depreciated</i> | <u>7,612,977</u> | <u>884,999</u> | <u>(994,703)</u> | <u>7,503,273</u> |
| <i>Capital Assets, Being Depreciated:</i> | | | | |
| Buildings and Improvements | 10,115,670 | 7,503 | 0 | 10,123,173 |
| Equipment | 3,298,033 | 78,625 | 0 | 3,376,658 |
| Vehicles | 6,534,810 | 790,954 | (485,220) | 6,840,544 |
| Streets | 32,296,841 | 0 | 0 | 32,296,841 |
| Bridges | 2,526,671 | 0 | 0 | 2,526,671 |
| Street Lighting | 1,516,638 | 409,004 | (17,102) | 1,908,540 |
| <i>Total Capital Assets, Being Depreciated</i> | <u>56,288,663</u> | <u>1,286,086</u> | <u>(502,322)</u> | <u>57,072,427</u> |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Buildings and Improvements | (5,877,845) | (193,633) | 0 | (6,071,478) |
| Equipment | (2,593,649) | (136,850) | 0 | (2,730,499) |
| Vehicles | (4,464,919) | (484,733) | 479,965 | (4,469,687) |
| Streets | (23,404,110) | (685,218) | 0 | (24,089,328) |
| Bridges | (2,195,952) | (38,273) | 0 | (2,234,225) |
| Street Lighting | (842,467) | (80,414) | 17,102 | (905,779) |
| <i>Total Accumulated Depreciation</i> | <u>(39,378,942)</u> | <u>(1,619,121) *</u> | <u>497,067</u> | <u>(40,500,996)</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>16,909,721</u> | <u>(333,035)</u> | <u>(5,255)</u> | <u>16,571,431</u> |
| <i>Total Governmental Activity Capital Assets, Net</i> | <u>\$ 24,522,698</u> | <u>\$ 551,964</u> | <u>\$ (999,958)</u> | <u>\$ 24,074,704</u> |

*Depreciation expense was charge to governmental functions as follows:

| | |
|----------------------------------|---------------------|
| General Government | \$ 237,506 |
| Leisure Time Services | 73,536 |
| Community Development | 1,230 |
| Security of Persons and Property | 328,223 |
| Transportation | <u>978,626</u> |
| Total | <u>\$ 1,619,121</u> |

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| | Restated Balance 1/1/2018 | Additions | Deletions | Balance 12/31/2018 |
|--|---------------------------------|---------------------|--------------------|-----------------------|
| Business-Type Activities: | | | | |
| <i>Capital Assets Not Being Depreciated:</i> | | | | |
| Land | \$ 3,588,021 | \$ 0 | \$ (36,715) | \$ 3,551,306 |
| Construction in Progress | 13,400 | 175,991 | 0 | 189,391 |
| <i>Total Capital Assets, Not Being Depreciated</i> | <u>3,601,421</u> | <u>175,991</u> | <u>(36,715)</u> | <u>3,740,697</u> |
| <i>Capital Assets, Being Depreciated:</i> | | | | |
| Buildings and Improvements | 12,812,450 | 0 | 0 | 12,812,450 |
| Equipment | 3,407,208 | 138,442 | (82,155) | 3,463,495 |
| Vehicles | 2,832,429 | 76,425 | (114,684) | 2,794,170 |
| Infrastructure | 41,765,112 | 0 | 0 | 41,765,112 |
| <i>Total Capital Assets, Being Depreciated</i> | <u>60,817,199</u> | <u>214,867</u> | <u>(196,839)</u> | <u>60,835,227</u> |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Buildings and Improvements | (6,357,731) | (245,961) | 0 | (6,603,692) |
| Equipment | (2,553,552) | (170,191) | 82,155 | (2,641,588) |
| Vehicles | (1,713,646) | (246,793) | 114,684 | (1,845,755) |
| Infrastructure | (19,863,575) | (695,364) | 0 | (20,558,939) |
| <i>Total Accumulated Depreciation</i> | <u>(30,488,504)</u> | <u>(1,358,309)</u> | <u>196,839</u> | <u>(31,649,974)</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>30,328,695</u> | <u>(1,143,442)</u> | <u>0</u> | <u>29,185,253</u> |
| <i>Total Business-Type Capital Assets, Net</i> | <u>\$ 33,930,116</u> | <u>\$ (967,451)</u> | <u>\$ (36,715)</u> | <u>\$ 32,925,950</u> |

NOTE 9: RISK MANAGEMENT

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

| <u>Company</u> | <u>Type of Coverage</u> |
|--|------------------------------|
| Cincinnati Insurance/The Buren Insurance Group, Inc. | Property |
| St. Paul Travelers/Boales Insurance | Commercial General Liability |
| | Law Enforcement Liability |
| | Automobile Liability |
| | Umbrella Policy |
| | Basic Errors and Omissions |

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

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

NOTE 10: OTHER EMPLOYEE BENEFITS

A. Compensated Absences

City employees generally earn vacation ranging from two to five weeks per year based on length of service. Accumulated vacation leave cannot be carried over from one year to another without express written authorization of the appointing authority. Sick leave is generally earned at the rate of 4.6 hours for every 80 hours worked and employees may accumulate on a continuing basis. Sick leave is fully vested when earned. 25 percent of unused sick leave, up to the following maximums for employees who complete ten years of service plus any accumulated vacation leave, is paid at retirement or death. Sick leave accumulates up to a maximum of 800 hours for members of the Northern Ohio Patrolmen's Benevolent Association, 894 hours for members of The International Association of Fire Fighters Local 1386, AFL-CIO, 688 hours for all non-union City employees and 520 hours for AFSCME employees. As of December 31, 2018, the total liability for unpaid compensated absences was \$867,450.

B. Additional Insurance

The City provides life insurance to all employees. The policy is in the amount of \$40,000. The City contracts with Medical Mutual Insurance Group to provide health insurance to employees. The City and the employees share the cost of the total monthly premiums of \$806 single health care, \$1,676 employee and spouse health care, \$1,330 employee and child health care and \$2,201 family health care. Premiums and co-payments are paid from the same funds that pay the employee's salaries.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the COLA will continue to be a three percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index (CPI), capped at 2.25 percent.

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

| 2018 Statutory Maximum Contribution Rates | State and Local |
|--|--------------------|
| Employer | 14.00 % |
| Employee | 10.00 % |
| 2018 Actual Contribution Rates | |
| Employer: | |
| Pension | 14.00 % |
| Post-Employment Health Care Benefits | 0.00 % |
| Total Employer | 14.00 % |
| Employee | 10.00 % |

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$808,241 for 2018. Of this amount, \$90,155 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

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

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

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| | Police | Firefighters |
|--|---------|--------------|
| 2018 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2018 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-Employment Health Care Benefits | 0.50 % | 0.50 % |
| Total Employer | 19.50 % | 24.00 % |
| Employee | | |
| | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$961,616 for 2018. Of this amount, \$97,322 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | OPERS | OPF | Total |
|--|--------------|---------------|---------------|
| Proportion of the Net Pension Liability: | | | |
| Current Measurement Period | 0.043755% | 0.197302% | |
| Prior Measurement Period | 0.044050% | 0.183345% | |
| Change in Proportion | -0.000295% | 0.013957% | |
| Proportionate Share of the Net | | | |
| Pension Liability | \$ 6,864,286 | \$ 12,109,267 | \$ 18,973,553 |
| Pension Expense | \$ 1,144,555 | \$ 1,531,601 | \$ 2,676,156 |

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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| | OPERS | OPF | Total |
|--|---------------------|---------------------|---------------------|
| Deferred Outflows of Resources | | | |
| Differences between Expected and Actual Experience | \$ 7,011 | \$ 183,767 | \$ 190,778 |
| Changes of Assumptions | 820,324 | 527,666 | 1,347,990 |
| Changes in Proportionate Share | 65,179 | 678,244 | 743,423 |
| City Contributions Subsequent to the Measurement Date | 808,241 | 961,616 | 1,769,857 |
| Total Deferred Outflows of Resources | \$ 1,700,755 | \$ 2,351,293 | \$ 4,052,048 |
| Deferred Inflows of Resources | | | |
| Differences between Expected and Actual Experience | \$ 135,271 | \$ 21,906 | \$ 157,177 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 1,473,668 | 418,892 | 1,892,560 |
| Changes in Proportionate Share | 121,947 | 226,143 | 348,090 |
| Total Deferred Inflows of Resources | \$ 1,730,886 | \$ 666,941 | \$ 2,397,827 |

\$1,769,857 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year Ending December 31: | OPERS | OPF | Total |
|--------------------------|---------------------|-------------------|---------------------|
| 2019 | \$ 575,193 | \$ 379,787 | \$ 954,980 |
| 2020 | (160,441) | 269,659 | 109,218 |
| 2021 | (647,570) | (164,211) | (811,781) |
| 2022 | (605,554) | (83,674) | (689,228) |
| 2023 | 0 | 257,963 | 257,963 |
| Thereafter | 0 | 63,212 | 63,212 |
| | \$ (838,372) | \$ 722,736 | \$ (115,636) |

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017 are presented below.

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| | |
|---|---|
| Valuation Date | December 31, 2017 |
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including wage inflation | 3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent) |
| Investment Rate of Return | 7.50 percent |
| Actuarial Cost Method | Individual Entry Age |
| Cost-of-Living Adjustments | Pre-1/7/2013 Retirees: 3.00 percent Simple Post-1/7/2013 Retirees: 3.00 percent Simple through 2018, then 2.15 percent Simple |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described table.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|--|
| Fixed Income | 23.00 % | 2.20 % |
| Domestic Equities | 19.00 | 6.37 |
| Real Estate | 10.00 | 5.26 |
| Private Equity | 10.00 | 8.97 |
| International Equities | 20.00 | 7.88 |
| Other Investments | 18.00 | 5.26 |
| Total | <u>100.00 %</u> | <u>5.66 %</u> |

Discount Rate The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50 percent) or one-percentage-point higher (8.50 percent) than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| City's Proportionate Share of the Net Pension Liability | \$ 12,189,223 | \$ 6,864,286 | \$ 2,424,893 |

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

| | |
|----------------------------|--|
| Actuarial Cost Method | Entry Age (Level Percent of Payroll) |
| Investment Rate of Return | 8.00 percent |
| Projected Salary Increases | 3.75 percent to 10.50 percent |
| Payroll Increases | 3.25 percent (inflation plus productivity increase) |
| Inflation Assumptions | 2.75 percent |
| Cost-of-Living Adjustments | 3.00 percent simple; 2.20 percent simple for increases based on lesser of the increase in CPI and 3.00 percent |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77 % | 68 % |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35 % | 35 % |
| 60-69 | 60 | 45 |
| 70-79 | 75 | 70 |
| 80 and up | 100 | 90 |

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

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| Asset Class | Target Allocation | 10 Year Expected Real Rate of Return** | 30 Year Expected Real Rate of Return** |
|------------------------------|----------------------|--|--|
| Domestic Equity | 16.00 % | 4.22 % | 5.39 % |
| Non-US Equity | 16.00 | 4.41 | 5.59 |
| Private Markets | 8.00 | 6.67 | 8.08 |
| Core Fixed Income* | 23.00 | 1.57 | 2.71 |
| High Yield Fixed Income | 7.00 | 2.94 | 4.71 |
| Private Credit | 5.00 | 6.93 | 7.26 |
| U.S. Inflation Linked Bonds* | 17.00 | 0.98 | 2.52 |
| Master Limited Partnerships | 8.00 | 7.50 | 7.93 |
| Real Assets | 8.00 | 6.88 | 7.24 |
| Private Real Estate | 12.00 | 5.58 | 6.34 |
| Total | 120.00 % | | |

Note: Assumptions are geometric.

* Levered 2x

** Numbers are net of expected inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's Proportionate Share of the Net Pension Liability | \$ 16,786,685 | \$ 12,109,267 | \$ 8,294,491 |

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NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2018.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$22,474 for 2018. Of this amount, \$2,280 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OPF</u> | <u>Total</u> |
|---------------------------------------|-------------------|------------------|---------------|
| Proportion of the Net OPEB Liability: | | | |
| Current Measurement Period | 0.044090% | 0.197302% | |
| Prior Measurement Period | 0.044504% | 0.183345% | |
| Change in Proportion | <u>-0.000414%</u> | <u>0.013957%</u> | |
| Proportionate Share of the Net | | | |
| OPEB Liability | \$ 4,787,856 | \$ 11,178,810 | \$ 15,966,666 |
| OPEB Expense | \$ 383,221 | \$ 958,296 | \$ 1,341,517 |

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OPF</u> | <u>Total</u> |
|---|-------------------|---------------------|---------------------|
| Deferred Outflows of Resources | | | |
| Differences between Expected and | | | |
| Actual Experience | \$ 3,730 | \$ 0 | \$ 3,730 |
| Changes of Assumptions | 348,607 | 1,090,819 | 1,439,426 |
| Changes in Proportionate Share | 13,440 | 578,004 | 591,444 |
| City Contributions Subsequent | | | |
| to the Measurement Date | 0 | 22,474 | 22,474 |
| Total Deferred Outflows of Resources | <u>\$ 365,777</u> | <u>\$ 1,691,297</u> | <u>\$ 2,057,074</u> |
| Deferred Inflows of Resources | | | |
| Differences between Expected and | | | |
| Actual Experience | \$ 0 | \$ 56,381 | \$ 56,381 |
| Net Difference between Projected and Actual | | | |
| Earnings on OPEB Plan Investments | 356,663 | 73,584 | 430,247 |
| Changes in Proportionate Share | 41,725 | 0 | 41,725 |
| Total Deferred Inflows of Resources | <u>\$ 398,388</u> | <u>\$ 129,965</u> | <u>\$ 528,353</u> |

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\$22,474 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending December 31: | OPERS | OPF | Total |
|--------------------------|--------------------|---------------------|---------------------|
| 2019 | \$ 65,764 | \$ 217,340 | \$ 283,104 |
| 2020 | 66,352 | 217,340 | 283,692 |
| 2021 | (75,562) | 217,340 | 141,778 |
| 2022 | (89,165) | 217,340 | 128,175 |
| 2023 | 0 | 235,736 | 235,736 |
| Thereafter | 0 | 433,762 | 433,762 |
| | <u>\$ (32,611)</u> | <u>\$ 1,538,858</u> | <u>\$ 1,506,247</u> |

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|--|--|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 3.85 percent |
| Prior Measurement date | 4.23 percent |
| Investment Rate of Return | 6.50 percent |
| Municipal Bond Rate | 3.31 percent |
| Health Care Cost Trend Rate | 7.5 percent, initial 3.25 percent, ultimate in 2028 |
| Actuarial Cost Method | Individual Entry Age |

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Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|------------------------------|------------------------------|---|
| Fixed Income | 34.00 % | 1.88 % |
| Domestic Equities | 21.00 | 6.37 |
| Real Estate Investment Trust | 6.00 | 5.91 |
| International Equities | 22.00 | 7.88 |
| Other investments | 17.00 | 5.39 |
| Total | <u>100.00 %</u> | <u>4.98 %</u> |

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Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

| | 1% Decrease (2.85%) | Current Discount Rate (3.85%) | 1% Increase (4.85%) |
|---|------------------------|-------------------------------------|------------------------|
| City's Proportionate Share of the Net OPEB Liability | \$ 6,360,874 | \$ 4,787,856 | \$ 3,515,301 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|--------------|-----------------------|--------------|
| City's Proportionate Share of the Net OPEB Liability | \$ 4,580,958 | \$ 4,787,856 | \$ 5,001,577 |

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Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

| | |
|----------------------------|--|
| Valuation Date | January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.00 percent |
| Projected Salary Increases | 3.75 percent to 10.50 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent |
| Single discount rate: | |
| Current measurement date | 3.24 percent |
| Prior measurement date | 3.79 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.20 percent simple for increased based on the lesser of the increase in CPI and 3.00 percent |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77 % | 68 % |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35 % | 35 % |
| 60-69 | 60 | 45 |
| 70-79 | 75 | 70 |
| 80 and up | 100 | 90 |

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--|----------------------|---|
| Domestic Equity | 16.00 % | 5.21 % |
| Non-US Equity | 16.00 | 5.40 |
| Core Fixed Income* | 20.00 | 2.37 |
| Global Inflation Protected Securities* | 20.00 | 2.33 |
| High Yield | 15.00 | 4.48 |
| Real Estate | 12.00 | 5.65 |
| Private Markets | 8.00 | 7.99 |
| Timber | 5.00 | 6.87 |
| Master Limited Partnerships | 8.00 | 7.36 |
| Total | 120.00 % | |

Note: Assumptions are geometric.

* Levered 2x

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

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

| | 1% Decrease (2.24%) | Current Discount Rate (3.24%) | 1% Increase (4.24%) |
|---|------------------------|-------------------------------------|------------------------|
| City's Proportionate Share of the Net OPEB Liability | \$ 13,973,703 | \$ 11,178,810 | \$ 9,028,342 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

| Year | Non-Medicare | Non-AARP | AARP | Rx Drug | Medicare Part B |
|----------------|--------------|----------|-------|---------|--------------------|
| 2017 | -0.47% | -2.50% | 4.50% | -0.47% | 5.20% |
| 2018 | 7.00% | 7.00% | 4.50% | 7.00% | 5.10% |
| 2019 | 6.50% | 6.50% | 4.50% | 6.50% | 5.00% |
| 2020 | 6.00% | 6.00% | 4.50% | 6.00% | 5.00% |
| 2021 | 5.50% | 5.50% | 4.50% | 5.50% | 5.00% |
| 2022 | 5.00% | 5.00% | 4.50% | 5.00% | 5.00% |
| 2023 and Later | 4.50% | 4.50% | 4.50% | 4.50% | 5.00% |

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To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|--------------|-----------------------|---------------|
| City's Proportionate Share of the Net OPEB Liability | \$ 8,683,936 | \$ 11,178,810 | \$ 14,541,162 |

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

NOTE 13: LONG-TERM OBLIGATIONS

| Debt Issue | Interest Rate | Original Issue Amount | Date of Maturity |
|---|------------------|--------------------------|------------------|
| Governmental Activities | | | |
| 2013 General Obligation Refunding Bonds | Various | \$ 1,790,000 | 12/1/2023 |
| 2017 Various Purpose Note | 2.00% | 1,000,000 | 5/17/2018 |
| 2018 OPWC Loan | 0.00% | 411,053 | 1/1/2028 |
| Business-Type Activities | | | |
| General Obligation Bonds: | | | |
| 2010 EQ Basin Bonds | 2.00 - 5.00% | 5,380,000 | 12/1/2035 |
| 2010 New Water Projects Bonds | 2.00 - 4.25% | 770,000 | 12/1/2020 |
| 2013 General Obligation Refunding Bonds | Various | 3,985,000 | 12/1/2023 |
| 2013 General Obligation Refunding Bonds | Various | 2,115,000 | 12/1/2023 |

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Changes in the long-term obligations of the City during 2018 were as follows:

| | Restated Balance 1/1/2018 | Additions | (Reductions) | Balance 12/31/2018 | Due in One Year |
|--|---------------------------------|---------------------|-------------------------|------------------------|--------------------|
| Governmental Activities: | | | | | |
| 2018 OPWC Loan | \$ 0 | \$ 411,053 | \$ (41,105) | \$ 369,948 | \$ 41,105 |
| 2017 Various Purpose Notes | 1,000,000 | 0 | (1,000,000) | 0 | 0 |
| 2013 General Obligation Refunding Bonds | 1,110,000 | 0 | (175,000) | 935,000 | 175,000 |
| Premium on 2013 General Obligation Refunding Bonds | 9,102 | 0 | (1,583) | 7,519 | 0 |
| Total Governmental Activities Long-Term Debt | 2,119,102 | 411,053 | (1,217,688) | 1,312,467 | 216,105 |
| Net Pension & OPEB Liability: | | | | | |
| Pension | 17,514,663 | 496,363 | (1,783,188) | 16,227,838 | 0 |
| OPEB | 11,355,056 | 2,696,467 | 0 | 14,051,523 | 0 |
| Total Net Pension & OPEB Liability | 28,869,719 | 3,192,830 | (1,783,188) | 30,279,361 | 0 |
| Other Long-Term Obligations: | | | | | |
| Compensated Absences | 671,896 | 37,678 | (10,541) | 699,033 | 38,024 |
| <i>Total Governmental Activities</i> | \$ 31,660,717 | \$ 3,641,561 | \$ (3,011,417) | \$ 32,290,861 | \$ 254,129 |
| Business-Type Activities: | | | | | |
| 2010 General Obligation Bonds Premium | \$ 4,610,000 95,970 | \$ 0 0 | \$ (260,000) (9,940) | \$ 4,350,000 86,030 | \$ 265,000 0 |
| 2013 General Obligation Bonds Refunding Bonds | 3,790,000 | 0 | (585,000) | 3,205,000 | 605,000 |
| Premium | 30,900 | 0 | (5,374) | 25,526 | 0 |
| Total Business-Type Activities Long-Term Debt | 8,526,870 | 0 | (860,314) | 7,666,556 | 870,000 |
| Net Pension & OPEB Liability: | | | | | |
| Pension | 4,101,222 | 0 | (1,355,507) | 2,745,715 | 0 |
| OPEB | 1,842,974 | 72,169 | 0 | 1,915,143 | 0 |
| Total Net Pension & OPEB Liability | 5,944,196 | 72,169 | (1,355,507) | 4,660,858 | 0 |
| Other Long-Term Obligations: | | | | | |
| Compensated Absences | 181,192 | 14,063 | (26,838) | 168,417 | 13,336 |
| Capital Leases | 127,654 | 0 | (29,370) | 98,284 | 30,855 |
| | 308,846 | 14,063 | (56,208) | 266,701 | 44,191 |
| <i>Total Business-Type Activities</i> | \$ 14,779,912 | \$ 86,232 | \$ (2,272,029) | \$ 12,594,115 | \$ 914,191 |

City of Ashland
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

A summary of annual requirements to pay principal and interest on debt outstanding at December 31, 2018 is as follows:

| | Governmental Activities | | | | |
|-----------|-------------------------|------------------|-------------------|---------------------|------------------|
| | 2013 General Obligation | | OPWC | Total | |
| | Principal | Interest | Principal | Principal | Interest |
| 2019 | \$ 175,000 | \$ 29,444 | \$ 41,105 | \$ 216,105 | \$ 29,444 |
| 2020 | 180,000 | 25,287 | 41,105 | 221,105 | 25,287 |
| 2021 | 185,000 | 19,887 | 41,105 | 226,105 | 19,887 |
| 2022 | 195,000 | 14,337 | 41,105 | 236,105 | 14,337 |
| 2023 | 200,000 | 8,000 | 41,105 | 241,105 | 8,000 |
| 2024-2028 | 0 | 0 | 164,423 | 164,423 | 0 |
| Totals | <u>\$ 935,000</u> | <u>\$ 96,955</u> | <u>\$ 369,948</u> | <u>\$ 1,304,948</u> | <u>\$ 96,955</u> |

| | Business-Type Activities | | | | | |
|-----------|---|-------------------|-------------------------------|---------------------|---------------------|---------------------|
| | 2013 General Obligation Refunding Bonds | | 2010 General Obligation Bonds | | Total | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$ 605,000 | \$ 100,806 | \$ 265,000 | \$ 174,902 | \$ 870,000 | \$ 275,708 |
| 2020 | 620,000 | 86,437 | 280,000 | 164,302 | 900,000 | 250,739 |
| 2021 | 645,000 | 67,837 | 195,000 | 152,403 | 840,000 | 220,240 |
| 2022 | 655,000 | 48,487 | 200,000 | 146,065 | 855,000 | 194,552 |
| 2023 | 680,000 | 27,200 | 210,000 | 139,565 | 890,000 | 166,765 |
| 2024-2028 | 0 | 0 | 1,160,000 | 582,639 | 1,160,000 | 582,639 |
| 2029-2033 | 0 | 0 | 1,395,000 | 342,550 | 1,395,000 | 342,550 |
| 2034-2035 | 0 | 0 | 645,000 | 48,750 | 645,000 | 48,750 |
| Totals | <u>\$ 3,205,000</u> | <u>\$ 330,767</u> | <u>\$ 4,350,000</u> | <u>\$ 1,751,176</u> | <u>\$ 7,555,000</u> | <u>\$ 2,081,943</u> |

There are no repayment schedules for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund and water, sewer, sanitation, golf course, and storm water funds. For additional information related to the net pension liability and net OPEB liability see Notes 11 and 12.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

2010 General Obligation Bonds

The \$7,470,000 bond issue consists of serial and term bonds. The serial bonds were issued with a varying interest rate of 2.00-4.30 percent. The term bonds that mature on December 1, 2022, with an interest rate of 3.25 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2021 in the amount of \$195,000 (and the balance of \$200,000 is to be paid at stated maturity on December 1, 2022), at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to redemption date.

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

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

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

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

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

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

City of Ashland
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the corresponding term bonds. The bonds maturing on or after December 1, 2021 are subject to prior redemption, by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of \$5,000), on any date on or after December 1, 2020, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

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

2013 General Obligation Refunding Bonds

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

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

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

2018 OPWC Loan

The 2018 Ohio Public Works Commission (OPWC) loan is for improvements to the US 250, US 42, and State Route 96 intersection. The loan matures in the year 2028 and principle payments will be made from the state highway improvement fund.

2017 Various Purpose Note

In 2017, the City issued \$3,228,000 in various purpose notes in anticipation of bonds for the purpose of improving the City's street system by acquiring and installing traffic control signals and paving streets. These notes matured May 17, 2018.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 14: CAPITAL LEASES

In 2017 the City entered into a lease agreement for 60 Yamaha golf carts and 3 Cushman Hauler utility vehicles in the amount of \$109,494 and \$18,161, respectively. Both leases will be paid out of the golf fund. These leases meet the criteria of a capital lease as the lease term is greater than 75 percent of the remaining economic life of the leased property.

The assets acquired by the lease are not being capitalized because the individual cost for each item is under the threshold according to the City's capital asset policy.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2018:

| | | Business-Type Activities |
|--|------|-----------------------------|
| Year Ending December 31: | 2019 | \$ 35,827 |
| | 2020 | 35,568 |
| | 2021 | 36,257 |
| Minimum lease payments | | 107,652 |
| Less: amount representing interest at the City's incremental borrowing rate of interest | | (9,368) |
| Present value of minimum lease payments | | \$ 98,284 |

NOTE 15: NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2018 follows:

| | Outstanding 1/1/2018 | Additions | Deletions | Outstanding 12/31/2018 |
|------------------------------------|-------------------------|--------------|---------------|---------------------------|
| Various Purpose Notes, Series 2017 | \$ 2,228,000 | \$ 0 | \$(2,228,000) | \$ 0 |
| Various Purpose Note, Series 2018 | 0 | 1,000,000 | 0 | 1,000,000 |
| <i>Total Notes Payable</i> | \$ 2,228,000 | \$ 1,000,000 | \$(2,228,000) | \$ 1,000,000 |

In 2017, the City issued \$3,228,000 in various purpose notes in anticipation of bonds for the purpose of maintaining and repairing City streets. These notes matured May 17, 2018. In 2018, the City entered into a qualifying financing agreement in the amount of \$1,000,000 at 2.75 percent interest. The note will mature on May 16, 2019. The balance of \$1,000,000 will be retired with operational and income tax revenues at maturity from the note retirement fund.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 16: 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, 2018.

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 17: JOINTLY GOVERNED ORGANIZATIONS

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

The City is a member of the Wooster-Ashland Regional Council of Governments (WARCOG). WARCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. It was formed to plan for, create and operate a joint dispatching system for police, fire, emergency medical services (EMS), and other related public safety services within the WARCOG area and to provide a link between these dispatching systems and the State emergency management services platform. It is currently comprised of four members (the cities of Ashland, Orrville, Wooster and the Wooster Community Hospital). It is authorized to perform all functions necessary to improve, maintain and operate the dispatching services including entering into contractual arrangements for necessary services; to employ staff; purchase, lease or otherwise provide for supplies, materials and equipment and facilities; accept and raise public and private funding; and any and all other powers and authorities available pursuant to Chapter 167 of the Ohio Revised Code. Participating political subdivisions appoint three representatives to WARCOG, except in the case of Wooster Community Hospital who serves as a nonvoting member. A seventh member is appointed annually, with the appointment being alternated between the Cities of Ashland and Wooster. Each member is entitled to one vote. During 2018, the City made cash contributions of \$564,593 to WARCOG to cover operational expenses. The City of Wooster serves as the fiscal agent. Financial information can be obtained by contacting Andrei Dordei, Treasurer of WARCOG, 538 North Market St., Wooster, OH 44691.

B. Ashland Community Improvement Corporation

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

City of Ashland
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

NOTE 18: INTERFUND ACTIVITY

Following is a summary of transfers in and out for all funds for 2018:

| <u>Fund</u> | Transfers In | Transfers Out |
|------------------------------------|---------------------|----------------------|
| Major Governmental Funds | | |
| General | \$ 0 | \$ 204,500 |
| Note Retirement | <u>290,155</u> | <u>0</u> |
| Total Major Governmental Funds | 290,155 | 204,500 |
| Non-Major Governmental Funds: | | |
| Ashland Public Transportation | 144,500 | 0 |
| Street Maintenance & Repair Fund | 0 | 71,793 |
| Permissive Tax Fund | 0 | 11,112 |
| City Permissive Tax Fund | 0 | 79,856 |
| Traffic Signal Improvement | <u>0</u> | <u>127,394</u> |
| Total Non-Major Governmental Funds | <u>144,500</u> | <u>290,155</u> |
| Non-Major Enterprise Fund: | | |
| Brookside Golf Course | <u>60,000</u> | <u>0</u> |
| Total All Funds: | <u>\$ 494,655</u> | <u>\$ 494,655</u> |

| <u>Fund</u> | Interfund Receivable | Interfund Payable |
|-----------------------------|---------------------------------|------------------------------|
| General | \$ 361,742 | \$ 0 |
| Non-Major Governmental Fund | <u>0</u> | <u>361,742</u> |
| Totals | <u>\$ 361,742</u> | <u>\$ 361,742</u> |

The transfers and advances from the General Fund to the various other funds were to provide additional resources for current operations. Transfers from the non-major governmental funds to the note retirement fund were to provide resources for debt payments.

NOTE 19: SUBSEQUENT EVENT

In May 2019 the City issued \$6,690,000 of various purpose improvement bonds. The bonds were issued with an interest rate of 3.25-4.00 percent and mature on December 1, 2048.

City of Ashland
Ashland County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 20: FUND BALANCE

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

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

| | General | Note Retirement Fund | Nonmajor Governmental Funds | Total |
|----------------------------------|---------------------|----------------------------|-----------------------------------|---------------------|
| Nonspendable for: | | | | |
| Prepaid Items | \$ 279,527 | \$ 0 | \$ 66,207 | \$ 345,734 |
| Material and Supplies Inventory | 0 | 0 | 174,961 | 174,961 |
| Total Nonspendable | <u>279,527</u> | <u>0</u> | <u>241,168</u> | <u>520,695</u> |
| Restricted for: | | | | |
| Roads and Bridges | 0 | 0 | 1,974,043 | 1,974,043 |
| Public Transportation | 0 | 0 | 442,214 | 442,214 |
| Municipal Court Programs | 0 | 0 | 1,256,896 | 1,256,896 |
| Police and Fire | 0 | 0 | 2,224,649 | 2,224,649 |
| Community Development | 0 | 0 | 155,874 | 155,874 |
| Debt Service | 0 | 0 | 443,202 | 443,202 |
| Capital Projects | 0 | 0 | 421,699 | 421,699 |
| Total Restricted | <u>0</u> | <u>0</u> | <u>6,918,577</u> | <u>6,918,577</u> |
| Committed for: | | | | |
| Property Management | 0 | 0 | 52,453 | 52,453 |
| Fire/Rescue Equipment | 0 | 0 | 169,348 | 169,348 |
| Police | 0 | 0 | 14,151 | 14,151 |
| Mayor's Underprivileged Children | 0 | 0 | 10,304 | 10,304 |
| Industrial Park | 0 | 0 | 126,363 | 126,363 |
| Emergency Grounds Maintenance | 0 | 0 | 18,441 | 18,441 |
| Nature Preserve | 0 | 0 | 1,255 | 1,255 |
| Ladder Truck | 0 | 0 | 115,715 | 115,715 |
| Police Vehicle | 0 | 0 | 35,739 | 35,739 |
| Park and Recreation | 0 | 0 | 172,018 | 172,018 |
| Total Committed | <u>0</u> | <u>0</u> | <u>715,787</u> | <u>715,787</u> |
| Assigned for: | | | | |
| Subsequent Year Appropriations | <u>2,601,350</u> | <u>0</u> | <u>0</u> | <u>2,601,350</u> |
| Unassigned | <u>0</u> | <u>(988,900)</u> | <u>(285,719)</u> | <u>(1,274,619)</u> |
| Total Fund Balance | <u>\$ 2,880,877</u> | <u>\$ (988,900)</u> | <u>\$ 7,589,813</u> | <u>\$ 9,481,790</u> |

The fund deficits at December 31, 2018 of \$988,900, \$281,108, and \$4,611 in the Note Retirement Fund, Tennis Court Fund, and Cleveland Ave. Bridge Fund, respectively, were caused by the application of generally accepted accounting principles. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

Required Supplementary Information



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

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|---------------|--------------|--------------|
| Ohio Public Employees' Retirement System (OPERS) | | | | | |
| City's Proportion of the Net Pension Liability | 0.043755% | 0.044050% | 0.044627% | 0.044685% | 0.044685% |
| City's Proportionate Share of the Net Pension Liability | \$ 6,864,286 | \$ 10,002,981 | \$ 7,729,959 | \$ 5,389,510 | \$ 5,267,779 |
| City's Covered Payroll | \$ 5,780,907 | \$ 5,701,017 | \$ 5,559,275 | \$ 5,478,367 | \$ 5,239,115 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 118.74% | 175.46% | 139.05% | 98.38% | 100.55% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |
| Ohio Police and Fire Pension Fund (OPF) | | | | | |
| City's Proportion of the Net Pension Liability | 0.197302% | 0.183345% | 0.189571% | 0.189313% | 0.189313% |
| City's Proportionate Share of the Net Pension Liability | \$ 12,109,267 | \$ 11,612,904 | \$ 12,195,235 | \$ 9,807,218 | \$ 9,220,152 |
| City's Covered Payroll | \$ 4,263,844 | \$ 3,901,419 | \$ 3,798,842 | \$ 3,888,566 | \$ 3,079,218 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 284.00% | 297.66% | 321.03% | 252.21% | 299.43% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.91% | 68.36% | 66.77% | 72.20% | 73.00% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

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

City of Ashland
Ashland County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - Pension
Last Ten Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|------------------|------------------|------------------|------------------|
| <i>Ohio Public Employees' Retirement System (OPERS)</i> | | | | |
| Contractually Required Contribution | \$ 808,241 | \$ 751,518 | \$ 684,122 | \$ 667,113 |
| Contributions in Relation to the Contractually Required Contribution | <u>(808,241)</u> | <u>(751,518)</u> | <u>(684,122)</u> | <u>(667,113)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| City's Covered Payroll | \$ 5,773,150 | \$ 5,780,907 | \$ 5,701,017 | \$ 5,559,275 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 13.00% | 12.00% | 12.00% |
| <i>Ohio Police and Fire Pension Fund (OPF)</i> | | | | |
| Contractually Required Contribution | \$ 961,616 | \$ 912,541 | \$ 834,992 | \$ 813,277 |
| Contributions in Relation to the Contractually Required Contribution | <u>(961,616)</u> | <u>(912,541)</u> | <u>(834,992)</u> | <u>(813,277)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| City's Covered Payroll | \$ 4,494,776 | \$ 4,263,844 | \$ 3,901,419 | \$ 3,798,842 |
| Contributions as a Percentage of Covered Payroll | 21.39% | 21.40% | 21.40% | 21.41% |

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

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 657,404 | \$ 681,085 | n/a | n/a | n/a | n/a |
| <u>(657,404)</u> | <u>(681,085)</u> | n/a | n/a | n/a | n/a |
| <u>\$ 0</u> | <u>\$ 0</u> | n/a | n/a | n/a | n/a |
| \$ 5,478,367 | \$ 5,239,115 | n/a | n/a | n/a | n/a |
| 12.00% | 13.00% | n/a | n/a | n/a | n/a |
| | | | | | |
| \$ 792,264 | \$ 556,250 | \$ 521,926 | \$ 546,279 | \$ 514,697 | \$ 253,990 |
| <u>(792,264)</u> | <u>(556,250)</u> | <u>(521,926)</u> | <u>(546,279)</u> | <u>(514,697)</u> | <u>(253,990)</u> |
| <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| \$ 3,888,566 | \$ 3,079,218 | \$ 3,443,960 | \$ 3,598,624 | \$ 3,388,968 | \$ 1,620,455 |
| 20.37% | 18.06% | 15.15% | 15.18% | 15.19% | 15.67% |

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

| | <u>2018</u> | <u>2017</u> |
|--|---------------|--------------|
| <i>Ohio Public Employees' Retirement System (OPERS)</i> | | |
| City's Proportion of the Net OPEB Liability | 0.044090% | 0.044504% |
| City's Proportionate Share of the Net OPEB Liability | \$ 4,787,856 | \$ 4,495,055 |
| City's Covered Payroll | \$ 5,780,907 | \$ 5,701,017 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 82.82% | 78.85% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 54.14% | 54.04% |
| <i>Ohio Police and Fire Pension Fund (OPF)</i> | | |
| City's Proportion of the Net OPEB Liability | 0.197302% | 0.183345% |
| City's Proportionate Share of the Net OPEB Liability | \$ 11,178,810 | \$ 8,702,975 |
| City's Covered Payroll | \$ 4,263,844 | \$ 3,901,419 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 262.18% | 223.07% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 14.13% | 15.96% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

City of Ashland
Ashland County, Ohio
Required Supplementary Information
Schedule of the City's Contributions - OPEB
Last Ten Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-----------------|-----------------|------------------|-----------------|
| <i>Ohio Public Employees' Retirement System (OPERS)</i> | | | | |
| Contractually Required Contribution | \$ 0 | \$ 57,809 | \$ 114,020 | n/a |
| Contributions in Relation to the Contractually Required Contribution | <u>0</u> | <u>(57,809)</u> | <u>(114,020)</u> | n/a |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | n/a |
| City's Covered Payroll (1) | \$ 5,773,150 | \$ 5,780,907 | \$ 5,701,017 | n/a |
| Contributions as a Percentage of Covered Payroll | 0.00% | 1.00% | 2.00% | n/a |
| <i>Ohio Police and Fire Pension Fund (OPF)</i> | | | | |
| Contractually Required Contribution | \$ 22,474 | \$ 21,319 | \$ 19,500 | \$ 18,994 |
| Contributions in Relation to the Contractually Required Contribution | <u>(22,474)</u> | <u>(21,319)</u> | <u>(19,500)</u> | <u>(18,994)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| City's Covered Payroll | \$ 4,494,776 | \$ 4,263,844 | \$ 3,901,419 | \$ 3,798,842 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% |

(n/a) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-----------------|-----------------|------------------|------------------|------------------|------------------|
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a | n/a |
| \$ 51,643 | \$ 92,078 | \$ 232,568 | \$ 242,907 | \$ 228,756 | \$ 109,381 |
| <u>(51,643)</u> | <u>(92,078)</u> | <u>(232,568)</u> | <u>(242,907)</u> | <u>(228,756)</u> | <u>(109,381)</u> |
| <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| \$ 3,888,566 | \$ 3,079,218 | \$ 3,443,960 | \$ 3,598,624 | \$ 3,388,968 | \$ 1,620,455 |
| 1.30% | 2.99% | 6.75% | 6.75% | 6.75% | 6.75% |

City of Ashland
Ashland County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

Note 1 - Net Pension Liability

Changes in Assumptions – OPERS

Amounts reported in calendar year 2017 reflect an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 8.00 percent to 7.50 percent
- Wage inflation rate from 3.75 percent to 3.25 percent
- Price inflation from 3.00 percent to 2.50 percent

Changes in Assumptions – OP&F

For 2017, the single discount rate changed from 8.25 percent to 8.00 percent.

Note 2 - Net OPEB Liability

Changes in Assumptions - OPERS

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions – OPF

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Combining Statements for Nonmajor Governmental Funds



CITY OF ASHLAND, OHIO

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF ASHLAND, OHIO

Fund Descriptions – Nonmajor Governmental Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF ASHLAND, OHIO

Fund Descriptions – Nonmajor Governmental Funds (continued)

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

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

Police 60 – To account for 25% of a .50% income tax levied for a period of five years for the purpose of employing additional police and fire personnel and equipping them with the necessary equipment to perform their duties.

Fire 60 – To account for 25% of a .50% income tax levied for a period of five years for the purpose of employing additional police and fire personnel and equipping them with the necessary equipment to perform their duties.

Street 60 Fund – To account for 50% of a .50% income tax levied for a period of five years for the purpose paving the City's roads.

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Funds

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

East Main Improvement - To account for funds received for paying the costs of the improvement of East Main.

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

Tennis Court Improvement – To account for monies obtained through donations, interest and transfers for the purpose of major improvements to the City's tennis courts.

Ladder Truck – To account for monies accumulated from various sources for the purchase of a ladder truck for the City's fire department.

Police Vehicle Improvement - To account for monies accumulated from various sources for the purchase of police vehicles and appurtenances.

Cleveland Ave. Bridge - To account for funds received for paying the costs of the improvement of the Cleveland Ave. bridge.

City of Ashland
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

| | Nonmajor Special Revenue Funds | General Obligation Bond Retirement | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|--|--|
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 6,038,732 | \$ 443,202 | \$ 586,611 | \$ 7,068,545 |
| Taxes Receivable | 1,475,636 | 191,529 | 0 | 1,667,165 |
| Accounts Receivable | 59,949 | 0 | 75,000 | 134,949 |
| Intergovernmental Receivable | 608,722 | 13,116 | 121,686 | 743,524 |
| Materials and Supplies Inventory | 174,961 | 0 | 0 | 174,961 |
| Prepaid Items | 66,207 | 0 | 0 | 66,207 |
| <i>Total Assets</i> | <u>\$ 8,424,207</u> | <u>\$ 647,847</u> | <u>\$ 783,297</u> | <u>\$ 9,855,351</u> |
| Liabilities | | | | |
| Accounts Payable | 40,192 | \$ 0 | 1,261 | \$ 41,453 |
| Accrued Wages | 47,058 | 0 | 0 | 47,058 |
| Contracts Payable | 28,382 | 0 | 128,249 | 156,631 |
| Intergovernmental Payable | 30,082 | 0 | 0 | 30,082 |
| Retainage Payable | 0 | 0 | 4,611 | 4,611 |
| Interfund Payable | 0 | 0 | 361,742 | 361,742 |
| <i>Total Liabilities</i> | <u>145,714</u> | <u>0</u> | <u>495,863</u> | <u>641,577</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes Levied for the Next Year | 360,313 | 181,993 | 0 | 542,306 |
| Unavailable Revenue | 1,059,003 | 22,652 | 0 | 1,081,655 |
| <i>Total Deferred Inflows of Resources</i> | <u>1,419,316</u> | <u>204,645</u> | <u>0</u> | <u>1,623,961</u> |
| Fund Balances | | | | |
| Nonspendable | 241,168 | 0 | 0 | 241,168 |
| Restricted | 6,053,676 | 443,202 | 421,699 | 6,918,577 |
| Committed | 564,333 | 0 | 151,454 | 715,787 |
| Unassigned | 0 | 0 | (285,719) | (285,719) |
| <i>Total Fund Balances</i> | <u>6,859,177</u> | <u>443,202</u> | <u>287,434</u> | <u>7,589,813</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$ 8,424,207</u> | <u>\$ 647,847</u> | <u>\$ 783,297</u> | <u>\$ 9,855,351</u> |

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

| | Nonmajor Special Revenue Funds | General Obligation Bond Retirement | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|--|--|
| Revenues | | | | |
| Property Taxes | \$ 369,888 | \$ 221,224 | \$ 0 | \$ 591,112 |
| Income Taxes | 4,678,391 | 0 | 0 | 4,678,391 |
| Charges for Services | 608,673 | 0 | 0 | 608,673 |
| Fines and Forfeitures | 876,434 | 0 | 0 | 876,434 |
| Intergovernmental | 1,837,971 | 26,529 | 246,125 | 2,110,625 |
| Interest | 54,726 | 0 | 259,952 | 314,678 |
| Rent | 81,832 | 0 | 0 | 81,832 |
| Contributions and Donations | 26,517 | 0 | 180,000 | 206,517 |
| Other | 140,118 | 0 | 1,000 | 141,118 |
| <i>Total Revenues</i> | <u>8,674,550</u> | <u>247,753</u> | <u>687,077</u> | <u>9,609,380</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 853,697 | 0 | 478,220 | 1,331,917 |
| Security of Persons and Property | 1,716,365 | 0 | 0 | 1,716,365 |
| Public Health | 6,399 | 0 | 0 | 6,399 |
| Leisure Time Services | 1,255,334 | 0 | 0 | 1,255,334 |
| Community Development | 50,454 | 0 | 0 | 50,454 |
| Transportation | 3,039,958 | 0 | 95,365 | 3,135,323 |
| Capital Outlay | 343,266 | 0 | 703,311 | 1,046,577 |
| Debt Service: | | | | |
| Principal Retirement | 41,105 | 175,000 | 0 | 216,105 |
| Interest and Fiscal Charges | 0 | 40,725 | 0 | 40,725 |
| <i>Total Expenditures</i> | <u>7,306,578</u> | <u>215,725</u> | <u>1,276,896</u> | <u>8,799,199</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>1,367,972</u> | <u>32,028</u> | <u>(589,819)</u> | <u>810,181</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sales of Capital Assets | 95,799 | 0 | 19,410 | 115,209 |
| Transfers In | 144,500 | 0 | 0 | 144,500 |
| Insurance Recoveries | 0 | 0 | 20,679 | 20,679 |
| Issuance of OPWC Loans | 0 | 0 | 411,053 | 411,053 |
| Transfers Out | (162,761) | 0 | (127,394) | (290,155) |
| <i>Total Other Financing Sources (Uses)</i> | <u>77,538</u> | <u>0</u> | <u>323,748</u> | <u>401,286</u> |
| <i>Net Change in Fund Balances</i> | 1,445,510 | 32,028 | (266,071) | 1,211,467 |
| <i>Fund Balances Beginning of Year</i> | <u>5,413,667</u> | <u>411,174</u> | <u>553,505</u> | <u>6,378,346</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 6,859,177</u> | <u>\$ 443,202</u> | <u>\$ 287,434</u> | <u>\$ 7,589,813</u> |

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

| | Street M & R | State Highway | Permissive Tax | City Permissive | Park & Recreation | Nature Preserve |
|--|---------------------|-------------------|-------------------|--------------------|----------------------|--------------------|
| Assets | | | | | | |
| Equity and Pooled Cash and Investments | \$ 731,396 | \$ 54,769 | \$ 98,584 | \$ 94,362 | \$ 122,682 | \$ 1,255 |
| Taxes Receivable | 147,980 | 0 | 0 | 0 | 321,759 | 0 |
| Accounts Receivable | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 378,973 | 58,958 | 0 | 7,062 | 8,652 | 0 |
| Materials and Supplies Inventory | 174,961 | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 33,441 | 0 | 0 | 0 | 20,784 | 0 |
| <i>Total Assets</i> | <u>\$ 1,466,751</u> | <u>\$ 113,727</u> | <u>\$ 98,584</u> | <u>\$ 101,424</u> | <u>\$ 473,877</u> | <u>\$ 1,255</u> |
| Liabilities | | | | | | |
| Accounts Payable | \$ 15,368 | \$ 0 | \$ 0 | \$ 0 | \$ 3,532 | \$ 0 |
| Accrued Wages | 12,815 | 0 | 0 | 0 | 6,825 | 0 |
| Contracts Payable | 0 | 28,382 | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 8,825 | 0 | 0 | 0 | 4,264 | 0 |
| <i>Total Liabilities</i> | <u>37,008</u> | <u>28,382</u> | <u>0</u> | <u>0</u> | <u>14,621</u> | <u>0</u> |
| Deferred Inflows of Resources | | | | | | |
| Property Taxes Levied for the Next Year | 0 | 0 | 0 | 0 | 154,033 | 0 |
| Unavailable Revenue | 332,456 | 19,612 | 0 | 0 | 112,421 | 0 |
| <i>Total Deferred Inflows of Resources</i> | <u>332,456</u> | <u>19,612</u> | <u>0</u> | <u>0</u> | <u>266,454</u> | <u>0</u> |
| Fund Balances | | | | | | |
| Nonspendable | 208,402 | 0 | 0 | 0 | 20,784 | 0 |
| Restricted | 888,885 | 65,733 | 98,584 | 101,424 | 0 | 0 |
| Committed | 0 | 0 | 0 | 0 | 172,018 | 1,255 |
| <i>Total Fund Balances</i> | <u>1,097,287</u> | <u>65,733</u> | <u>98,584</u> | <u>101,424</u> | <u>192,802</u> | <u>1,255</u> |
| <i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i> | <u>\$ 1,466,751</u> | <u>\$ 113,727</u> | <u>\$ 98,584</u> | <u>\$ 101,424</u> | <u>\$ 473,877</u> | <u>\$ 1,255</u> |

(continued)

| Fire/Rescue Training | Fire/Rescue Equipment | Community Development Block Grant | Ohio Regional Development Housing | Firemens Pension | Policemens Pension | Property Management | Drug Law Enforcement |
|-------------------------|--------------------------|---|---|---------------------|-----------------------|------------------------|-------------------------|
| \$ 12,158 | \$ 169,348 | \$ 111,343 | \$ 44,531 | \$ 0 | \$ 0 | \$ 52,453 | \$ 22,562 |
| 0 | 0 | 0 | 0 | 92,283 | 92,283 | 32,523 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,030 |
| 0 | 0 | 45,000 | 0 | 5,621 | 5,621 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 12,158</u> | <u>\$ 169,348</u> | <u>\$ 156,343</u> | <u>\$ 44,531</u> | <u>\$ 97,904</u> | <u>\$ 97,904</u> | <u>\$ 84,976</u> | <u>\$ 26,592</u> |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 87,688 | 87,688 | 30,904 | 0 |
| 0 | 0 | 45,000 | 0 | 10,216 | 10,216 | 1,619 | 0 |
| 0 | 0 | 45,000 | 0 | 97,904 | 97,904 | 32,523 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12,158 | 0 | 111,343 | 44,531 | 0 | 0 | 0 | 26,592 |
| 0 | 169,348 | 0 | 0 | 0 | 0 | 52,453 | 0 |
| 12,158 | 169,348 | 111,343 | 44,531 | 0 | 0 | 52,453 | 26,592 |
| <u>\$ 12,158</u> | <u>\$ 169,348</u> | <u>\$ 156,343</u> | <u>\$ 44,531</u> | <u>\$ 97,904</u> | <u>\$ 97,904</u> | <u>\$ 84,976</u> | <u>\$ 26,592</u> |

(continued)

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

| | Enforcement & Education | Ashland Public Transportation | Municipal Court Computer | Indigent Drivers | Municipal Probation | Police Donations |
|--|----------------------------|----------------------------------|--------------------------------|---------------------|------------------------|---------------------|
| Assets | | | | | | |
| Equity and Pooled Cash and Investments | \$ 24,022 | \$ 446,254 | \$ 227,622 | \$ 62,928 | \$ 275,097 | \$ 14,151 |
| Taxes Receivable | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts Receivable | 0 | 4,396 | 9,578 | 0 | 20,405 | 0 |
| Intergovernmental Receivable | 0 | 39,615 | 0 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 0 | 55 | 155 | 0 | 3,940 | 0 |
| <i>Total Assets</i> | <u>\$ 24,022</u> | <u>\$ 490,320</u> | <u>\$ 237,355</u> | <u>\$ 62,928</u> | <u>\$ 299,442</u> | <u>\$ 14,151</u> |
| Liabilities | | | | | | |
| Accounts Payable | \$ 0 | \$ 21,143 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages | 0 | 4,408 | 310 | 0 | 2,292 | 0 |
| Contracts Payable | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 2,203 | 542 | 0 | 1,433 | 0 |
| <i>Total Liabilities</i> | <u>0</u> | <u>27,754</u> | <u>852</u> | <u>0</u> | <u>3,725</u> | <u>0</u> |
| Deferred Inflows of Resources | | | | | | |
| Property Taxes Levied for the Next Year | 0 | 0 | 0 | 0 | 0 | 0 |
| Unavailable Revenue | 0 | 20,297 | 0 | 0 | 0 | 0 |
| <i>Total Deferred Inflows of Resources</i> | <u>0</u> | <u>20,297</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balances | | | | | | |
| Nonspendable | 0 | 55 | 155 | 0 | 3,940 | 0 |
| Restricted | 24,022 | 442,214 | 236,348 | 62,928 | 291,777 | 0 |
| Committed | 0 | 0 | 0 | 0 | 0 | 14,151 |
| <i>Total Fund Balances</i> | <u>24,022</u> | <u>442,269</u> | <u>236,503</u> | <u>62,928</u> | <u>295,717</u> | <u>14,151</u> |
| <i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i> | <u>\$ 24,022</u> | <u>\$ 490,320</u> | <u>\$ 237,355</u> | <u>\$ 62,928</u> | <u>\$ 299,442</u> | <u>\$ 14,151</u> |

(continued)

| Home Arrest | Community Corrections | Municipal Court Special Program | CCA Monitoring | Mayor's Underprivileged Children | Indigent Driver's Interlock | Continuing Education | Industrial Park |
|-----------------|-----------------------|---------------------------------|------------------|----------------------------------|-----------------------------|----------------------|-------------------|
| \$ 1,728 | \$ 8,654 | \$ 369,392 | \$ 18,600 | \$ 10,304 | \$ 173,583 | \$ 8,309 | \$ 126,363 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 20,513 | 0 | 0 | 1,027 | 0 | 0 |
| 0 | 59,220 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 914 | 3,819 | 58 | 0 | 0 | 0 | 0 |
| <u>\$ 1,728</u> | <u>\$ 68,788</u> | <u>\$ 393,724</u> | <u>\$ 18,658</u> | <u>\$ 10,304</u> | <u>\$ 174,610</u> | <u>\$ 8,309</u> | <u>\$ 126,363</u> |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 1,444 | 5,960 | 61 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 897 | 3,050 | 38 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>2,341</u> | <u>9,010</u> | <u>99</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 34,347 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>34,347</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 0 | 914 | 3,819 | 58 | 0 | 0 | 0 | 0 |
| 1,728 | 31,186 | 380,895 | 18,501 | 0 | 174,610 | 8,309 | 0 |
| 0 | 0 | 0 | 0 | 10,304 | 0 | 0 | 126,363 |
| <u>1,728</u> | <u>32,100</u> | <u>384,714</u> | <u>18,559</u> | <u>10,304</u> | <u>174,610</u> | <u>8,309</u> | <u>126,363</u> |
| <u>\$ 1,728</u> | <u>\$ 68,788</u> | <u>\$ 393,724</u> | <u>\$ 18,658</u> | <u>\$ 10,304</u> | <u>\$ 174,610</u> | <u>\$ 8,309</u> | <u>\$ 126,363</u> |

(continued)

City of Ashland
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

| | Emergency Grounds Maintenance | Police 60 | Fire 60 | Street 60 | Total |
|--|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Assets | | | | | |
| Equity and Pooled Cash and Investments | \$ 18,441 | \$ 974,742 | \$ 1,101,677 | \$ 661,422 | \$ 6,038,732 |
| Taxes Receivable | 0 | 197,202 | 197,202 | 394,404 | 1,475,636 |
| Accounts Receivable | 0 | 0 | 0 | 0 | 59,949 |
| Intergovernmental Receivable | 0 | 0 | 0 | 0 | 608,722 |
| Materials and Supplies Inventory | 0 | 0 | 0 | 0 | 174,961 |
| Prepaid Items | 0 | 1,339 | 1,702 | 0 | 66,207 |
| <i>Total Assets</i> | <u>\$ 18,441</u> | <u>\$ 1,173,283</u> | <u>\$ 1,300,581</u> | <u>\$ 1,055,826</u> | <u>\$ 8,424,207</u> |
| Liabilities | | | | | |
| Accounts Payable | \$ 0 | \$ 149 | \$ 0 | 0 | 40,192 |
| Accrued Wages | 0 | 4,070 | 8,873 | 0 | 47,058 |
| Contracts Payable | 0 | 0 | 0 | 0 | 28,382 |
| Intergovernmental Payable | 0 | 3,644 | 5,186 | 0 | 30,082 |
| <i>Total Liabilities</i> | <u>0</u> | <u>7,863</u> | <u>14,059</u> | <u>0</u> | <u>145,714</u> |
| Deferred Inflows of Resources | | | | | |
| Property Taxes Levied for the Next Year | 0 | 0 | 0 | 0 | 360,313 |
| Unavailable Revenue | 0 | 118,205 | 118,205 | 236,409 | 1,059,003 |
| <i>Total Deferred Inflows of Resources</i> | <u>0</u> | <u>118,205</u> | <u>118,205</u> | <u>236,409</u> | <u>1,419,316</u> |
| Fund Balances | | | | | |
| Nonspendable | 0 | 1,339 | 1,702 | 0 | 241,168 |
| Restricted | 0 | 1,045,876 | 1,166,615 | 819,417 | 6,053,676 |
| Committed | 18,441 | 0 | 0 | 0 | 564,333 |
| <i>Total Fund Balances</i> | <u>18,441</u> | <u>1,047,215</u> | <u>1,168,317</u> | <u>819,417</u> | <u>6,859,177</u> |
| <i>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</i> | <u>\$ 18,441</u> | <u>\$ 1,173,283</u> | <u>\$ 1,300,581</u> | <u>\$ 1,055,826</u> | <u>\$ 8,424,207</u> |

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City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

| | Street M & R | State Highway | Permissive Tax | City Permissive | Park & Recreation | Nature Preserve |
|---|---------------------|------------------|-------------------|--------------------|----------------------|--------------------|
| Revenues | | | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 148,641 | \$ 0 |
| Income Taxes | 650,062 | 0 | 0 | 0 | 702,046 | 0 |
| Charges for Services | 15,826 | 0 | 0 | 0 | 148,196 | 0 |
| Fines and Forfeitures | 2,725 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 759,043 | 87,353 | 104,086 | 77,649 | 20,134 | 0 |
| Interest | 9,176 | 348 | 0 | 0 | 0 | 0 |
| Rent | 0 | 0 | 0 | 0 | 0 | 1,800 |
| Contributions and Donations | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 113,111 | 6,170 | 0 | 0 | 14,163 | 0 |
| <i>Total Revenues</i> | <u>1,549,943</u> | <u>93,871</u> | <u>104,086</u> | <u>77,649</u> | <u>1,033,180</u> | <u>1,800</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Security of Persons and Property | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Health | 0 | 0 | 0 | 0 | 0 | 0 |
| Leisure Time Services | 0 | 0 | 0 | 0 | 1,246,638 | 8,696 |
| Community Development | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 1,540,107 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 41,696 | 5,503 | 0 | 22,280 | 0 |
| Debt Service: | | | | | | |
| Principal Retirement | 0 | 41,105 | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>1,540,107</u> | <u>82,801</u> | <u>5,503</u> | <u>0</u> | <u>1,268,918</u> | <u>8,696</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>9,836</u> | <u>11,070</u> | <u>98,583</u> | <u>77,649</u> | <u>(235,738)</u> | <u>(6,896)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from Sales of Capital Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | (71,793) | (11,112) | (79,856) | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>(71,793)</u> | <u>(11,112)</u> | <u>(79,856)</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | 9,836 | (60,723) | 87,471 | (2,207) | (235,738) | (6,896) |
| <i>Fund Balances Beginning of Year</i> | <u>1,087,451</u> | <u>126,456</u> | <u>11,113</u> | <u>103,631</u> | <u>428,540</u> | <u>8,151</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 1,097,287</u> | <u>\$ 65,733</u> | <u>\$ 98,584</u> | <u>\$ 101,424</u> | <u>\$ 192,802</u> | <u>\$ 1,255</u> |

(continued)

| Fire/Rescue Training | Fire/Rescue Equipment | Community Development Block Grant | Ohio Regional Development Housing | Firemens Pension | Policemens Pension | Property Management | Drug Law Enforcement |
|----------------------|-----------------------|-----------------------------------|-----------------------------------|------------------|--------------------|---------------------|----------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 94,835 | \$ 94,835 | \$ 31,577 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 332,116 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,008 |
| 0 | 7,092 | 105,000 | 13,148 | 11,369 | 11,369 | 3,790 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 19,110 | 0 |
| 12,844 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>12,844</u> | <u>339,208</u> | <u>105,000</u> | <u>13,148</u> | <u>106,204</u> | <u>106,204</u> | <u>54,477</u> | <u>20,008</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 5,740 | 0 |
| 8,932 | 0 | 0 | 0 | 106,204 | 106,204 | 0 | 11,250 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 50,454 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 208,594 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>8,932</u> | <u>208,594</u> | <u>50,454</u> | <u>0</u> | <u>106,204</u> | <u>106,204</u> | <u>5,740</u> | <u>11,250</u> |
| 3,912 | 130,614 | 54,546 | 13,148 | 0 | 0 | 48,737 | 8,758 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3,912 | 130,614 | 54,546 | 13,148 | 0 | 0 | 48,737 | 8,758 |
| 8,246 | 38,734 | 56,797 | 31,383 | 0 | 0 | 3,716 | 17,834 |
| <u>\$ 12,158</u> | <u>\$ 169,348</u> | <u>\$ 111,343</u> | <u>\$ 44,531</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 52,453</u> | <u>\$ 26,592</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, 2018

| | Enforcement & Education | Ashland Public Transportation | Municipal Court Computer | Indigent Drivers | Municipal Probation | Police Donations |
|---|----------------------------|----------------------------------|--------------------------------|---------------------|------------------------|---------------------|
| Revenues | | | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Income Taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 112,535 | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 1,268 | 0 | 162,151 | 54,733 | 295,097 | 0 |
| Intergovernmental | 0 | 538,445 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Rent | 0 | 0 | 0 | 0 | 0 | 0 |
| Contributions and Donations | 0 | 0 | 0 | 0 | 0 | 4,102 |
| Other | 0 | 4,245 | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>1,268</u> | <u>655,225</u> | <u>162,151</u> | <u>54,733</u> | <u>295,097</u> | <u>4,102</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General Government | 0 | 747,945 | 0 | 0 | 0 | 0 |
| Security of Persons and Property | 0 | 0 | 115,514 | 31,808 | 162,971 | 312 |
| Public Health | 0 | 0 | 0 | 0 | 0 | 0 |
| Leisure Time Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Development | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 65,193 | 0 | 0 | 0 | 0 |
| Debt Service: | | | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>0</u> | <u>813,138</u> | <u>115,514</u> | <u>31,808</u> | <u>162,971</u> | <u>312</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>1,268</u> | <u>(157,913)</u> | <u>46,637</u> | <u>22,925</u> | <u>132,126</u> | <u>3,790</u> |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from Sales of Capital Assets | 0 | 14,500 | 0 | 0 | 0 | 0 |
| Transfers In | 0 | 144,500 | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>159,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | 1,268 | 1,087 | 46,637 | 22,925 | 132,126 | 3,790 |
| <i>Fund Balances Beginning of Year</i> | <u>22,754</u> | <u>441,182</u> | <u>189,866</u> | <u>40,003</u> | <u>163,591</u> | <u>10,361</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 24,022</u> | <u>\$ 442,269</u> | <u>\$ 236,503</u> | <u>\$ 62,928</u> | <u>\$ 295,717</u> | <u>\$ 14,151</u> |

(continued)

| Home Arrest | Community Corrections | Municipal Court Special Program | CCA Monitoring | Mayor's Underprivileged Children | Indigent Driver's Interlock | Continuing Education | Industrial Park |
|-------------|-----------------------|---------------------------------|----------------|----------------------------------|-----------------------------|----------------------|-----------------|
| \$ 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 | 302,065 | 16,815 | 0 | 21,572 | 0 | 0 |
| 0 | 99,493 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 82 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60,922 |
| 0 | 0 | 0 | 0 | 9,571 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,045 |
| 0 | 99,493 | 302,065 | 16,815 | 9,653 | 21,572 | 0 | 62,967 |
| 0 | 0 | 0 | 0 | 360 | 0 | 300 | 99,352 |
| 0 | 96,189 | 274,445 | 8,125 | 0 | 25,000 | 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 |
| 0 | 96,189 | 274,445 | 8,125 | 360 | 25,000 | 300 | 99,352 |
| 0 | 3,304 | 27,620 | 8,690 | 9,293 | (3,428) | (300) | (36,385) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 81,299 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 81,299 |
| 0 | 3,304 | 27,620 | 8,690 | 9,293 | (3,428) | (300) | 44,914 |
| 1,728 | 28,796 | 357,094 | 9,869 | 1,011 | 178,038 | 8,609 | 81,449 |
| \$ 1,728 | \$ 32,100 | \$ 384,714 | \$ 18,559 | \$ 10,304 | \$ 174,610 | \$ 8,309 | \$ 126,363 |

(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, 2018

| | Emergency Grounds Maintenance | Police 60 | Fire 60 | Street 60 | Total |
|---|-------------------------------------|---------------------|---------------------|-------------------|---------------------|
| Revenues | | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 369,888 |
| Income Taxes | 0 | 831,602 | 831,602 | 1,663,079 | 4,678,391 |
| Charges for Services | 0 | 0 | 0 | 0 | 608,673 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 876,434 |
| Intergovernmental | 0 | 0 | 0 | 0 | 1,837,971 |
| Interest | 0 | 0 | 0 | 45,120 | 54,726 |
| Rent | 0 | 0 | 0 | 0 | 81,832 |
| Contributions and Donations | 0 | 0 | 0 | 0 | 26,517 |
| Other | 228 | 0 | 156 | 0 | 140,118 |
| <i>Total Revenues</i> | <u>228</u> | <u>831,602</u> | <u>831,758</u> | <u>1,708,199</u> | <u>8,674,550</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 0 | 0 | 0 | 0 | 853,697 |
| Security of Persons and Property | 0 | 399,147 | 370,264 | 0 | 1,716,365 |
| Public Health | 6,399 | 0 | 0 | 0 | 6,399 |
| Leisure Time Services | 0 | 0 | 0 | 0 | 1,255,334 |
| Community Development | 0 | 0 | 0 | 0 | 50,454 |
| Transportation | 0 | 0 | 0 | 1,499,851 | 3,039,958 |
| Capital Outlay | 0 | 0 | 0 | 0 | 343,266 |
| Debt Service: | | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 | 41,105 |
| <i>Total Expenditures</i> | <u>6,399</u> | <u>399,147</u> | <u>370,264</u> | <u>1,499,851</u> | <u>7,306,578</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(6,171)</u> | <u>432,455</u> | <u>461,494</u> | <u>208,348</u> | <u>1,367,972</u> |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from Sales of Capital Assets | 0 | 0 | 0 | 0 | 95,799 |
| Transfers In | 0 | 0 | 0 | 0 | 144,500 |
| Transfers Out | 0 | 0 | 0 | 0 | (162,761) |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>77,538</u> |
| <i>Net Change in Fund Balances</i> | (6,171) | 432,455 | 461,494 | 208,348 | 1,445,510 |
| <i>Fund Balances Beginning of Year</i> | <u>24,612</u> | <u>614,760</u> | <u>706,823</u> | <u>611,069</u> | <u>5,413,667</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 18,441</u> | <u>\$ 1,047,215</u> | <u>\$ 1,168,317</u> | <u>\$ 819,417</u> | <u>\$ 6,859,177</u> |

City of Ashland
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

| | Capital Improvement | East Main Improvement | Traffic Signal Improvement | Tennis Court Improvement | Ladder Truck | Police Vehicle Improvement | Cleveland Ave. Bridge | Total |
|--|------------------------|--------------------------|-------------------------------|-----------------------------|-------------------|-------------------------------|--------------------------|-------------------|
| Assets | | | | | | | | |
| Equity and Pooled Cash and Investments | \$ 306,716 | 0 | \$ 122,807 | \$ 5,634 | \$ 115,715 | \$ 35,739 | \$ 0 | \$ 586,611 |
| Accounts Receivable | 0 | 0 | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| Intergovernmental Receivable | 11,014 | 0 | 19,918 | 0 | 0 | 0 | 90,754 | 121,686 |
| <i>Total Assets</i> | <u>\$ 317,730</u> | <u>\$ 0</u> | <u>\$ 142,725</u> | <u>\$ 80,634</u> | <u>\$ 115,715</u> | <u>\$ 35,739</u> | <u>\$ 90,754</u> | <u>\$ 783,297</u> |
| Liabilities | | | | | | | | |
| Accounts Payable | \$ 1,261 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 1,261 |
| Contracts Payable | 32,863 | 0 | 4,632 | 0 | 0 | 0 | 90,754 | 128,249 |
| Retainage Payable | 0 | 0 | 0 | 0 | 0 | 0 | 4,611 | 4,611 |
| Interfund Payable | 0 | 0 | 0 | 361,742 | 0 | 0 | 0 | 361,742 |
| <i>Total Liabilities</i> | <u>34,124</u> | <u>0</u> | <u>4,632</u> | <u>361,742</u> | <u>0</u> | <u>0</u> | <u>95,365</u> | <u>495,863</u> |
| Fund Balances | | | | | | | | |
| Restricted | 283,606 | 0 | 138,093 | 0 | 0 | 0 | 0 | 421,699 |
| Committed | 0 | 0 | 0 | 0 | 115,715 | 35,739 | 0 | 151,454 |
| Unassigned | 0 | 0 | 0 | (281,108) | 0 | 0 | (4,611) | (285,719) |
| <i>Total Fund Balances</i> | <u>283,606</u> | <u>0</u> | <u>138,093</u> | <u>(281,108)</u> | <u>115,715</u> | <u>35,739</u> | <u>(4,611)</u> | <u>287,434</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$ 317,730</u> | <u>\$ 0</u> | <u>\$ 142,725</u> | <u>\$ 80,634</u> | <u>\$ 115,715</u> | <u>\$ 35,739</u> | <u>\$ 90,754</u> | <u>\$ 783,297</u> |

City of Ashland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

| | Capital Improvement | East Main Improvement | Traffic Signal Improvement | Tennis Court Improvement | Ladder Truck | Police Vehicle Improvement | Cleveland Ave. Bridge | Total |
|---|------------------------|--------------------------|-------------------------------|-----------------------------|-------------------|-------------------------------|--------------------------|-------------------|
| Revenues | | | | | | | | |
| Intergovernmental | \$ 11,014 | \$ 57,041 | \$ 87,316 | \$ 0 | \$ 0 | \$ 0 | \$ 90,754 | \$ 246,125 |
| Interest | 259,952 | 0 | 0 | 0 | 0 | 0 | 0 | 259,952 |
| Contributions and Donations | 0 | 0 | 0 | 80,000 | 100,000 | 0 | 0 | 180,000 |
| Other | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 1,000 |
| <i>Total Revenues</i> | <u>270,966</u> | <u>57,041</u> | <u>87,316</u> | <u>80,000</u> | <u>100,000</u> | <u>1,000</u> | <u>90,754</u> | <u>687,077</u> |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General Government | 84,267 | 0 | 0 | 393,953 | 0 | 0 | 0 | 478,220 |
| Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 95,365 | 95,365 |
| Capital Outlay | 88,432 | 468,094 | 146,785 | 0 | 0 | 0 | 0 | 703,311 |
| <i>Total Expenditures</i> | <u>172,699</u> | <u>468,094</u> | <u>146,785</u> | <u>393,953</u> | <u>0</u> | <u>0</u> | <u>95,365</u> | <u>1,276,896</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>98,267</u> | <u>(411,053)</u> | <u>(59,469)</u> | <u>(313,953)</u> | <u>100,000</u> | <u>1,000</u> | <u>(4,611)</u> | <u>(589,819)</u> |
| Other Financing Sources (Uses) | | | | | | | | |
| Proceeds from Sales of Capital Assets | 865 | 0 | 0 | 0 | 15,670 | 2,875 | 0 | 19,410 |
| Insurance Recoveries | 0 | 0 | 0 | 0 | 0 | 20,679 | 0 | 20,679 |
| Issuance of OPWC Loans | 0 | 411,053 | 0 | 0 | 0 | 0 | 0 | 411,053 |
| Transfers Out | 0 | 0 | (127,394) | 0 | 0 | 0 | 0 | (127,394) |
| <i>Total Other Financing Sources (Uses)</i> | <u>865</u> | <u>411,053</u> | <u>(127,394)</u> | <u>0</u> | <u>15,670</u> | <u>23,554</u> | <u>0</u> | <u>323,748</u> |
| <i>Net Change in Fund Balances</i> | <u>99,132</u> | <u>0</u> | <u>(186,863)</u> | <u>(313,953)</u> | <u>115,670</u> | <u>24,554</u> | <u>(4,611)</u> | <u>(266,071)</u> |
| <i>Fund Balances Beginning of Year</i> | <u>184,474</u> | <u>0</u> | <u>324,956</u> | <u>32,845</u> | <u>45</u> | <u>11,185</u> | <u>0</u> | <u>553,505</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 283,606</u> | <u>0</u> | <u>\$ 138,093</u> | <u>\$ (281,108)</u> | <u>\$ 115,715</u> | <u>\$ 35,739</u> | <u>\$ (4,611)</u> | <u>\$ 287,434</u> |

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



CITY OF ASHLAND, OHIO

Fund Descriptions – Major Funds

Major General Fund

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

Funds being reported as part of the General Fund

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

City Income Tax Administration – To account for receipts from the assessment of a 2.00% income tax, which are used to cover the cost of operating the collection department and issuing refunds to taxpayers for overpayments.

Major Note Retirement Fund

To account for resources used for the payments of principle and interest and fiscal charges related to note debt.

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, 2018

| | Final Budget | Actual | Variance with Final Budget |
|------------------------------------|-------------------|-------------------|-------------------------------|
| Revenues | | | |
| Property Taxes | \$ 551,354 | \$ 631,839 | \$ 80,485 |
| Income Taxes | 8,403,255 | 8,959,268 | 556,013 |
| Other Local Taxes | 6,609 | 5,759 | (850) |
| Charges for Services | 924,759 | 839,620 | (85,139) |
| Licenses and Permits | 56,458 | 60,238 | 3,780 |
| Fines and Forfeitures | 579,087 | 672,796 | 93,709 |
| Intergovernmental | 361,011 | 369,118 | 8,107 |
| Contributions and Donations | 0 | 18,082 | 18,082 |
| Other | 222,088 | 427,107 | 205,019 |
| <i>Total Revenues</i> | <u>11,104,621</u> | <u>11,983,827</u> | <u>879,206</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Mayor | | | |
| Personal Services | 92,228 | 68,956 | 23,272 |
| Other | 30,243 | 23,424 | 6,819 |
| Total Mayor | <u>122,471</u> | <u>92,380</u> | <u>30,091</u> |
| Director of Finance | | | |
| Personal Services | 178,533 | 134,688 | 43,845 |
| Other | 106,641 | 72,386 | 34,255 |
| Total Director of Finance | <u>285,174</u> | <u>207,074</u> | <u>78,100</u> |
| Director of Law | | | |
| Personal Services | 142,798 | 138,686 | 4,112 |
| Other | 27,009 | 27,003 | 6 |
| Total Director of Law | <u>169,807</u> | <u>165,689</u> | <u>4,118</u> |
| Department of Human Services | | | |
| Personal Services | 82,619 | 68,449 | 14,170 |
| Other | 58,801 | 51,251 | 7,550 |
| Total Department of Human Services | <u>141,420</u> | <u>119,700</u> | <u>21,720</u> |
| Council | | | |
| Personal Services | 34,964 | 21,063 | 13,901 |
| Other | 561,092 | 560,648 | 444 |
| Total Council | <u>596,056</u> | <u>581,711</u> | <u>14,345</u> |

(Continued)

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund - (Continued)
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|--------------------------------------|-----------------|-----------|-------------------------------|
| Municipal Court Clerk | | | |
| Personal Services | 1,140,892 | 1,106,908 | 33,984 |
| Other | 156,510 | 154,479 | 2,031 |
| Total Municipal Court Clerk | 1,297,402 | 1,261,387 | 36,015 |
| Technical Services Department | | | |
| Personal Services | 72,995 | 56,876 | 16,119 |
| Other | 86,103 | 52,392 | 33,711 |
| Total Technical Services Department | 159,098 | 109,268 | 49,830 |
| Municipal Building Maintenance | | | |
| Personal Services | 22,945 | 0 | 22,945 |
| Other | 55,672 | 26,275 | 29,397 |
| Total Municipal Building Maintenance | 78,617 | 26,275 | 52,342 |
| Justice Center Maintenance | | | |
| Personal Services | 40,776 | 40,307 | 469 |
| Other | 129,546 | 120,944 | 8,602 |
| Total Justice Center Maintenance | 170,322 | 161,251 | 9,071 |
| Engineer | | | |
| Personal Services | 70,714 | 46,518 | 24,196 |
| Other | 55,489 | 54,342 | 1,147 |
| Total Engineer | 126,203 | 100,860 | 25,343 |
| General Miscellaneous | | | |
| Personal Services | 81,776 | 60,358 | 21,418 |
| Other | 777,647 | 750,306 | 27,341 |
| Total General Miscellaneous | 859,423 | 810,664 | 48,759 |
| Total General Government | 4,005,993 | 3,636,259 | 369,734 |
| Security of Persons and Property | | | |
| Police Department | | | |
| Personal Services | 3,390,556 | 3,150,407 | 240,149 |
| Other | 361,956 | 347,597 | 14,359 |
| Total Police Department | 3,752,512 | 3,498,004 | 254,508 |
| Fire Department | | | |
| Personal Services | 3,334,327 | 3,229,964 | 104,363 |
| Other | 367,323 | 345,833 | 21,490 |
| Total Fire Department | 3,701,650 | 3,575,797 | 125,853 |

(Continued)

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund - (Continued)
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---|-----------------|--------------|-------------------------------|
| Street Lighting | | | |
| Other | 153,847 | 140,418 | 13,429 |
| Total Security of Persons and Property | 7,608,009 | 7,214,219 | 393,790 |
| Public Health | | | |
| Health Department | | | |
| Personal Services | 91,033 | 91,033 | 0 |
| Other | 151,010 | 98,748 | 52,262 |
| Total Public Health | 242,043 | 189,781 | 52,262 |
| Community Development | | | |
| Building and Zoning | | | |
| Personal Services | 197,383 | 195,297 | 2,086 |
| Other | 7,445 | 5,866 | 1,579 |
| Total Building and Zoning | 204,828 | 201,163 | 3,665 |
| Economic Development | | | |
| Other | 43,820 | 42,023 | 1,797 |
| Total Community Development | 248,648 | 243,186 | 5,462 |
| <i>Total Expenditures</i> | 12,104,693 | 11,283,445 | 821,248 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (1,000,072) | 700,382 | 1,700,454 |
| Other Financing Sources (Uses) | | | |
| Proceeds from Sales of Capital Assets | 0 | 12,926 | 12,926 |
| Advances In | 100,000 | 2,170 | (97,830) |
| Advances Out | (361,742) | (361,742) | 0 |
| Transfers Out | (248,547) | (204,500) | 44,047 |
| <i>Total Other Financing Sources (Uses)</i> | (510,289) | (551,146) | (40,857) |
| <i>Net Change in Fund Balance</i> | (1,510,361) | 149,236 | 1,659,597 |
| <i>Fund Balance Beginning of Year</i> | 1,512,667 | 1,512,667 | 0 |
| <i>Fund Balance End of Year</i> | \$ 2,306 | \$ 1,661,903 | \$ 1,659,597 |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Income Tax Administration Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-----------------|----------------|-------------------------------|
| Revenues | | | |
| Income Taxes | \$ 800,000 | \$ 591,508 | \$ (208,492) |
| Other | 0 | 1,823 | 1,823 |
| <i>Total Revenues</i> | <u>800,000</u> | <u>593,331</u> | <u>(206,669)</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| City Income Tax | | | |
| Personal Services | 222,716 | 202,165 | 20,551 |
| Other | 592,001 | 405,883 | 186,118 |
| <i>Total Expenditures</i> | <u>814,717</u> | <u>608,048</u> | <u>206,669</u> |
| <i>Net Change in Fund Balance</i> | (14,717) | (14,717) | 0 |
| <i>Fund Balance Beginning of Year</i> | <u>14,717</u> | <u>14,717</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Note Retirement Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|--------------------|-------------------------------|
| Expenditures | | | |
| Debt Service | | | |
| Principal Retirements | \$ 3,219,500 | \$ 3,228,000 | \$ (8,500) |
| Interest and Fiscal Charges | 73,060 | 64,560 | 8,500 |
| <i>Total Expenditures</i> | <u>3,292,560</u> | <u>3,292,560</u> | <u>0</u> |
| <i>Deficiency of Revenues Under Expenditures</i> | <u>(3,292,560)</u> | <u>(3,292,560)</u> | <u>0</u> |
| Other Financing Sources | | | |
| Transfers In | 2,290,155 | 2,290,155 | 0 |
| Notes Issued | 991,500 | 1,000,000 | 8,500 |
| Premium in Debt Issued | 0 | 2,600 | 2,600 |
| <i>Total Other Financing Sources</i> | <u>3,281,655</u> | <u>3,292,755</u> | <u>11,100</u> |
| <i>Net Change in Fund Balance</i> | (10,905) | 195 | 11,100 |
| <i>Fund Balance Beginning of Year</i> | <u>10,905</u> | <u>10,905</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 11,100</u> | <u>\$ 11,100</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|------------------|-------------------|-------------------------------|
| Revenues | | | |
| Income Taxes | \$ 603,682 | \$ 643,626 | \$ 39,944 |
| Charges for Services | 17,363 | 15,826 | (1,537) |
| Fines and Forfeitures | 2,150 | 2,725 | 575 |
| Intergovernmental | 862,277 | 816,402 | (45,875) |
| Interest | 6,539 | 9,176 | 2,637 |
| Other | 19,770 | 113,111 | 93,341 |
| <i>Total Revenues</i> | <u>1,511,781</u> | <u>1,600,866</u> | <u>89,085</u> |
| Expenditures | | | |
| Current: | | | |
| Transportation | | | |
| Street Maintenance and Repair | | | |
| Personal Services | 1,396,144 | 1,093,576 | 302,568 |
| Other | 863,815 | 524,332 | 339,483 |
| <i>Total Expenditures</i> | <u>2,259,959</u> | <u>1,617,908</u> | <u>642,051</u> |
| <i>Net Change in Fund Balance</i> | (748,178) | (17,042) | 731,136 |
| <i>Fund Balance Beginning of Year</i> | <u>748,438</u> | <u>748,438</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 260</u> | <u>\$ 731,396</u> | <u>\$ 731,136</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---|-----------------|------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 69,914 | \$ 66,195 | \$ (3,719) |
| Interest | 352 | 348 | (4) |
| Other | 0 | 6,170 | 6,170 |
| <i>Total Revenues</i> | <u>70,266</u> | <u>72,713</u> | <u>2,447</u> |
| Expenditures | | | |
| Capital Outlay | | | |
| Other | 91,617 | 18,742 | 72,875 |
| Debt Service: | | | |
| Principal Retirements | 20,552 | 41,104 | (20,552) |
| <i>Total Expenditures</i> | <u>112,169</u> | <u>59,846</u> | <u>52,323</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(41,903)</u> | <u>12,867</u> | <u>54,770</u> |
| Other Financing Source | | | |
| Transfers Out | (71,793) | (71,793) | 0 |
| <i>Net Change in Fund Balance</i> | (113,696) | (58,926) | 54,770 |
| <i>Fund Balance Beginning of Year</i> | <u>113,696</u> | <u>113,696</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 54,770</u> | <u>\$ 54,770</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, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|------------------|---------------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 111,111 | \$ 104,086 | \$ (7,025) |
| Expenditures | | | |
| Capital Outlay | | | |
| Other | 71,962 | 5,504 | 66,458 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>39,149</u> | <u>98,582</u> | <u>59,433</u> |
| Other Financing Uses | | | |
| Transfers Out | <u>(50,262)</u> | <u>(11,112)</u> | <u>39,150</u> |
| <i>Net Change in Fund Balance</i> | (11,113) | 87,470 | 98,583 |
| <i>Fund Balance Beginning of Year</i> | <u>11,113</u> | <u>11,113</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 98,583</u> | <u>\$ 98,583</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Permissive Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---|------------------|------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 97,132 | \$ 94,362 | \$ (2,770) |
| Expenditures | | | |
| Capital Outlay | | | |
| Other | 24,029 | 0 | 24,029 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>73,103</u> | <u>94,362</u> | <u>21,259</u> |
| Other Financing Uses | | | |
| Transfers Out | <u>(152,959)</u> | <u>(79,856)</u> | <u>73,103</u> |
| <i>Net Change in Fund Balance</i> | (79,856) | 14,506 | 70,333 |
| <i>Fund Balance Beginning of Year</i> | <u>79,856</u> | <u>79,856</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 94,362</u> | <u>\$ 70,333</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, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|------------------|-------------------|-------------------------------|
| Revenues | | | |
| Property Taxes | \$ 137,046 | \$ 148,641 | \$ 11,595 |
| Income Taxes | 651,976 | 695,115 | 43,139 |
| Charges for Services | 148,735 | 148,196 | (539) |
| Intergovernmental | 18,103 | 20,134 | 2,031 |
| Contributions and Donations | 1,200 | 0 | (1,200) |
| Other | 15,149 | 14,163 | (986) |
| <i>Total Revenues</i> | <u>972,209</u> | <u>1,026,249</u> | <u>54,040</u> |
| Expenditures | | | |
| Current: | | | |
| Leisure Time Services | | | |
| Personal Services | 452,253 | 384,960 | 67,293 |
| Other | 860,337 | 857,865 | 2,472 |
| Total Leisure Time Services | <u>1,312,590</u> | <u>1,242,825</u> | <u>69,765</u> |
| Capital Outlay | | | |
| Other | 21,157 | 22,280 | (1,123) |
| <i>Total Expenditures</i> | <u>1,333,747</u> | <u>1,265,105</u> | <u>68,642</u> |
| <i>Net Change in Fund Balance</i> | (361,538) | (238,856) | 122,682 |
| <i>Fund Balance Beginning of Year</i> | <u>361,538</u> | <u>361,538</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 122,682</u> | <u>\$ 122,682</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Nature Preserve Fund
For the Year Ended December 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|-----------------|---------------------------------------|
| Revenues | | | |
| Rent | \$ 900 | \$ 1,800 | \$ 900 |
| Expenditures | | | |
| Current: | | | |
| Leisure Time Services | | | |
| Other | 9,051 | 8,696 | 355 |
| <i>Net Change in Fund Balance</i> | (8,151) | (6,896) | 1,255 |
| <i>Fund Balance Beginning of Year</i> | 8,151 | 8,151 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 1,255</u> | <u>\$ 1,255</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, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|------------------|---------------------------------------|
| Revenues | | | |
| Contributions and Donations | \$ 19,769 | \$ 12,844 | \$ (6,925) |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Other | 28,015 | 8,932 | 19,083 |
| <i>Net Change in Fund Balance</i> | (8,246) | 3,912 | 12,158 |
| <i>Fund Balance Beginning of Year</i> | 8,246 | 8,246 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 12,158</u> | <u>\$ 12,158</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, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---|-------------------|-------------------|-------------------------------|
| Revenues | | | |
| Charges for Services | \$ 432,116 | \$ 332,116 | \$ (100,000) |
| Intergovernmental | 0 | 7,092 | 7,092 |
| <i>Total Revenues</i> | <u>432,116</u> | <u>339,208</u> | <u>(92,908)</u> |
| Expenditures | | | |
| Capital Outlay | | | |
| Other | 349,448 | 208,594 | 140,854 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>82,668</u> | <u>130,614</u> | <u>47,946</u> |
| Other Financing Sources (Uses) | | | |
| Advances Out | (21,402) | 0 | 21,402 |
| <i>Net Change in Fund Balance</i> | 61,266 | 130,614 | 69,348 |
| <i>Fund Balance Beginning of Year</i> | <u>38,734</u> | <u>38,734</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 100,000</u> | <u>\$ 169,348</u> | <u>\$ 69,348</u> |

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2018*

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-----------------|------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 150,000 | \$ 105,000 | \$ (45,000) |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Other | 233,308 | 76,965 | 156,343 |
| <i>Net Change in Fund Balance</i> | (83,308) | 28,035 | 111,343 |
| <i>Fund Balance Beginning of Year</i> | 83,308 | 83,308 | 0 |
| <i>Fund Balance End of Year</i> | \$ 0 | \$ 111,343 | \$ 111,343 |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Regional Development Housing Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-----------------|-----------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 14,150 | \$ 13,148 | \$ (1,002) |
| Expenditures | | | |
| Current: | | | |
| Community Development | | | |
| Other | 45,533 | 0 | 45,533 |
| <i>Net Change in Fund Balance</i> | (31,383) | 13,148 | 44,531 |
| <i>Fund Balance Beginning of Year</i> | 31,383 | 31,383 | 0 |
| <i>Fund Balance End of Year</i> | \$ 0 | \$ 44,531 | \$ 44,531 |

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, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|--------------------|--------------------|-------------------------------|
| Revenues | | | |
| Property Taxes | \$ 95,340 | \$ 94,835 | \$ (505) |
| Intergovernmental | 10,864 | 11,369 | 505 |
| <i>Total Revenues</i> | <u>106,204</u> | <u>106,204</u> | <u>0</u> |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Personal Services | <u>106,204</u> | <u>106,204</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> |

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Policemens Pension Fund
For the Year Ended December 31, 2018*

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|--------------------|--------------------|-------------------------------|
| Revenues | | | |
| Property Taxes | \$ 95,340 | \$ 94,835 | \$ (505) |
| Intergovernmental | 10,864 | 11,369 | 505 |
| <i>Total Revenues</i> | <u>106,204</u> | <u>106,204</u> | <u>0</u> |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Personal Services | <u>106,204</u> | <u>106,204</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> |

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Property Management Fund
For the Year Ended December 31, 2018*

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|------------------------|-------------------------|-------------------------------|
| Revenues | | | |
| Property Taxes | \$ 30,070 | \$ 31,577 | \$ 1,507 |
| Intergovernmental | 4,543 | 3,790 | (753) |
| Rent | 12,810 | 19,110 | 6,300 |
| <i>Total Revenues</i> | <u>47,423</u> | <u>54,477</u> | <u>7,054</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Other | 42,484 | 5,740 | 36,744 |
| <i>Net Change in Fund Balance</i> | 4,939 | 48,737 | 43,798 |
| <i>Fund Balance Beginning of Year</i> | <u>3,716</u> | <u>3,716</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ 8,655</u></u> | <u><u>\$ 52,453</u></u> | <u><u>\$ 43,798</u></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, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|------------------|---------------------------------------|
| Revenues | | | |
| Fines and Forfeitures | \$ 8,245 | \$ 15,978 | \$ 7,733 |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Other | 26,079 | 11,250 | 14,829 |
| <i>Net Change in Fund Balance</i> | (17,834) | 4,728 | 22,562 |
| <i>Fund Balance Beginning of Year</i> | 17,834 | 17,834 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 22,562</u> | <u>\$ 22,562</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, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|---------------|---------------------------------------|
| Revenues | | | |
| Fines and Forfeitures | \$ 1,802 | \$ 1,268 | \$ (534) |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Other | 24,556 | 0 | 24,556 |
| <i>Net Change in Fund Balance</i> | (22,754) | 1,268 | 24,022 |
| <i>Fund Balance Beginning of Year</i> | 22,754 | 22,754 | 0 |
| <i>Fund Balance End of Year</i> | \$ 0 | \$ 24,022 | \$ 24,022 |

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, 2018

| | Final Budget | Actual | Variance with Final Budget |
|--|------------------|-------------------|-------------------------------|
| Revenues | | | |
| Charges for Services | \$ 97,520 | \$ 108,139 | \$ 10,619 |
| Intergovernmental | 538,171 | 530,927 | (7,244) |
| Other | 4,000 | 4,245 | 245 |
| <i>Total Revenues</i> | <u>639,691</u> | <u>643,311</u> | <u>3,620</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Public Transit | | | |
| Personal Services | 365,858 | 63,425 | 302,433 |
| Other | 813,453 | 687,844 | 125,609 |
| Total General Government | <u>1,179,311</u> | <u>751,269</u> | <u>428,042</u> |
| Capital Outlay | | | |
| Other | 71,043 | 71,043 | 0 |
| <i>Total Expenditures</i> | <u>1,250,354</u> | <u>822,312</u> | <u>428,042</u> |
| <i>Deficiency of Revenues Under Expenditures</i> | <u>(610,663)</u> | <u>(179,001)</u> | <u>431,662</u> |
| Other Financing Sources | | | |
| Proceeds from Sale of Capital Assets | 0 | 14,500 | 14,500 |
| Transfers In | 144,408 | 144,500 | 92 |
| <i>Total Other Financing Sources</i> | <u>144,408</u> | <u>159,000</u> | <u>14,592</u> |
| <i>Net Change in Fund Balance</i> | (466,255) | (20,001) | 446,254 |
| <i>Fund Balance Beginning of Year</i> | <u>466,255</u> | <u>466,255</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 446,254</u> | <u>\$ 446,254</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, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------------------|
| Revenues | | | |
| Fines and Forfeitures | \$ 131,583 | \$ 162,010 | \$ 30,427 |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Personal Services | 28,565 | 14,983 | 13,582 |
| Other | 285,880 | 102,267 | 183,613 |
| <i>Total Expenditures</i> | <u>314,445</u> | <u>117,250</u> | <u>197,195</u> |
| <i>Net Change in Fund Balance</i> | (182,862) | 44,760 | 227,622 |
| <i>Fund Balance Beginning of Year</i> | <u>182,862</u> | <u>182,862</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 227,622</u> | <u>\$ 227,622</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, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|------------------|---------------------------------------|
| Revenues | | | |
| Fines and Forfeitures | <u>\$ 25,000</u> | <u>\$ 55,808</u> | <u>\$ 30,808</u> |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Other | <u>63,928</u> | <u>31,808</u> | <u>32,120</u> |
| <i>Net Change in Fund Balance</i> | (38,928) | 24,000 | 62,928 |
| <i>Fund Balance Beginning of Year</i> | <u>38,928</u> | <u>38,928</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 62,928</u> | <u>\$ 62,928</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, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|---------------------------------------|
| Revenues | | | |
| Fines and Forfeitures | \$ 280,500 | \$ 290,064 | \$ 9,564 |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Personal Services | 320,012 | 152,286 | 167,726 |
| Other | 107,393 | 9,586 | 97,807 |
| <i>Total Expenditures</i> | <u>427,405</u> | <u>161,872</u> | <u>265,533</u> |
| <i>Net Change in Fund Balance</i> | (146,905) | 128,192 | 275,097 |
| <i>Fund Balance at Beginning of Year</i> | <u>146,905</u> | <u>146,905</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u>\$ 0</u> | <u>\$ 275,097</u> | <u>\$ 275,097</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Donations Fund
For the Year Ended December 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|---------------|---------------------------------------|
| Revenues | | | |
| Contributions and Donations | \$ 5,000 | \$ 4,102 | \$ (898) |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Other | 15,361 | 312 | 15,049 |
| <i>Net Change in Fund Balance</i> | (10,361) | 3,790 | 14,151 |
| <i>Fund Balance Beginning of Year</i> | 10,361 | 10,361 | 0 |
| <i>Fund Balance End of Year</i> | \$ 0 | 14,151 | \$ 14,151 |

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, 2018

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

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Corrections Fund
For the Year Ended December 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-----------------|---------------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 100,000 | \$ 99,493 | \$ (507) |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Community Corrections | | | |
| Personal Services | 85,421 | 81,524 | 3,897 |
| Other | 19,640 | 14,375 | 5,265 |
| <i>Total Expenditures</i> | <u>105,061</u> | <u>95,899</u> | <u>9,162</u> |
| <i>Deficiency of Revenues Under Expenditures</i> | <u>(5,061)</u> | <u>3,594</u> | <u>8,655</u> |
| Other Financing Sources | | | |
| Advance Out | <u>(2,170)</u> | <u>(2,170)</u> | <u>0</u> |
| <i>Total Other Financing Sources (Uses)</i> | <u>(2,170)</u> | <u>(2,170)</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (7,231) | 1,424 | 8,655 |
| <i>Fund Balance Beginning of Year</i> | <u>7,231</u> | <u>7,231</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 8,655</u> | <u>\$ 8,655</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Program Fund
For the Year Ended December 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------------------|
| Revenues | | | |
| Fines and Forfeitures | \$ 252,349 | \$ 298,983 | \$ 46,634 |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Personal Services | 276,353 | 250,318 | 26,035 |
| Other | 318,804 | 22,081 | 296,723 |
| <i>Total Expenditures</i> | <u>595,157</u> | <u>272,399</u> | <u>322,758</u> |
| <i>Net Change in Fund Balance</i> | (342,808) | 26,584 | 369,392 |
| <i>Fund Balance Beginning of Year</i> | <u>342,808</u> | <u>342,808</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 369,392</u> | <u>\$ 369,392</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, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|------------------|---------------------------------------|
| Revenues | | | |
| Fines and Forfeitures | \$ 11,365 | \$ 16,815 | \$ 5,450 |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Personal Services | 3,912 | 3,808 | 104 |
| Other | 17,354 | 4,308 | 13,046 |
| <i>Total Expenditures</i> | <u>21,266</u> | <u>8,116</u> | <u>13,150</u> |
| <i>Net Change in Fund Balance</i> | (9,901) | 8,699 | 18,600 |
| <i>Fund Balance Beginning of Year</i> | <u>9,901</u> | <u>9,901</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 18,600</u> | <u>\$ 18,600</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, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-----------------|-----------|-------------------------------|
| Revenues | | | |
| Interest | \$ 36 | \$ 82 | \$ 46 |
| Contributions and Donations | 750 | 9,571 | 8,821 |
| <i>Total Revenues</i> | 786 | 9,653 | 8,867 |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Other | 1,793 | 360 | 1,433 |
| <i>Net Change in Fund Balance</i> | (1,007) | 9,293 | 10,300 |
| <i>Fund Balance Beginning of Year</i> | 1,011 | 1,011 | 0 |
| <i>Fund Balance End of Year</i> | \$ 4 | \$ 10,304 | \$ 10,300 |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Driver's Interlock Fund
For the Year Ended December 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------------------|
| Revenues | | | |
| Fines and Forfeitures | \$ 22,428 | \$ 20,545 | \$ (1,883) |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Other | 200,466 | 25,000 | 175,466 |
| <i>Net Change in Fund Balance</i> | (178,038) | (4,455) | 173,583 |
| <i>Fund Balance Beginning of Year</i> | 178,038 | 178,038 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 173,583</u> | <u>\$ 173,583</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Continuing Education Fund
For the Year Ended December 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|---------------|---------------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 2,860 | \$ 0 | \$ (2,860) |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Other | 11,469 | 300 | 11,169 |
| <i>Net Change in Fund Balance</i> | (8,609) | (300) | 8,309 |
| <i>Fund Balance Beginning of Year</i> | 8,609 | 8,609 | 0 |
| <i>Fund Balance End of Year</i> | \$ 0 | \$ 8,309 | \$ 8,309 |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Industrial Park Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|--|-----------------|-------------------|-------------------------------|
| Revenues | | | |
| Rent | \$ 65,236 | \$ 60,922 | \$ (4,314) |
| Other | 0 | 2,045 | 2,045 |
| <i>Total Revenues</i> | <u>65,236</u> | <u>62,967</u> | <u>(2,269)</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Other | <u>200,247</u> | <u>99,351</u> | <u>100,896</u> |
| <i>Deficiency of Revenues Under Expenditures</i> | (135,011) | (36,384) | 98,627 |
| Other Financing Sources | | | |
| Proceeds from Sale of Capital Assets | <u>53,562</u> | <u>81,299</u> | <u>27,737</u> |
| <i>Net Change in Fund Balance</i> | (81,449) | 44,915 | 126,364 |
| <i>Fund Balance Beginning of Year</i> | <u>81,449</u> | <u>81,449</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 126,364</u> | <u>\$ 126,364</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Grounds Maintenance Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-----------------|-----------|-------------------------------|
| Revenues | | | |
| Special Assessments | \$ 289 | 0 | \$ (289) |
| Other | 181 | 228 | 47 |
| <i>Total Revenues</i> | 470 | 228 | (242) |
| Expenditures | | | |
| Current: | | | |
| Public Health | | | |
| Other | 25,082 | 6,399 | 18,683 |
| <i>Net Change in Fund Balance</i> | (24,612) | (6,171) | 18,441 |
| <i>Fund Balance Beginning of Year</i> | 24,612 | 24,612 | 0 |
| <i>Fund Balance End of Year</i> | \$ 0 | \$ 18,441 | \$ 18,441 |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police 60 Fund
For the Year Ended December 31, 2018

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------------------|
| Revenues | | | |
| Income Taxees | \$ 703,924 | \$ 858,167 | \$ 154,243 |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Personal Services | 601,278 | 194,476 | 406,802 |
| Other | <u>362,487</u> | <u>201,776</u> | <u>160,711</u> |
| Total General Government | <u>963,765</u> | <u>396,252</u> | <u>567,513</u> |
| <i>Total Expenditures</i> | <u>963,765</u> | <u>396,252</u> | <u>567,513</u> |
| <i>Net Change in Fund Balance</i> | (259,841) | 461,915 | 721,756 |
| <i>Fund Balance Beginning of Year</i> | <u>512,827</u> | <u>512,827</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 252,986</u> | <u>\$ 974,742</u> | <u>\$ 721,756</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire 60 Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-------------------|---------------------|-------------------------------|
| Revenues | | | |
| Income Taxes | \$ 703,924 | \$ 858,167 | \$ 154,243 |
| Other | 0 | 156 | 156 |
| <i>Total Revenues</i> | <u>703,924</u> | <u>858,323</u> | <u>154,399</u> |
| Expenditures | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Personal Services | 715,247 | 310,739 | 404,508 |
| Other | 213,683 | 52,588 | 161,095 |
| <i>Total Expenditures</i> | <u>928,930</u> | <u>363,327</u> | <u>565,603</u> |
| <i>Net Change in Fund Balance</i> | (225,006) | 494,996 | 720,002 |
| <i>Fund Balance Beginning of Year</i> | <u>606,681</u> | <u>606,681</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 381,675</u> | <u>\$ 1,101,677</u> | <u>\$ 720,002</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street 60 Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|--|------------------|-------------------|-------------------------------|
| Revenues | | | |
| Income Taxes | \$ 1,407,848 | \$ 1,716,335 | \$ 308,487 |
| Interest | 0 | 51,445 | 51,445 |
| <i>Total Revenues</i> | <u>1,407,848</u> | <u>1,767,780</u> | <u>359,932</u> |
| Expenditures | | | |
| Current: | | | |
| Transportation | | | |
| Other | 1,723,966 | 1,499,851 | 224,115 |
| Debt Service: | | | |
| Interest and Fiscal Charges | 75,000 | 0 | 75,000 |
| <i>Total Expenditures</i> | <u>1,798,966</u> | <u>1,499,851</u> | <u>299,115</u> |
| <i>Deficiency of Revenues Under Expenditures</i> | (391,118) | 267,929 | 659,047 |
| Other Financing Sources | | | |
| Transfers Out | (2,000,000) | (2,000,000) | 0 |
| <i>Net Change in Fund Balance</i> | (2,391,118) | (1,732,071) | 659,047 |
| <i>Fund Balance Beginning of Year</i> | <u>2,393,493</u> | <u>2,393,493</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 2,375</u> | <u>\$ 661,422</u> | <u>\$ 659,047</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, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|--------------------------|--------------------------|-------------------------------|
| Revenues | | | |
| Property Taxes | \$ 179,000 | \$ 221,224 | \$ 42,224 |
| Intergovernmental | 22,800 | 26,529 | 3,729 |
| <i>Total Revenues</i> | <u>201,800</u> | <u>247,753</u> | <u>45,953</u> |
| Expenditures | | | |
| Debt Service | | | |
| Principal Retirements | 175,000 | 175,000 | 0 |
| Interest and Fiscal Charges | 40,725 | 40,725 | 0 |
| <i>Total Expenditures</i> | <u>215,725</u> | <u>215,725</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (13,925) | 32,028 | 45,953 |
| <i>Fund Balance Beginning of Year</i> | <u>411,174</u> | <u>411,174</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ 397,249</u></u> | <u><u>\$ 443,202</u></u> | <u><u>\$ 45,953</u></u> |

City of Ashland
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2018*

| | Final Budget | Actual | Variance with Final Budget |
|--|-------------------------|--------------------------|-------------------------------|
| Revenues | | | |
| Interest | \$ 98,983 | \$ 258,305 | \$ 159,322 |
| Other | 0 | 5,635 | 5,635 |
| <i>Total Revenues</i> | <u>98,983</u> | <u>263,940</u> | <u>164,957</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Other | <u>60,000</u> | <u>79,931</u> | <u>(19,931)</u> |
| Capital Outlay | | | |
| Other | <u>130,421</u> | <u>54,308</u> | <u>76,113</u> |
| <i>Total Expenditures</i> | <u>190,421</u> | <u>134,239</u> | <u>56,182</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(91,438)</u> | <u>129,701</u> | <u>221,139</u> |
| Other Financing Sources (Uses) | | | |
| Proceeds from Sale of Capital asset | <u>0</u> | <u>865</u> | <u>865</u> |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>865</u> | <u>865</u> |
| <i>Net Change in Fund Balance</i> | (91,438) | 130,566 | 222,004 |
| <i>Fund Balance Beginning of Year</i> | <u>180,486</u> | <u>180,486</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ 89,048</u></u> | <u><u>\$ 311,052</u></u> | <u><u>\$ 222,004</u></u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
East Main Improvement Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-----------------|-----------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 57,041 | \$ 57,041 | \$ 0 |
| Expenditures | | | |
| Capital Outlay | | | |
| Other | 468,094 | 468,094 | 0 |
| Other Financing Sources | | | |
| Proceeds from OPWC Loans | 411,053 | 411,053 | 0 |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$ 0 | \$ 0 | \$ 0 |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Traffic Signal Improvement fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|--|-----------------|-------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 0 | \$ 181,383 | \$ 181,383 |
| Other | 197,563 | 3,500 | (194,063) |
| <i>Total Revenues</i> | <u>197,563</u> | <u>184,883</u> | <u>(12,680)</u> |
| Expenditures | | | |
| Capital Outlay | | | |
| Other | \$ 269,019 | \$ 256,138 | \$ 12,881 |
| Debt Service | | | |
| Interest and Fiscal Charges | 20,000 | 0 | 20,000 |
| <i>Total Expenditures</i> | <u>289,019</u> | <u>256,138</u> | <u>32,881</u> |
| <i>Deficiency of Revenues Under Expenditures</i> | (91,456) | (71,255) | (45,561) |
| Other Financing Uses | | | |
| Transfers Out | (228,000) | (127,394) | 100,606 |
| <i>Net Change in Fund Balance</i> | (319,456) | (198,649) | 120,807 |
| <i>Fund Balance Beginning of Year</i> | <u>321,456</u> | <u>321,456</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 2,000</u> | <u>\$ 122,807</u> | <u>\$ 120,807</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tennis Court Improvement Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|--|-----------------|------------------|-------------------------------|
| Revenues | | | |
| Contributions and Donations | \$ 404,000 | \$ 5,000 | \$ (399,000) |
| <i>Total Revenues</i> | <u>404,000</u> | <u>5,000</u> | <u>(399,000)</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Capital Outlay | 436,845 | 393,953 | 42,892 |
| <i>Deficiency of Revenues Under Expenditures</i> | <u>(32,845)</u> | <u>(388,953)</u> | <u>(441,892)</u> |
| Other Financing Sources | | | |
| Advances In | 0 | 361,742 | 361,742 |
| <i>Net Change in Fund Balance</i> | (32,845) | (27,211) | 5,634 |
| <i>Fund Balance Beginning of Year</i> | <u>32,845</u> | <u>32,845</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 0</u> | <u>\$ 5,634</u> | <u>\$ 5,634</u> |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ladder Truck Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-----------------|------------|-------------------------------|
| Revenues | | | |
| Contributions and Donations | \$ 0 | \$ 100,000 | \$ 100,000 |
| Other Financing Sources | | | |
| Proceeds from Sale of Capital Assets | 5,000 | 15,670 | 10,670 |
| <i>Net Change in Fund Balance</i> | 5,000 | 115,670 | 110,670 |
| <i>Fund Balance Beginning of Year</i> | 45 | 45 | 0 |
| <i>Fund Balance End of Year</i> | \$ 5,045 | \$ 115,715 | \$ 110,670 |

City of Ashland
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Vehicle Improvement Fund
For the Year Ended December 31, 2018

| | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|-----------------|-----------|-------------------------------|
| Revenues | | | |
| Other | \$ 0 | \$ 1,000 | \$ 1,000 |
| Other Financing Sources | | | |
| Proceeds from Sale of Capital Assets | 0 | 2,875 | 2,875 |
| Insurance Recoveries | 11,184 | 20,679 | 9,495 |
| Total Other Financing Sources | 11,184 | 23,554 | 12,370 |
| <i>Net Change in Fund Balance</i> | 11,184 | 24,554 | 13,370 |
| <i>Fund Balance Beginning of Year</i> | 11,185 | 11,185 | 0 |
| <i>Fund Balance End of Year</i> | \$ 22,369 | \$ 35,739 | \$ 13,370 |

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Combining Statements for Nonmajor Enterprise Funds



CITY OF ASHLAND, OHIO

Fund Descriptions – Nonmajor Enterprise Funds

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

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

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

City of Ashland
Combining Statement of Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

| | Stormwater Management Utility | Brookside Golf Course | Total |
|---|-------------------------------------|--------------------------|---------------------|
| Assets | | | |
| <i>Current Assets</i> | | | |
| Equity in Pooled Cash and Investments | \$ 359,111 | \$ 65,333 | \$ 424,444 |
| Cash and Investments in Segregated Accounts | 0 | 1,259 | 1,259 |
| Materials and Supplies Inventory | 0 | 49,538 | 49,538 |
| Prepaid Items | 1,854 | 3,948 | 5,802 |
| Accounts Receivable | 14,195 | 0 | 14,195 |
| <i>Total Current Assets</i> | <u>375,160</u> | <u>120,078</u> | <u>495,238</u> |
| <i>Non-Current Assets</i> | | | |
| Non-Depreciable Capital Assets | 12,050 | 695,866 | 707,916 |
| Depreciable Capital Assets, Net | 2,811,421 | 79,197 | 2,890,618 |
| <i>Total Non-Current Assets</i> | <u>2,823,471</u> | <u>775,063</u> | <u>3,598,534</u> |
| <i>Total Assets</i> | <u>3,198,631</u> | <u>895,141</u> | <u>4,093,772</u> |
| Deferred Outflows of Resources | | | |
| Pension | 16,495 | 32,712 | 49,207 |
| OPEB | 3,523 | 7,047 | 10,570 |
| <i>Total Deferred Outflows of Resources</i> | <u>20,018</u> | <u>39,759</u> | <u>59,777</u> |
| Liabilities | | | |
| <i>Current Liabilities</i> | | | |
| Accounts Payable | 45,888 | 547 | 46,435 |
| Accrued Wages | 1,469 | 2,162 | 3,631 |
| Intergovernmental Payable | 912 | 1,343 | 2,255 |
| Capital Lease Payable | 0 | 30,855 | 30,855 |
| Accrued Interest Payable | 0 | 138 | 138 |
| Compensated Absences Payable | 0 | 1,627 | 1,627 |
| <i>Total Current Liabilities</i> | <u>48,269</u> | <u>36,672</u> | <u>84,941</u> |
| <i>Long-Term Liabilities</i> | | | |
| Compensated Absences Payable - Net of Current Portion | 0 | 478 | 478 |
| Capital Leases Payable - Net of Current Portion | 0 | 67,429 | 67,429 |
| Net Pension Liability (See Note 11) | 68,643 | 137,286 | 205,929 |
| Net OPEB Liability | 47,879 | 95,757 | 143,636 |
| <i>Total Long-Term Liabilities</i> | <u>116,522</u> | <u>300,950</u> | <u>417,472</u> |
| <i>Total Liabilities</i> | <u>164,791</u> | <u>337,622</u> | <u>502,413</u> |
| Deferred Inflows of Resources | | | |
| Pension | 16,401 | 86,802 | 103,203 |
| OPEB | 3,567 | 38,110 | 41,677 |
| <i>Total Deferred Inflows of Resources</i> | <u>19,968</u> | <u>124,912</u> | <u>144,880</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 2,823,471 | 775,063 | 3,598,534 |
| Unrestricted | 210,419 | (302,697) | (92,278) |
| <i>Total Net Position</i> | <u>\$ 3,033,890</u> | <u>\$ 472,366</u> | <u>\$ 3,506,256</u> |

City of Ashland
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

| | Stormwater Management Utility | Brookside Golf Course | Total |
|--|-------------------------------------|--------------------------|---------------------|
| Operating Revenues | | | |
| Charges for Services | \$ 542,775 | \$ 418,211 | \$ 960,986 |
| Other | 0 | 11,348 | 11,348 |
| <i>Total Operating Revenues</i> | <u>542,775</u> | <u>429,559</u> | <u>972,334</u> |
| Operating Expenses | | | |
| Personal Services | 206,418 | 193,735 | 400,153 |
| Contractual Services | 45,888 | 114,086 | 159,974 |
| Materials and Supplies | 249,764 | 191,041 | 440,805 |
| Utilities | 0 | 17,646 | 17,646 |
| Depreciation | 73,542 | 20,184 | 93,726 |
| Other | 37,039 | 0 | 37,039 |
| <i>Total Operating Expenses</i> | <u>612,651</u> | <u>536,692</u> | <u>1,149,343</u> |
| <i>Operating Income (Loss)</i> | <u>(69,876)</u> | <u>(107,133)</u> | <u>(177,009)</u> |
| Non-Operating Revenues (Expenses) | | | |
| Donations | 0 | 43,355 | 43,355 |
| Interest and Fiscal Charges | 0 | (6,433) | (6,433) |
| <i>Total Non-Operating Revenues (Expenses)</i> | <u>0</u> | <u>36,922</u> | <u>36,922</u> |
| <i>Income (Loss) Before Transfers</i> | <u>(69,876)</u> | <u>(70,211)</u> | <u>(140,087)</u> |
| Transfers In | 0 | 60,000 | 60,000 |
| <i>Change in Net Position</i> | <u>(69,876)</u> | <u>(10,211)</u> | <u>(80,087)</u> |
| <i>Net Position at Beginning of Year - Restated (See Note 2)</i> | <u>3,103,766</u> | <u>482,577</u> | <u>3,586,343</u> |
| <i>Net Position at End of Year</i> | <u>\$ 3,033,890</u> | <u>\$ 472,366</u> | <u>\$ 3,506,256</u> |

City of Ashland
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

| | Stormwater Management Utility | Brookside Golf Course | Totals |
|--|-------------------------------------|--------------------------|-------------------|
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 537,223 | \$ 431,581 | \$ 968,804 |
| Cash Payments to Suppliers for Goods and Services | (249,764) | (137,262) | (387,026) |
| Cash Payments to Employees for Services and Benefits | (199,046) | (233,742) | (432,788) |
| Cash Payments for Contractual Services | 0 | (114,249) | (114,249) |
| Other Cash Payments | (37,039) | 0 | (37,039) |
| <i>Net Cash Provided By (Used for) Operating Activities</i> | <u>51,374</u> | <u>(53,672)</u> | <u>(2,298)</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Contributions and Donations Received | 0 | 43,355 | 43,355 |
| Principal Payments on Noncapital Debt | 0 | (29,370) | (29,370) |
| Interest Payments on Noncapital Debt | 0 | (6,703) | (6,703) |
| Transfers In | 0 | 60,000 | 60,000 |
| <i>Net Cash Provided by Noncapital Financing Activities</i> | <u>0</u> | <u>67,282</u> | <u>67,282</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition of Capital Assets | 0 | (12,150) | (12,150) |
| <i>Net Increase (Decrease) in Cash and Investments</i> | 51,374 | 1,460 | 52,834 |
| <i>Cash and Investments Beginning of Year</i> | 307,737 | 65,132 | 372,869 |
| <i>Cash and Investments End of Year</i> | <u>\$ 359,111</u> | <u>\$ 66,592</u> | <u>\$ 425,703</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | | |
| <i>Operating Income (Loss)</i> | \$ (69,876) | \$ (107,133) | \$ (177,009) |
| Adjustments: | | | |
| Depreciation | 73,542 | 20,184 | 93,726 |
| (Increase) Decrease in Assets and Deferred Outflows: | | | |
| Accounts Receivable | (5,552) | 2,022 | (3,530) |
| Prepaid Items | (194) | 1,901 | 1,707 |
| Deferred Outflows - Pension/OPEB | 18,973 | 77,216 | 96,189 |
| Materials and Supplies Inventory | 0 | 71,425 | 71,425 |
| Increase (Decrease) in Liabilities and Deferred Inflows: | | | |
| Accounts Payable | 45,888 | 547 | 46,435 |
| Accrued Wages | 245 | (1,124) | (879) |
| Net OPEB Liability | 2,928 | (39,095) | (36,167) |
| Net Pension Liability | (31,387) | (162,803) | (194,190) |
| Deferred Inflows - Pension/OPEB | 16,763 | 99,366 | 116,129 |
| Compensated Absences Payable | 0 | (15,053) | (15,053) |
| Intergovernmental Payable | 44 | (1,125) | (1,081) |
| <i>Net Cash Provided By (Used for) Operating Activities</i> | <u>\$ 51,374</u> | <u>\$ (53,672)</u> | <u>\$ (2,298)</u> |

Combining Statements for Fiduciary Funds



CITY OF ASHLAND, OHIO

Fund Descriptions - Fiduciary Funds

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

Agency Funds

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

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

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

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

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

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

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

Credit Memo – To account for the excess payments received from City utility department customers. This is applied to the customers' account in future billing cycles.

Payroll Clearing – To account for the deposit, control and expenditures of money to be used for City payroll.

City of Ashland
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2018

| | Municipal Court | Performance Bonds | Brookside Golf Course Gift Certificates | Employee Deductions | State Patrol Transfer | Section 125 | Credit Memo | Payroll Clearing | Total |
|---|--------------------|----------------------|---|------------------------|--------------------------|------------------|-----------------|---------------------|-------------------|
| Assets | | | | | | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 1,340 | \$ 12,490 | \$ 40,467 | \$ 0 | \$ 12,407 | \$ 6,563 | \$ 91,780 | \$ 165,047 |
| Cash and Investments in Segregated Accounts | 133,959 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 133,959 |
| Prepays | 0 | 0 | 0 | 49,253 | 0 | 0 | 0 | 0 | 49,253 |
| <i>Total Assets</i> | <u>\$ 133,959</u> | <u>\$ 1,340</u> | <u>\$ 12,490</u> | <u>\$ 89,720</u> | <u>\$ 0</u> | <u>\$ 12,407</u> | <u>\$ 6,563</u> | <u>\$ 91,780</u> | <u>\$ 348,259</u> |
| Liabilities | | | | | | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 4,966 | \$ 0 | \$ 0 | \$ 0 | \$ 4,966 |
| Undistributed Monies | 133,959 | 1,340 | 12,490 | 89,720 | (4,966) | 12,407 | 6,563 | 91,780 | 343,293 |
| <i>Total Liabilities</i> | <u>\$ 133,959</u> | <u>\$ 1,340</u> | <u>\$ 12,490</u> | <u>\$ 89,720</u> | <u>\$ 0</u> | <u>\$ 12,407</u> | <u>\$ 6,563</u> | <u>\$ 91,780</u> | <u>\$ 348,259</u> |

City of Ashland
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2018

| | Beginning Balance | Additions | Reductions | Balance 12/31/2018 |
|--|----------------------|-------------------|-------------------|-----------------------|
| Municipal Court | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 31,338 | \$ 31,338 | \$ 0 |
| Cash and Investments in Segregated Accounts | 102,621 | 31,338 | 0 | 133,959 |
| <i>Total Assets</i> | <u>\$ 102,621</u> | <u>\$ 62,676</u> | <u>\$ 31,338</u> | <u>\$ 133,959</u> |
| Liabilities | | | | |
| Undistributed Monies | <u>\$ 102,621</u> | <u>\$ 31,338</u> | <u>\$ 0</u> | <u>\$ 133,959</u> |
| Performance Bonds | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | <u>\$ 1,300</u> | <u>\$ 14,740</u> | <u>\$ 14,700</u> | <u>\$ 1,340</u> |
| Liabilities | | | | |
| Undistributed Monies | <u>\$ 1,300</u> | <u>\$ 14,740</u> | <u>\$ 14,700</u> | <u>\$ 1,340</u> |
| Brookside Golf Course Gift Certificates | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | <u>\$ 11,649</u> | <u>\$ 5,567</u> | <u>\$ 4,726</u> | <u>\$ 12,490</u> |
| Liabilities | | | | |
| Undistributed Monies | <u>\$ 11,649</u> | <u>\$ 5,567</u> | <u>\$ 4,726</u> | <u>\$ 12,490</u> |
| Employee Deductions | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 25,559 | \$ 603,985 | \$ 589,077 | \$ 40,467 |
| Prepaid Items | 51,881 | 49,253 | 51,881 | 49,253 |
| <i>Total Assets</i> | <u>\$ 77,440</u> | <u>\$ 653,238</u> | <u>\$ 640,958</u> | <u>\$ 89,720</u> |
| Liabilities | | | | |
| Undistributed Monies | <u>\$ 77,440</u> | <u>\$ 653,238</u> | <u>\$ 640,958</u> | <u>\$ 89,720</u> |
| State Patrol Transfer | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | <u>\$ 5,974</u> | <u>\$ 87,252</u> | <u>\$ 93,226</u> | <u>\$ 0</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 0 | \$ 4,966 | \$ 0 | 4,966 |
| Undistributed Monies | 5,974 | 82,286 | 93,226 | (4,966) |
| <i>Total Liabilities</i> | <u>\$ 5,974</u> | <u>\$ 87,252</u> | <u>\$ 93,226</u> | <u>\$ 0</u> |
| Section 125 | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | <u>\$ 11,884</u> | <u>\$ 114,903</u> | <u>\$ 114,380</u> | <u>\$ 12,407</u> |
| Liabilities | | | | |
| Undistributed Monies | <u>\$ 11,884</u> | <u>\$ 114,903</u> | <u>\$ 114,380</u> | <u>\$ 12,407</u> |

(continued)

City of Ashland
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2018

| | Beginning Balance | Additions | Reductions | Balance 12/31/2018 |
|---|----------------------|---------------------|---------------------|-----------------------|
| Credit Memo | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 6,603 | \$ 40 | \$ 6,563 |
| Liabilities | | | | |
| Undistributed Monies | \$ 0 | \$ 6,603 | \$ 40 | \$ 6,563 |
| Payroll Clearing Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 3,130,576 | \$ 3,038,796 | \$ 91,780 |
| Liabilities | | | | |
| Undistributed Monies | \$ 0 | \$ 3,130,576 | \$ 3,038,796 | \$ 91,780 |
| All Agency Funds | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 56,366 | \$ 3,994,964 | \$ 3,886,283 | \$ 165,047 |
| Cash and Investments in Segregated Accounts | 102,621 | 31,338 | 0 | 133,959 |
| Prepaid Items | 51,881 | 49,253 | 51,881 | 49,253 |
| <i>Total Assets</i> | <u>\$ 210,868</u> | <u>\$ 4,075,555</u> | <u>\$ 3,938,164</u> | <u>\$ 348,259</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 0 | \$ 4,966 | \$ 0 | \$ 4,966 |
| Undistributed Monies | 210,868 | 4,039,251 | 3,906,826 | 343,293 |
| <i>Total Liabilities</i> | <u>\$ 210,868</u> | <u>\$ 4,044,217</u> | <u>\$ 3,906,826</u> | <u>\$ 348,259</u> |

City of Ashland, Ohio

Statistical Section





Statistical Section

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

Contents

Tables

Revenue Capacity

S2-S8

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

Debt Capacity

S9-S12

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

Demographic and Economic Information

S13-S14

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

Financial Trends

S15-S21

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

Operating Information

S22-S25

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

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

CITY OF ASHLAND, OHIO

Revenue Capacity

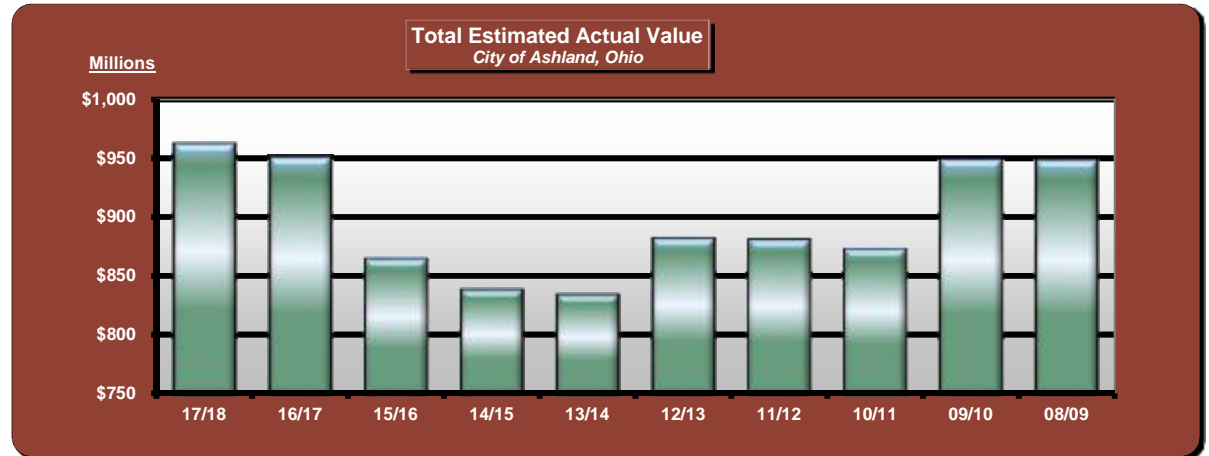
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

| Tax Year/Collection Year | Real Property Assessed Values | | | Tangible Personal Property Assessed Values | | | Total | | Ratio | Direct Tax Rate |
|--------------------------|-------------------------------|---------------------|------------------------|--|------------------|------------------------|-----------------|------------------------|--------|-----------------|
| | Residential/Agricultural | Other Real Property | Estimated Actual Value | Tangible Personal Property | Public Utilities | Estimated Actual Value | Assessed Values | Estimated Actual Value | | |
| 17/18 | \$ 214,408,010 | \$ 112,845,240 | \$ 935,009,286 | \$ 0 | \$ 23,669,080 | \$ 26,896,682 | \$ 350,922,330 | \$ 961,905,968 | 36.48% | 3.90 |
| 16/17 | 214,286,410 | 109,409,100 | 924,844,314 | 0 | 22,425,760 | 25,483,818 | 346,121,270 | 950,328,132 | 36.42% | 3.90 |
| 15/16 | 197,188,310 | 98,796,470 | 845,670,800 | 0 | 16,564,150 | 18,822,898 | 312,548,930 | 864,493,698 | 36.15% | 3.90 |
| 14/15 | 197,160,650 | 91,015,030 | 823,359,086 | 0 | 12,771,140 | 14,512,659 | 300,946,820 | 837,871,745 | 35.92% | 3.90 |
| 13/14 | 196,866,320 | 90,132,510 | 819,996,657 | 0 | 11,810,580 | 13,421,114 | 298,809,410 | 833,417,771 | 35.85% | 3.90 |
| 12/13 | 211,721,700 | 92,636,780 | 869,595,657 | 0 | 10,177,360 | 11,565,182 | 314,535,840 | 881,160,839 | 35.70% | 3.90 |
| 11/12 | 211,790,810 | 92,639,290 | 869,800,286 | 0 | 9,315,660 | 10,585,977 | 313,745,760 | 880,386,263 | 35.64% | 3.90 |
| 10/11 | 211,442,550 | 90,550,190 | 862,836,400 | 0 | 8,462,390 | 9,616,352 | 310,455,130 | 872,452,752 | 35.58% | 3.90 |
| 09/10 | 231,041,550 | 97,065,350 | 937,448,286 | 249,600 | 8,110,370 | 11,213,130 | 336,466,870 | 948,661,415 | 35.47% | 3.90 |
| 08/09 | 231,385,550 | 95,823,450 | 934,882,857 | 540,440 | 7,968,850 | 13,379,031 | 335,718,290 | 948,261,889 | 35.40% | 3.90 |

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

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

Source: Ashland County, Ohio: County Auditor



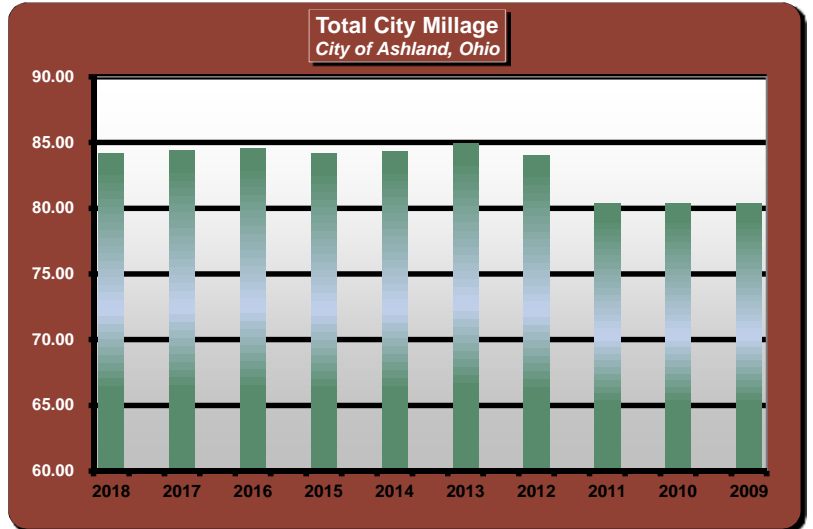
CITY OF ASHLAND, OHIO

Revenue Capacity

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Inside Millage | | | | | | | | | | |
| Operating | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.30 | 2.00 |
| Debt | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.50 | 0.80 |
| Fire Pension | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Police Pension | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Total Unvoted Millage | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 |
| Outside Millage | | | | | | | | | | |
| Recreation | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Total Voted Millage | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Total Millage | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 |
| Overlapping Rates by Taxing District | | | | | | | | | | |
| Ashland County | 9.60 | 9.60 | 9.60 | 9.10 | 9.10 | 9.10 | 9.10 | 9.10 | 9.10 | 9.10 |
| Ashland School District | 65.60 | 65.80 | 65.95 | 66.05 | 66.25 | 66.85 | 65.95 | 62.25 | 62.25 | 62.25 |
| Ashland County Vocational School | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 |
| Ashland Public Library | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| City of Ashland | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 |
| Total | 84.20 | 84.40 | 84.55 | 84.15 | 84.35 | 84.95 | 84.05 | 80.35 | 80.35 | 80.35 |

Source: Ashland County, Ohio: County Auditor



CITY OF ASHLAND, OHIO

Revenue Capacity

Principal Property Tax Payers
2018 and 2009

| Taxpayer | January 1, 2017 | | Taxpayer | January 1, 2008 | |
|---------------------------------|-----------------------|--------------------------|---------------------------------|-----------------------|--------------------------|
| | Assessed Valuation | Total Assessed Valuation | | Assessed Valuation | Total Assessed Valuation |
| American Transmission | \$ 12,737,840 | 5.94% | Ohio Edison Company | \$ 4,093,110 | 1.77% |
| Ohio Edison Company | 6,452,800 | 3.01% | Wal-Mart Real Estate | 3,045,010 | 1.32% |
| Ashland Distribution Center | 6,262,280 | 2.92% | American Transmission | 3,045,010 | 1.32% |
| WIL Reasearch Laboratories | 5,045,010 | 2.35% | Myers Pump Company | 2,433,070 | 1.05% |
| Columbia Gas of Ohio Inc | 3,246,890 | 1.51% | Samariton Regional Hospital | 2,327,640 | 1.01% |
| Wal-Mart Real Estate Bus Trust | 2,970,210 | 1.39% | Home Depot U.S.A., Inc. | 1,909,850 | 0.83% |
| Packaging Corp of America | 2,185,320 | 1.02% | Baker Properties | 1,603,090 | 0.69% |
| Samariton Regional Hospital | 2,097,810 | 0.98% | Brethern Care, Inc. | 1,445,140 | 0.62% |
| Eagleview Realty LLC | 2,046,970 | 0.95% | Ashland 250 Apartments | 1,268,380 | 0.55% |
| Amberwood Parkway Holdings LLC | 1,981,000 | 0.92% | Wurster Properties, Inc. | 1,245,290 | 0.54% |
| | <u>\$ 45,026,130</u> | <u>20.99%</u> | | <u>\$ 22,415,590</u> | <u>9.70%</u> |
| Total Assessed Valuation | \$ 214,408,010 | | Total Assessed Valuation | \$ 231,385,550 | |

Note: Property is assessed at 35 percent of fair market value. Real property taxes paid in 2018 are based on January 1, 2017 values.

Source: Ashland County, Ohio: County Auditor

CITY OF ASHLAND, OHIO

Revenue Capacity

Property Tax Levies and Collections

Last Ten Years

| Collection Year | Real and Public Utility | | | | Tangible Personal Property | | | | Total | | |
|-----------------|-------------------------|-----------------|-------------------|----------------------------|----------------------------|-----------------|-------------------|----------------------------|--------------|-----------------|-------------------|
| | Billed | Taxes Collected | Percent Collected | Delinquent Tax Collections | Billed | Taxes Collected | Percent Collected | Delinquent Tax Collections | Billed | Taxes Collected | Percent Collected |
| 2018 | \$ 1,388,716 | \$ 1,335,338 | 96% | \$ 53,378 | \$ 0 | \$ 0 | 0% | \$ 0 | \$ 1,388,716 | \$ 1,335,338 | 96.16% |
| 2017 | 1,860,281 | 1,782,089 | 96% | 78,193 | 59,031 | 17,779 | 30% | 41,252 | 1,919,312 | 1,799,868 | 93.78% |
| 2016 | 1,238,286 | 1,167,652 | 94% | 70,634 | 59,031 | 17,779 | 30% | 41,252 | 1,297,317 | 1,185,431 | 91.38% |
| 2015 | 1,205,037 | 1,136,115 | 94% | 68,922 | 50,373 | 9,121 | 18% | 41,252 | 1,255,410 | 1,145,236 | 91.22% |
| 2014 | 1,260,507 | 1,189,444 | 94% | 71,063 | 66,471 | 25,219 | 38% | 41,252 | 1,326,978 | 1,214,663 | 91.54% |
| 2013 | 1,276,661 | 1,213,048 | 95% | 63,613 | 66,481 | 25,229 | 38% | 41,252 | 1,343,142 | 1,238,277 | 92.19% |
| 2012 | 1,250,233 | 1,190,504 | 95% | 59,729 | 75,677 | 32,658 | 43% | 43,019 | 1,325,910 | 1,223,162 | 92.25% |
| 2011 | 1,322,799 | 1,243,416 | 94% | 79,383 | 107,097 | 60,745 | 57% | 46,352 | 1,429,896 | 1,304,161 | 91.21% |
| 2010 | 1,347,008 | 1,278,898 | 95% | 68,110 | 263,637 | 188,354 | 71% | 75,283 | 1,610,645 | 1,467,252 | 91.10% |
| 2009 | 1,235,677 | 1,163,614 | 94% | 72,063 | 232,359 | 189,211 | 81% | 43,148 | 1,468,036 | 1,352,825 | 92.15% |

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

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

Note: Amounts include homestead and rollback.

CITY OF ASHLAND, OHIO

Revenue Capacity

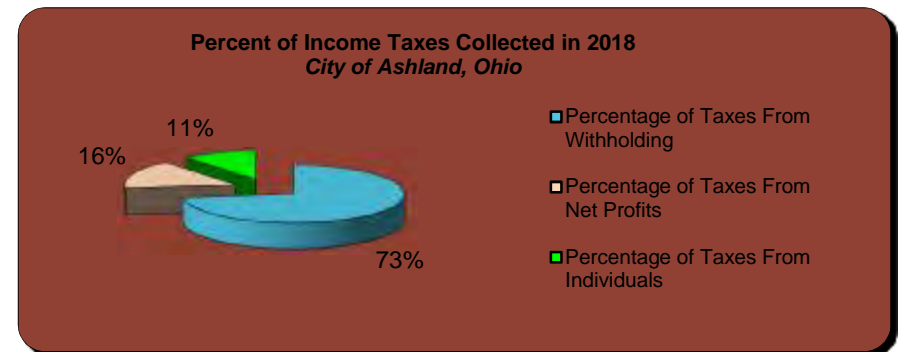
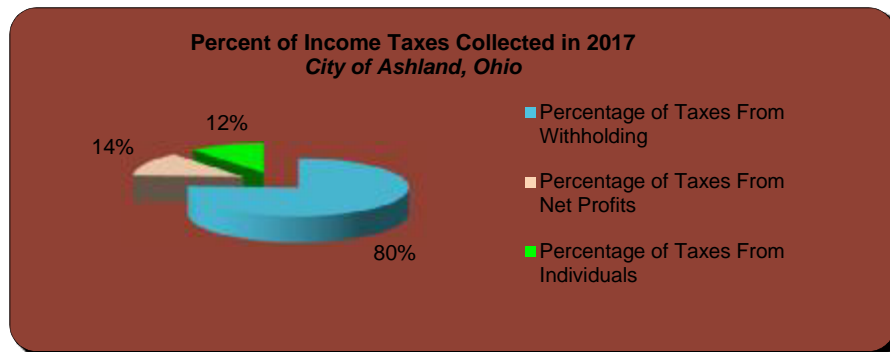
Income Tax Revenue Base and Collections

Last Ten Years

| Tax Year | Tax Rate | Total Tax Collected | Taxes From Withholding | Percentage of Taxes From Withholding | Taxes From Net Profits | Percentage of Taxes From Net Profits | Taxes From Individuals | Percentage of Taxes From Individuals |
|----------|----------|---------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2018 | 2.00% | \$ 14,154,045 | \$ 10,326,935 | 72.96% | \$ 2,289,108 | 16.17% | \$ 1,538,002 | 10.86% |
| 2017 | 2.00% | 11,459,587 | 9,210,096 | 80.37% | 1,638,590 | 14.30% | 1,323,639 | 11.54% |
| 2016 | 1.50% | 10,112,202 | 7,847,293 | 77.60% | 1,141,099 | 11.28% | 1,123,811 | 11.10% |
| 2015 | 1.50% | 9,399,470 | 7,247,001 | 77.10% | 1,124,402 | 11.96% | 1,028,067 | 10.93% |
| 2014 | 1.50% | 8,736,909 | 6,933,190 | 79.36% | 849,839 | 9.73% | 953,880 | 10.91% |
| 2013 | 1.50% | 8,732,624 | 6,642,534 | 76.07% | 1,170,615 | 13.41% | 919,475 | 10.52% |
| 2012 | 1.50% | 8,287,703 | 6,653,686 | 80.28% | 725,896 | 8.76% | 908,121 | 10.95% |
| 2011 | 1.50% | 8,149,985 | 6,392,565 | 78.44% | 895,581 | 10.99% | 862,139 | 10.57% |
| 2010 | 1.50% | 7,790,359 | 6,100,321 | 78.31% | 859,000 | 11.03% | 831,033 | 10.66% |
| 2009 | 1.50% | 7,839,674 | 6,104,518 | 77.87% | 840,097 | 10.72% | 895,059 | 11.42% |

% Represents percent of total tax collected

Source: Income Tax Department, City of Ashland, Ohio



CITY OF ASHLAND, OHIO

Revenue Capacity

Income Tax Statistics

Last Ten Years

| Income Averages for City of Ashland Tax Years 2009-2018 | | | | | |
|--|------------------------|------------------|-------------------|-----------------------|---------------------------|
| Tax Year | Income Range (Dollars) | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
| 2018 | \$ 0-24,999 | 3,165 | 44% | \$ 34,090,423 | 11% |
| 2018 | 25,000-49,999 | 1,967 | 27% | 70,876,241 | 24% |
| 2018 | 50,000-74,999 | 990 | 14% | 60,337,328 | 20% |
| 2018 | 75,000-99,999 | 548 | 8% | 46,922,909 | 16% |
| 2018 | Over 100,000 | 571 | 8% | 88,585,852 | 29% |
| Total | | 7,241 | | \$ 300,812,753 | |
| 2017 | \$ 0-24,999 | 3,341 | 46% | \$ 36,261,233 | 12% |
| 2017 | 25,000-49,999 | 1,939 | 27% | 70,560,445 | 24% |
| 2017 | 50,000-74,999 | 988 | 14% | 60,519,271 | 20% |
| 2017 | 75,000-99,999 | 473 | 6% | 40,446,084 | 14% |
| 2017 | Over 100,000 | 541 | 7% | 87,475,978 | 30% |
| Total | | 7,282 | | \$ 295,263,011 | |
| 2016 | \$ 0-24,999 | 3,467 | 48% | \$ 36,701,169 | 13% |
| 2016 | 25,000-49,999 | 1,922 | 26% | 69,639,291 | 25% |
| 2016 | 50,000-74,999 | 919 | 13% | 56,215,440 | 20% |
| 2016 | 75,000-99,999 | 471 | 6% | 40,526,465 | 14% |
| 2016 | Over 100,000 | 503 | 7% | 80,802,419 | 27% |
| Total | | 7,282 | | \$ 283,884,784 | |
| 2015 | \$ 0-24,999 | 3,583 | 49% | \$ 38,306,161 | 14% |
| 2015 | 25,000-49,999 | 1,906 | 26% | 69,262,863 | 25% |
| 2015 | 50,000-74,999 | 921 | 13% | 55,874,100 | 20% |
| 2015 | 75,000-99,999 | 456 | 6% | 39,192,263 | 14% |
| 2015 | Over 100,000 | 501 | 7% | 79,781,730 | 28% |
| Total | | 7,367 | | \$ 282,417,117 | |
| 2014 | \$ 0-24,999 | 3,595 | 49% | \$ 38,154,346 | 14% |
| 2014 | 25,000-49,999 | 1,864 | 26% | 67,410,073 | 25% |
| 2014 | 50,000-74,999 | 929 | 13% | 56,344,290 | 21% |
| 2014 | 75,000-99,999 | 436 | 6% | 37,242,956 | 14% |
| 2014 | Over 100,000 | 484 | 7% | 74,245,282 | 27% |
| Total | | 7,308 | | \$ 273,396,947 | |

(Continued)

CITY OF ASHLAND, OHIO

Revenue Capacity

Income Tax Statistics

Last Ten Years

(Continued)

Income Averages for City of Ashland Tax Years 2009-2018

| Tax Year | Income Range (Dollars) | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
|--------------|---------------------------|---------------------|----------------------|-------------------|------------------------------|
| 2013 | \$ 0-24,999 | 3,645 | 50% | \$ 38,308,650 | 14% |
| 2013 | 25,000-49,999 | 1,804 | 25% | 65,186,986 | 24% |
| 2013 | 50,000-74,999 | 938 | 13% | 57,207,439 | 21% |
| 2013 | 75,000-99,999 | 441 | 6% | 37,789,521 | 14% |
| 2013 | Over 100,000 | <u>449</u> | 6% | <u>69,802,861</u> | 26% |
| <i>Total</i> | | 7,277 | | \$ 268,295,457 | |
| 2012 | \$ 0-24,999 | 2,833 | 50% | \$ 28,828,448 | 14% |
| 2012 | 25,000-49,999 | 1,416 | 25% | 50,919,845 | 25% |
| 2012 | 50,000-74,999 | 753 | 13% | 46,197,828 | 22% |
| 2012 | 75,000-99,999 | 316 | 6% | 27,588,551 | 13% |
| 2012 | Over 100,000 | 349 | 6% | 53,878,136 | 26% |
| <i>Total</i> | | 5,667 | | \$ 207,412,808 | |
| 2011 | \$ 0-24,999 | 2,891 | 50% | \$ 29,761,998 | 13% |
| 2011 | 25,000-49,999 | 1,413 | 25% | 51,281,096 | 23% |
| 2011 | 50,000-74,999 | 745 | 13% | 45,499,287 | 21% |
| 2011 | 75,000-99,999 | 345 | 6% | 29,571,974 | 13% |
| 2011 | Over 100,000 | <u>342</u> | 6% | <u>65,605,458</u> | 30% |
| <i>Total</i> | | 5,736 | | \$ 221,719,813 | |
| 2010 | \$ 0-24,999 | 5,177 | 58% | \$ 38,033,159 | 14% |
| 2010 | 25,000-49,999 | 1,863 | 21% | 67,485,742 | 26% |
| 2010 | 50,000-74,999 | 952 | 11% | 58,033,920 | 22% |
| 2010 | 75,000-99,999 | 404 | 4% | 34,869,996 | 13% |
| 2010 | Over 100,000 | <u>534</u> | 6% | <u>64,669,769</u> | 25% |
| <i>Total</i> | | 8,930 | | \$ 263,092,586 | |
| 2009 | \$ 0-24,999 | 3,033 | 51% | \$ 31,583,688 | 15% |
| 2009 | 25,000-49,999 | 1,516 | 26% | 54,889,979 | 26% |
| 2009 | 50,000-74,999 | 722 | 12% | 44,004,013 | 21% |
| 2009 | 75,000-99,999 | 309 | 5% | 26,633,712 | 13% |
| 2009 | Over 100,000 | <u>332</u> | 6% | <u>52,424,949</u> | 25% |
| <i>Total</i> | | 5,912 | | \$ 209,536,341 | |

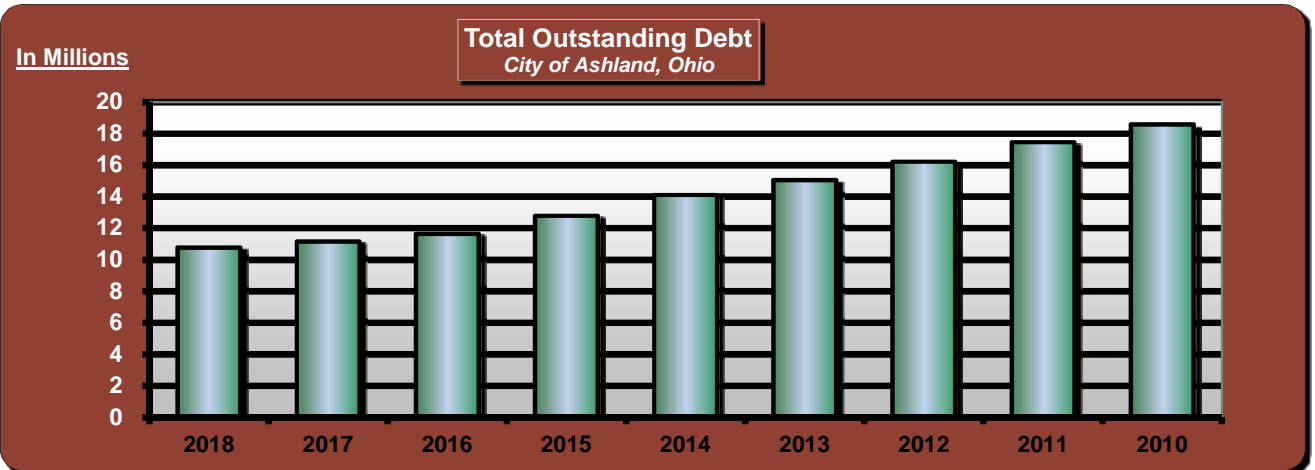
Source: Income Tax Department, City of Ashland, Ohio

City of Ashland, Ohio

Debt Capacity

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

| Year | Governmental Activities | | | | Business-Type Activities | | | | | Total Debt | Percentage of Personal Income | Per Capita |
|------|--------------------------|-----------|-------------------------|-----------|--------------------------|-------------------------|-----------|-----------|----------------|--------------|-------------------------------|------------|
| | General Obligation Bonds | ODOT Loan | Bond Anticipation Notes | OPWC Loan | General Obligation Bonds | Bond Anticipation Notes | OWDA Loan | OPWC Loan | Capital Leases | | | |
| 2018 | \$ 942,519 | \$ 0 | \$ 0 | \$369,948 | \$ 7,666,556 | \$ 0 | \$ 0 | \$ 0 | \$ 98,284 | \$ 9,077,307 | 2.26% | \$ 443 |
| 2017 | 1,119,102 | 0 | 1,000,000 | 0 | 8,526,870 | 0 | 0 | 0 | 127,654 | 10,773,626 | 2.68% | 526 |
| 2016 | 1,290,684 | 0 | 500,000 | 0 | 9,362,184 | 0 | 0 | 0 | 0 | 11,152,868 | 2.78% | 548 |
| 2015 | 1,457,267 | 0 | 0 | 0 | 10,182,498 | 0 | 0 | 0 | 0 | 11,639,765 | 2.86% | 572 |
| 2014 | 1,623,850 | 77,290 | 0 | 0 | 11,086,893 | 0 | 0 | 0 | 0 | 12,788,033 | 3.18% | 628 |
| 2013 | 1,985,435 | 141,454 | 0 | 0 | 11,981,289 | 0 | 0 | 0 | 0 | 14,108,178 | 3.46% | 682 |
| 2012 | 2,266,000 | 203,736 | 0 | 0 | 12,581,913 | 0 | 0 | 0 | 0 | 15,051,649 | 3.75% | 739 |
| 2011 | 2,597,000 | 267,702 | 0 | 0 | 13,354,935 | 0 | 0 | 0 | 0 | 16,219,637 | 4.04% | 797 |
| 2010 | 2,959,000 | 329,791 | 0 | 0 | 14,071,957 | 0 | 0 | 100,816 | 0 | 17,461,564 | 5.12% | 858 |
| 2009 | 2,247,000 | 390,060 | 555,000 | 0 | 7,673,000 | 7,145,000 | 476,793 | 107,244 | 0 | 18,594,097 | 5.22% | 875 |



Source: Ashland City Finance Dept

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

City of Ashland, Ohio

Debt Capacity

Ratios of Net General Bonded Debt Outstanding
Last Ten Years

| Year | Population (1) | Estimated Actual Value of Taxable Property (2) | Gross Bonded Debt (3) | Less: Amounts Available in Debt Service Fund (4) | Net General Bonded Debt | Percentage of Estimated Actual Value of Taxable Property | Net General Bonded Debt Per Capita |
|------|----------------|--|-----------------------|--|-------------------------|--|------------------------------------|
| 2018 | 20,489 | \$ 961,905,968 | \$ 8,490,000 | \$ 368,427 | \$ 8,121,573 | 0.84% | \$ 396 |
| 2017 | 20,489 | 950,328,132 | 10,510,000 | 445,517 | 10,064,483 | 1.06% | 491 |
| 2016 | 20,362 | 864,493,698 | 11,000,000 | 418,613 | 10,581,387 | 1.22% | 520 |
| 2015 | 20,362 | 837,871,745 | 11,470,000 | 366,784 | 11,103,216 | 1.33% | 545 |
| 2014 | 20,362 | 833,417,771 | 12,597,290 | 323,259 | 12,274,031 | 1.47% | 603 |
| 2013 | 20,362 | 881,160,839 | 13,755,000 | 264,491 | 13,490,509 | 1.53% | 663 |
| 2012 | 20,362 | 880,386,263 | 14,690,000 | 199,846 | 14,490,154 | 1.65% | 712 |
| 2011 | 20,362 | 872,452,752 | 15,829,771 | 151,652 | 15,678,119 | 1.80% | 770 |
| 2010 | 20,362 | 948,661,415 | 17,000,717 | 190,480 | 16,810,237 | 1.77% | 826 |
| 2009 | 21,249 | 948,261,889 | 17,620,000 | 60,721 | 17,559,279 | 1.85% | 826 |

(1) U.S. Census Bureau

(2) Ashland County, Ohio: County Auditor

(3) General Obligation Bonds supported by property taxes.

(4) Amount restricted in the debt service funds.

CITY OF ASHLAND, OHIO

Debt Capacity

Direct and Overlapping Governmental Activities Debt

As of December 31, 2018

| Jurisdiction | Total Debt Outstanding | Percentage Applicable to City (1) | Amount Applicable to City of Ashland |
|---------------------------------|------------------------|-----------------------------------|--------------------------------------|
| Direct - City of Ashland | | | |
| General Obligation Bonds | \$942,519 | 100.00% | \$942,519 |
| <i>City of Ashland</i> | 942,519 | | 942,519 |
| Overlapping | | | |
| Ashland City School District | | | |
| General Obligation Bonds | 26,687,870 | 69.26% | 18,484,019 |
| <i>Total Overlapping Debt</i> | 26,687,870 | | 18,484,019 |
| Total | \$27,630,389 | | \$19,426,538 |

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Bonded Debt Outstanding: | | | | | | | | | | |
| General Obligation Bonds | \$ 8,609,075 | \$ 9,645,972 | \$ 10,652,868 | \$ 11,639,765 | \$ 12,710,743 | \$ 13,966,724 | \$ 14,847,913 | \$ 15,951,935 | \$ 17,030,957 | \$ 9,920,000 |
| Bond Anticipation Notes | 0 | 1,000,000 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 7,700,000 |
| OPWC Loan | 369,948 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Leases | 98,284 | 127,654 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | \$ 9,077,307 | \$ 10,773,626 | \$ 11,152,868 | \$ 11,639,765 | \$ 12,710,743 | \$ 13,966,724 | \$ 14,847,913 | \$ 15,951,935 | \$ 17,030,957 | \$ 17,620,000 |
| Percentage of Estimated Actual Property Value Assessed Property Value | 0.94% | 1.25% | 1.29% | 1.39% | 1.56% | 1.59% | 1.69% | 1.83% | 1.80% | 1.86% |
| | \$ 350,922,330 | \$ 346,121,270 | \$ 312,548,930 | \$ 300,946,820 | \$ 298,809,410 | \$ 314,535,840 | \$ 313,745,760 | \$ 310,455,130 | \$ 336,466,870 | \$ 335,718,290 |
| Total Debt Per Capita | \$ 443 | \$ 526 | \$ 548 | \$ 572 | \$ 628 | \$ 682 | \$ 739 | \$ 797 | \$ 858 | \$ 875 |
| Less: | | | | | | | | | | |
| General Obligation Bonds- Business-Type Funds | 7,666,556 | 8,526,870 | 9,220,000 | \$ 10,182,498 | \$ 11,086,893 | \$ 11,981,289 | \$ 12,581,913 | \$ 13,354,935 | \$ 14,071,957 | \$ 7,673,000 |
| Bond Anticipation Notes - Business-Type Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,145,000 |
| Capital Leases - Business-Type Funds | 98,284 | 127,654 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount Available in Debt Service Fund | 368,427 | 445,517 | 418,613 | 366,784 | 323,259 | 264,491 | 199,846 | 151,652 | 190,480 | 60,722 |
| Total Net Debt Applicable to Limit | \$ 944,040 | \$ 1,673,585 | \$ 1,514,255 | \$ 1,090,483 | \$ 1,300,591 | \$ 1,720,944 | \$ 2,066,154 | \$ 2,445,348 | \$ 2,768,520 | \$ 2,741,278 |
| Overall Legal Debt Limit | | | | | | | | | | |
| 10 1/2% of Assessed Valuation | \$ 36,846,845 | \$ 36,342,733 | \$ 32,817,638 | \$ 31,599,416 | \$ 31,374,988 | \$ 33,026,263 | \$ 32,943,305 | \$ 32,597,789 | \$ 35,329,021 | \$ 35,250,420 |
| Legal Debt Margin Within 10 1/2% Limitations | 35,902,805 | 34,669,148 | 31,303,383 | 30,508,933 | 30,074,397 | 31,305,319 | 30,877,151 | 30,152,441 | 32,560,501 | 32,509,142 |
| Legal Debt Margin as a Percentage of the Debt Limit | 97.44% | 95.39% | 95.39% | 96.55% | 95.85% | 94.79% | 93.73% | 92.50% | 92.16% | 92.22% |
| Unvoted Debt Limitation | | | | | | | | | | |
| 5 1/2% of Assessed Valuation | 19,300,728 | 19,036,670 | 17,190,191 | 16,552,075 | 16,434,518 | 17,299,471 | 17,256,017 | 17,075,032 | 18,505,678 | 18,464,506 |
| Total Net Debt Applicable to Limit | 944,040 | 1,673,585 | 1,514,255 | 1,090,483 | 1,300,591 | 1,720,944 | 2,066,154 | 2,445,348 | 2,768,520 | 2,741,278 |
| Net Debt Within 5 1/2% Limitations | \$ 18,356,688 | \$ 17,363,085 | \$ 15,675,936 | \$ 15,461,592 | \$ 15,133,927 | \$ 15,578,527 | \$ 15,189,863 | \$ 14,629,684 | \$ 15,737,158 | \$ 15,723,228 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 95.11% | 91.21% | 91.19% | 93.41% | 92.09% | 90.05% | 88.03% | 85.68% | 85.04% | 85.15% |

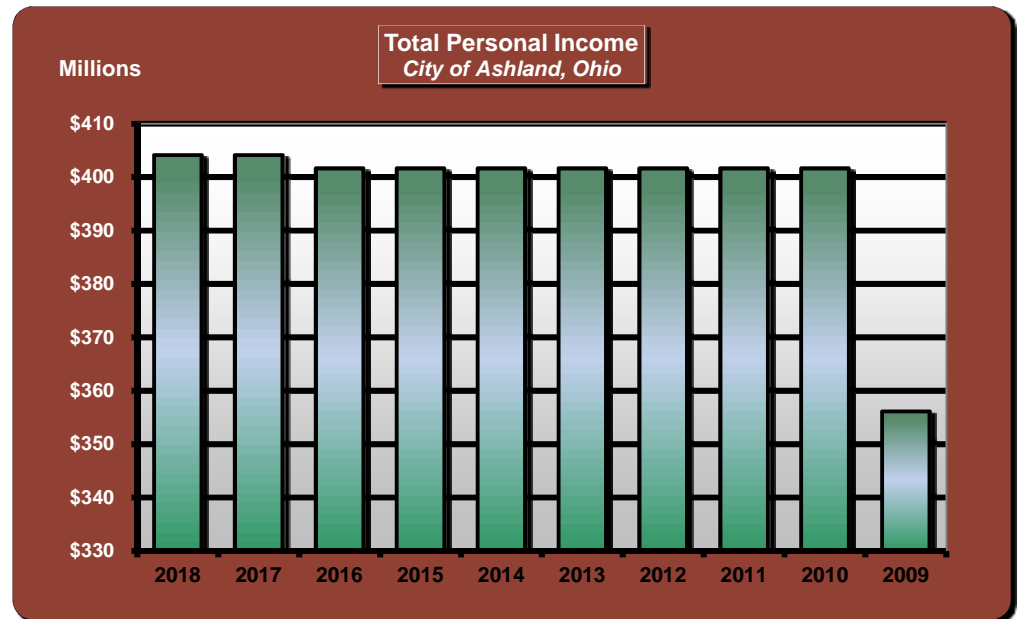
Note: Direct Debt Limitation is based on Section 133, The Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value. Total unvoted debt limit should not exceed 5.5% of net assessed property value.

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) |
|------|----------------|-----------------------|--------------------------------|-----------------------------|----------------|-------------------------------------|-----------------------|-----------------------|-----------------------------------|
| 2018 | 20,489 c | \$ 404,145,525 | \$ 19,725 c | \$ 37,776 c | 36.1 c | 25.9 c | 6,064 c | 7.2 c | \$ 350,922,330 |
| 2017 | 20,489 c | 404,145,525 | 19,725 c | 37,776 c | 36.1 c | 25.9 c | 6,064 c | 7.2 c | 346,121,270 |
| 2016 | 20,362 b | 401,640,450 | 19,725 b | 37,776 b | 36.1 b | 25.9 b | 6,064 b | 7.2 b | 312,548,930 |
| 2015 | 20,362 b | 401,640,450 | 19,725 b | 37,776 b | 36.1 b | 25.9 b | 6,064 b | 7.2 b | 300,946,820 |
| 2014 | 20,362 b | 401,640,450 | 19,725 b | 37,776 b | 36.1 b | 25.9 b | 6,064 b | 7.2 b | 298,809,410 |
| 2013 | 20,362 b | 401,640,450 | 19,725 b | 37,776 b | 36.1 b | 25.9 b | 6,064 b | 7.2 b | 314,535,840 |
| 2012 | 20,362 b | 401,640,450 | 19,725 b | 37,776 b | 36.1 b | 25.9 b | 6,064 b | 7.2 b | 313,745,760 |
| 2011 | 20,362 b | 401,640,450 | 19,725 b | 37,776 b | 36.1 b | 25.9 b | 6,064 b | 7.2 b | 310,455,130 |
| 2010 | 20,362 b | 401,640,450 | 19,725 b | 37,776 b | 36.1 b | 25.9 b | 6,064 b | 7.2 b | 336,466,870 |
| 2009 | 21,249 a | 356,133,240 | 16,760 a | 34,250 a | 34.8 a | 19.6 a | 6,104 a | 5.6 a | 335,718,290 |

- (1) **Source:** U.S. Census Bureau
 (a) 2000 Federal Census Demographic Profile
 (b) Note - Demographic Info Not Available from 2010 Census Yet used most recent available
 (c) From 2010 Federal Census Demographic Profile
- (2) Ashland County, Ohio: County Auditor



CITY OF ASHLAND, OHIO

Demographic and Economic Information

Principal Employers

Current Year and Nine Years Ago

| 2018 | | | 2009 | | |
|-----------------------------|---------------|-------------------------------------|-----------------------------|---------------|-------------------------------------|
| Employer* | Employees | Percentage of Total City Employment | Employer* | Employees | Percentage of Total City Employment |
| Ashland University | 2,312 | 8.76% | Ashland University | 2,321 | 11.01% |
| Charles River Lab | 990 | 3.75% | Samaritan Hospital | 733 | 3.48% |
| University Hospital Health | 870 | 3.30% | Wil Research Lab | 690 | 3.27% |
| Ashland City Schools | 583 | 2.21% | Ashland City Schools | 678 | 3.22% |
| Ashland County Auditor | 481 | 1.82% | Ashland County Auditor | 506 | 2.40% |
| Pentair Flow Technologies | 332 | 1.26% | Pentair Pump Gourp | 490 | 2.33% |
| Staffmark Investment LLC | 328 | 1.24% | Wal-Mart Association | 427 | 2.03% |
| State of Ohio | 295 | 1.12% | City of Ashland | 346 | 1.64% |
| City of Ashland | 281 | 1.06% | State of Ohio | 307 | 1.46% |
| Packaging Corp of America | 252 | 0.95% | Packaging Corp | 152 | 0.72% |
| Total | 6,724 | 25.47% | Total | 6,650 | 31.56% |
| Total City Employees | 26,398 | | Total City Employees | 21,075 | |

Source: Income Tax Department, City of Ashland, Ohio

* Employers are listed by gross wages paid.

City of Ashland, Ohio

Financial Trends Information

Net Position by Component

Last Ten Years

(accrual basis of accounting)

| | 2018 | 2017 | 2016 | 2015 | Restated 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 22,751,827 | \$ 22,966,271 | \$ 23,179,172 | \$ 22,716,236 | \$ 17,422,128 | \$ 16,588,886 | \$ 16,986,579 | \$ 17,429,633 | \$ 16,855,976 | \$ 17,480,892 |
| Restricted | 7,969,404 | 5,827,078 | 4,516,239 | 4,753,974 | 4,154,526 | 5,112,823 | 4,870,075 | 5,247,071 | 4,697,276 | 5,041,024 |
| Unrestricted | (23,613,880) | (10,119,177) | (9,255,298) | (8,705,512) | (9,209,131) | 1,954,192 | 2,201,835 | 2,667,214 | 2,865,621 | 2,541,609 |
| Total Governmental Activities Net Position | 7,107,351 | 18,674,172 | 18,440,113 | 18,764,698 | 12,367,523 | 23,655,901 | 24,058,489 | 25,343,918 | 24,418,873 | 25,063,525 |
| Business-Type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | 25,407,010 | 25,586,911 | 25,872,307 | 25,687,775 | 25,785,110 | 25,443,512 | 24,787,398 | 24,249,832 | 23,585,113 | 22,448,977 |
| Unrestricted | 6,887,283 | 8,615,740 | 8,715,869 | 7,805,611 | 6,805,975 | 7,201,270 | 6,262,735 | 5,382,269 | 4,551,881 | 4,134,822 |
| Total Business-Type Activities Net Position | 32,294,293 | 34,202,651 | 34,588,176 | 33,493,386 | 32,591,085 | 32,644,782 | 31,050,133 | 29,632,101 | 28,136,994 | 26,583,799 |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 48,158,837 | \$ 48,553,182 | \$ 49,051,479 | 48,404,011 | 43,207,238 | 42,032,398 | 41,773,977 | 41,679,465 | 40,441,089 | 39,929,869 |
| Restricted | 7,969,404 | 5,827,078 | 4,516,239 | 4,753,974 | 4,154,526 | 5,112,823 | 4,870,075 | 5,247,071 | 4,697,276 | 5,041,024 |
| Unrestricted | (16,726,597) | (1,503,437) | (539,429) | (899,901) | (2,403,156) | 9,155,462 | 8,464,570 | 8,049,483 | 7,417,502 | 6,676,431 |
| Total Primary Government Net Position | \$39,401,644 | \$52,876,823 | \$53,028,289 | \$52,258,084 | \$44,958,608 | \$56,300,683 | \$55,108,622 | \$54,976,019 | \$52,555,867 | \$51,647,324 |

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

City of Ashland, Ohio

Financial Trends Information

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 839,367 | \$ 718,984 | \$ 692,816 | \$ 828,098 | \$ 881,080 | \$ 806,924 | \$ 889,651 | \$ 1,514,835 | \$ 1,487,776 | \$ 1,331,320 |
| Security of Persons and Property | 2,154,915 | 1,801,640 | 1,832,208 | 1,743,374 | 1,565,029 | 1,415,299 | 1,557,252 | 1,572,044 | 1,512,569 | 1,461,705 |
| Public Health | 3,928 | 34,016 | 46,367 | 168,653 | 68,751 | 174,157 | 238,699 | 216,045 | 241,702 | 399,078 |
| Leisure Time Services | 149,996 | 82,238 | 75,691 | 68,246 | 76,904 | 71,538 | 70,282 | 67,664 | 64,942 | 91,685 |
| Transportation | 18,551 | 17,363 | 21,016 | 21,114 | 31,361 | 24,044 | 249 | 305,695 | 319,728 | 364,678 |
| Community Development | 60,238 | 59,559 | 70,880 | 0 | 0 | 0 | 0 | 0 | 23,527 | 0 |
| Operating Grants, Contributions and Interest | 1,788,293 | 1,985,583 | 1,537,755 | 2,281,600 | 1,787,826 | 2,054,374 | 1,854,051 | 2,642,624 | 2,361,638 | 2,678,173 |
| Capital Grants, Contributions and Interest | 522,664 | 285,875 | 1,258,208 | 6,233,097 | 1,180,004 | 766,359 | 304,663 | 513,400 | 42,698 | 0 |
| Total Governmental Activities Program Revenues | 5,537,952 | 4,985,258 | 5,534,941 | 11,344,182 | 5,590,955 | 5,312,695 | 4,914,847 | 6,832,307 | 6,054,580 | 6,326,639 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Water | 3,627,622 | 3,554,769 | 3,377,257 | 3,313,754 | 3,595,280 | 3,640,755 | 3,298,482 | 3,571,678 | 3,540,445 | 3,616,111 |
| Sewer | 3,905,388 | 3,870,427 | 4,006,464 | 3,939,375 | 3,919,125 | 3,958,563 | 3,751,473 | 3,578,750 | 3,307,884 | 3,023,932 |
| Sanitation | 1,828,927 | 1,776,950 | 1,754,455 | 1,761,540 | 1,827,009 | 1,825,909 | 1,844,651 | 1,884,653 | 1,830,742 | 1,776,691 |
| Other | 960,986 | 948,025 | 941,970 | 963,237 | 945,384 | 965,428 | 1,015,271 | 959,143 | 1,026,093 | 1,047,545 |
| Operating Grants, Contributions and Interest | 43,355 | 0 | 0 | 251 | 0 | 0 | 0 | 0 | 0 | 2,128 |
| Capital Grants, Contributions and Interest | 0 | 0 | 158,210 | 0 | 82,089 | 290,546 | 297,557 | 295,005 | 453,322 | 317,918 |
| Total Business-Type Activities Program Revenues | 10,366,278 | 10,150,171 | 10,238,356 | 9,978,157 | 10,368,887 | 10,681,201 | 10,207,434 | 10,289,229 | 10,158,486 | 9,784,325 |
| Total Primary Government Program Revenues | 15,904,230 | 15,135,429 | 15,773,297 | 21,322,339 | 15,959,842 | 15,993,896 | 15,122,281 | 17,121,536 | 16,213,066 | 16,110,964 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | 6,022,361 | 5,371,248 | 4,627,063 | 4,100,811 | 4,551,037 | 4,556,731 | 4,873,750 | 5,341,766 | 5,618,313 | 4,901,152 |
| Security of Persons and Property | 10,797,877 | 9,093,099 | 8,674,504 | 7,968,424 | 7,529,505 | 6,976,843 | 6,961,052 | 6,836,097 | 6,965,365 | 7,171,283 |
| Public Health | 250,851 | 353,126 | 316,857 | 302,764 | 300,114 | 296,042 | 297,364 | 315,944 | 325,085 | 307,075 |
| Leisure Time Services | 1,377,402 | 1,026,708 | 874,829 | 868,634 | 939,238 | 894,106 | 1,131,083 | 1,181,955 | 1,323,969 | 1,197,605 |
| Transportation | 4,090,829 | 605,713 | 2,491,259 | 2,527,069 | 2,322,553 | 2,947,541 | 2,446,458 | 2,785,525 | 2,601,886 | 2,294,355 |
| Community Development | 311,042 | 4,693,766 | 276,464 | 353,745 | 634,148 | 446,357 | 574,802 | 455,576 | 465,674 | 363,379 |
| Interest and Fiscal Charges | 110,506 | 45,046 | 53,318 | 50,464 | 60,821 | 73,794 | 112,685 | 127,022 | 141,477 | 217,392 |
| Issuance Costs | 0 | 0 | 0 | 0 | 0 | 33,073 | 0 | 0 | 0 | 33,243 |
| Total Governmental Activities Expenses | 22,960,868 | 21,188,706 | 17,314,294 | 16,171,911 | 16,337,416 | 16,224,487 | 16,397,194 | 17,043,885 | 17,441,769 | 16,485,484 |
| Business-Type Activities: | | | | | | | | | | |
| Water | 3,791,780 | 3,891,852 | 3,300,071 | 3,421,921 | 3,303,647 | 3,656,554 | 3,372,372 | 3,470,157 | 3,546,848 | 3,750,067 |
| Sewer | 3,519,696 | 3,499,914 | 3,091,306 | 2,965,673 | 3,082,994 | 2,772,679 | 2,939,944 | 2,862,379 | 2,797,203 | 2,524,962 |
| Sanitation | 2,013,625 | 1,860,019 | 1,539,953 | 1,588,917 | 1,522,213 | 1,517,356 | 1,666,114 | 1,718,055 | 1,640,119 | 1,676,694 |
| Other | 1,155,776 | 1,228,273 | 1,121,451 | 1,273,854 | 961,090 | 1,036,704 | 978,837 | 887,047 | 816,880 | 1,353,645 |
| Total Business-Type Activities Expenses | 10,480,877 | 10,480,058 | 9,052,781 | 9,250,365 | 8,869,944 | 8,983,293 | 8,957,267 | 8,937,638 | 8,801,050 | 9,305,368 |
| Total Primary Government Expenses | 33,441,745 | 31,668,764 | 26,367,075 | 25,422,276 | 25,207,360 | 25,207,780 | 25,354,461 | 25,981,523 | 26,242,819 | 25,790,852 |

City of Ashland, Ohio

Financial Trends Information

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|------------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (17,422,916) | (16,203,448) | (11,779,353) | (4,827,729) | (10,746,461) | (10,911,792) | (11,482,347) | (10,211,578) | (11,387,189) | (10,158,845) |
| Business-Type Activities | (114,599) | (329,887) | 1,185,575 | 727,792 | 1,498,943 | 1,697,908 | 1,250,167 | 1,351,591 | 1,357,436 | 478,957 |
| Total Primary Government Net Expense | \$ (17,537,515) | \$ (16,533,335) | \$ (10,593,778) | \$ (4,099,937) | \$ (9,247,518) | \$ (9,213,884) | \$ (10,232,180) | \$ (8,859,987) | \$ (10,029,753) | \$ (9,679,888) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes | 1,212,361 | 1,095,238 | 1,072,104 | 990,421 | 1,085,428 | 1,116,594 | 1,076,792 | 1,139,664 | 1,081,107 | 1,164,661 |
| Income Taxes | 14,709,160 | 14,248,752 | 9,746,581 | 9,606,783 | 8,795,942 | 8,591,625 | 8,420,635 | 8,287,362 | 7,927,209 | 8,117,515 |
| Hotel Lodging Tax | 5,759 | 6,609 | 5,432 | 6,925 | 6,157 | 0 | 0 | 0 | 0 | 0 |
| Grants and Entitlements | 375,134 | 407,689 | 395,430 | 434,638 | 442,197 | 692,572 | 718,298 | 1,513,673 | 1,424,438 | 1,050,112 |
| Investment Earnings | 259,952 | 121,075 | 23,515 | 5,378 | 7,869 | 7,443 | 14,052 | 53,567 | 111,566 | 273,954 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 162,151 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 577,442 | 502,506 | 118,808 | 188,127 | 345,660 | 272,473 | 133,248 | 284,674 | 369,791 | 560,446 |
| Transfers | (60,000) | 55,638 | 92,898 | (169,519) | (180,399) | (143,793) | (166,107) | (135,213) | (171,574) | (68,552) |
| Total Governmental Activities | 17,079,808 | 16,437,507 | 11,454,768 | 11,224,904 | 10,502,854 | 10,536,914 | 10,196,918 | 11,143,727 | 10,742,537 | 11,098,136 |
| Business-Type Activities: | | | | | | | | | | |
| Gain on Sale of Assets | 30,081 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 11,348 | 0 | 2,113 | 4,990 | 240,756 | 26 | 1,758 | 8,303 | 24,185 | 6,235 |
| Transfers | 60,000 | (55,638) | (92,898) | 169,519 | 180,399 | 143,793 | 166,107 | 135,213 | 171,574 | 68,552 |
| Total Business-Type Activities | 101,429 | (55,638) | (90,785) | 174,509 | 421,155 | 143,819 | 167,865 | 143,516 | 195,759 | 74,787 |
| Total Primary Government | 17,181,237 | 16,381,869 | 11,363,983 | 11,399,413 | 10,924,009 | 10,680,733 | 10,364,783 | 11,287,243 | 10,938,296 | 11,172,923 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | (343,108) | 234,059 | (324,585) | 6,397,175 | (243,607) | (374,878) | (1,285,429) | 932,149 | (644,652) | 939,291 |
| Business-Type Activities | (13,170) | (385,525) | 1,094,790 | 902,301 | 1,920,098 | 1,841,727 | 1,418,032 | 1,495,107 | 1,553,195 | 553,744 |
| Primary Government Change in Net Position | \$ (356,278) | \$ (151,466) | \$ 770,205 | \$ 7,299,476 | \$ 1,676,491 | \$ 1,466,849 | \$ 132,603 | \$ 2,427,256 | \$ 908,543 | \$ 1,493,035 |

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

Note: 2017 amounts were not adjusted to reflect the implementation of GASB Statement No. 75.

City of Ashland, Ohio

Financial Trends Information

Program Revenues by Function/Program

Last Ten Years

(accrual basis of accounting)

| Function/Program | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 1,683,091 | \$ 1,087,345 | \$ 1,100,774 | \$ 1,320,930 | \$ 1,290,762 | \$ 1,174,124 | \$ 1,292,531 | \$ 1,989,892 | \$ 2,016,535 | \$ 1,741,248 |
| Security of Persons and Property | 2,410,529 | 2,232,468 | 1,982,292 | 1,998,403 | 1,783,807 | 1,501,904 | 1,700,731 | 1,756,354 | 1,778,552 | 1,644,348 |
| Public Health | 3,928 | 34,016 | 46,367 | 168,653 | 68,751 | 174,157 | 238,699 | 216,045 | 241,702 | 399,078 |
| Leisure Time Services | 250,031 | 134,095 | 98,887 | 88,310 | 125,179 | 95,251 | 114,681 | 621,367 | 250,486 | 537,183 |
| Community Development | 73,386 | 298,709 | 76,672 | 436,555 | 789 | 419,439 | 132,963 | 568,170 | 276,327 | 393,603 |
| Transportation | 1,116,987 | 1,198,625 | 2,229,949 | 7,331,331 | 2,321,667 | 1,947,820 | 1,435,242 | 1,680,479 | 1,490,978 | 1,611,179 |
| Total Governmental Activities | 5,537,952 | 4,985,258 | 5,534,941 | 11,344,182 | 5,590,955 | 5,312,695 | 4,914,847 | 6,832,307 | 6,054,580 | 6,326,639 |
| Business-Type Activities: | | | | | | | | | | |
| Water | 3,627,622 | 3,554,769 | 3,377,257 | 3,313,754 | 3,677,369 | 3,931,301 | 3,370,224 | 3,724,563 | 3,607,516 | 3,618,546 |
| Sewer | 3,905,388 | 3,870,427 | 4,164,674 | 3,939,626 | 3,919,125 | 3,958,563 | 3,977,288 | 3,657,377 | 3,694,135 | 3,341,164 |
| Sanitation | 1,828,927 | 1,776,950 | 1,754,455 | 1,761,540 | 1,827,009 | 1,825,909 | 1,844,651 | 1,884,653 | 1,830,742 | 1,776,691 |
| Other | 1,004,341 | 948,025 | 941,970 | 963,237 | 945,384 | 965,428 | 1,015,271 | 1,022,636 | 1,026,093 | 1,047,924 |
| Total Business-Type Activities | 10,366,278 | 10,150,171 | 10,238,356 | 9,978,157 | 10,368,887 | 10,681,201 | 10,207,434 | 10,289,229 | 10,158,486 | 9,784,325 |
| Total Primary Government | \$ 15,904,230 | \$ 15,135,429 | \$ 15,773,297 | \$ 21,322,339 | \$ 15,959,842 | \$ 15,993,896 | \$ 15,122,281 | \$ 17,121,536 | \$ 16,213,066 | \$ 16,110,964 |

City of Ashland, Ohio

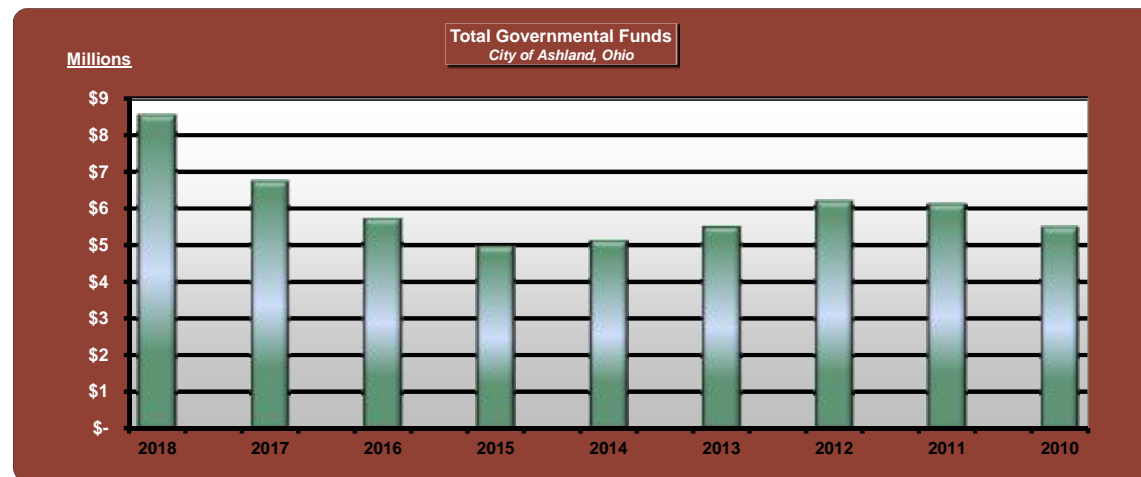
Financial Trends Information

Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Nondspendable | \$ 279,527 | \$ 251,210 | \$ 307,073 | \$ 107,612 | \$ 92,636 | \$ 93,163 | \$ 81,683 | \$ 85,412 | N/A | N/A |
| Committed | 0 | 0 | 0 | 0 | 0 | 0 | 4,758 | 3,020 | N/A | N/A |
| Assigned | 2,601,350 | 1,508,468 | 1,834,530 | 1,419,439 | 738,152 | 1,291,982 | 1,360,086 | 129,698 | N/A | N/A |
| Unassigned | 0 | 605,371 | 72,871 | 237,704 | 497,540 | (3,850) | (10,857) | 1,874,507 | N/A | N/A |
| Reserved | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 10,419 | \$ 19,913 |
| Unreserved | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 2,014,052 | 1,828,275 |
| Total General Fund | 2,880,877 | 2,365,049 | 2,214,474 | 1,764,755 | 1,328,328 | 1,381,295 | 1,435,670 | 2,092,637 | 2,024,471 | 1,848,188 |
| All Other Governmental Funds | | | | | | | | | | |
| Nondspendable | 241,168 | 173,818 | 338,353 | 225,667 | 210,879 | 171,544 | 232,366 | 249,725 | N/A | N/A |
| Restricted | 6,918,577 | 5,614,200 | 3,535,070 | 2,994,860 | 2,998,800 | 3,511,353 | 3,348,469 | 3,369,915 | N/A | N/A |
| Committed | 715,787 | 590,328 | 650,128 | 720,330 | 416,315 | 549,195 | 500,714 | 480,217 | N/A | N/A |
| Unassigned | (1,274,619) | (217,095) | 0 | 0 | 0 | (498,280) | (25,580) | (1,982) | N/A | N/A |
| Reserved | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 399,249 | 207,892 |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Funds | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 2,531,803 | 2,252,686 |
| Debt Service Funds | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 214,217 | 87,459 |
| Capital Projects Funds | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 925,284 | 1,077,765 |
| Total All Other Governmental Funds | 6,600,913 | 6,161,251 | 4,523,551 | 3,940,857 | 3,625,994 | 3,733,812 | 4,055,969 | 4,097,875 | 4,070,553 | 3,625,802 |
| Total Governmental Funds | \$ 9,481,790 | \$ 8,526,300 | \$ 6,738,025 | \$ 5,705,612 | \$ 4,954,322 | \$ 5,115,107 | \$ 5,491,639 | \$ 6,190,512 | \$ 6,095,024 | \$ 5,473,990 |



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

City of Ashland, Ohio

Financial Trends Information

Changes in Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| Revenues | | | | | | |
| Property Taxes | \$ 1,222,951 | \$ 1,092,133 | \$ 1,069,944 | \$ 1,037,877 | \$ 1,081,501 | \$ 1,109,885 |
| Income Taxes | 14,318,898 | 13,778,228 | 9,805,548 | 9,555,688 | 8,658,845 | 8,692,865 |
| Other Local Taxes | 5,759 | 6,609 | 5,432 | 6,925 | 6,157 | 0 |
| Charges for Services | 1,423,141 | 1,372,709 | 1,411,311 | 1,328,682 | 1,313,538 | 1,098,153 |
| Licenses and Permits | 60,238 | 59,579 | 70,901 | 54,541 | 43,066 | 23,778 |
| Fines and Forfeitures | 1,554,888 | 1,350,211 | 1,207,144 | 1,210,238 | 1,238,736 | 1,302,343 |
| Intergovernmental | 2,459,131 | 2,731,406 | 2,072,702 | 2,813,080 | 4,367,505 | 3,032,039 |
| Special Assessments | 0 | 289 | 181 | 358 | 3,389 | 0 |
| Rental Income | 81,832 | 68,517 | 71,724 | 68,091 | 79,450 | 82,961 |
| Interest | 314,678 | 128,172 | 35,211 | 10,154 | 12,566 | 14,752 |
| Contributions and Donations | 224,599 | 61,605 | 17,249 | 74,995 | 12,947 | 10,189 |
| Other | 571,572 | 364,936 | 118,806 | 188,127 | 338,583 | 272,473 |
| Total Revenues | 22,237,687 | 21,014,394 | 15,886,153 | 16,348,756 | 17,156,283 | 15,639,438 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General Government | 5,577,669 | 4,618,361 | 4,208,474 | 3,919,903 | 4,338,231 | 4,396,524 |
| Security of Persons and Property | 8,914,779 | 8,229,316 | 7,557,265 | 7,504,586 | 7,180,490 | 6,674,863 |
| Public Health | 241,255 | 310,283 | 301,367 | 304,879 | 300,114 | 296,042 |
| Leisure Time Services | 1,255,334 | 896,722 | 765,642 | 775,495 | 837,813 | 802,092 |
| Community Development | 292,337 | 574,282 | 264,303 | 353,130 | 631,993 | 437,033 |
| Transportation | 3,135,323 | 3,530,202 | 1,377,628 | 1,823,620 | 1,579,847 | 2,209,772 |
| Capital Outlay | 1,046,577 | 1,400,178 | 709,600 | 775,173 | 1,950,716 | 563,219 |
| Debt Service: | | | | | | |
| Principal Retirements | 1,216,105 | 670,000 | 165,000 | 242,290 | 424,164 | 418,282 |
| Interest and Fiscal Charges | 108,555 | 46,719 | 40,519 | 49,756 | 60,376 | 77,852 |
| Issuance Costs | 0 | 0 | 7,000 | 0 | 0 | 33,073 |
| Total Expenditures | 21,787,934 | 20,276,063 | 15,396,798 | 15,748,832 | 17,303,744 | 15,908,752 |
| Excess of Revenues Over (Under) Expenditures | 449,753 | 738,331 | 489,355 | 599,924 | (147,461) | (269,314) |
| Other Financing Sources (Uses) | | | | | | |
| Bond and Note Issuances | 411,053 | 1,000,000 | 500,000 | 0 | 0 | 0 |
| Premium on Debt Issued | 5,870 | 3,785 | 0 | 0 | 0 | 15,829 |
| Refunding Bonds Issued | 0 | 0 | 0 | 0 | 0 | 1,790,000 |
| Proceeds from Sale of Capital Assets | 128,135 | 269,521 | 73,058 | 322,975 | 9,182 | 0 |
| Insurance Recoveries | 20,679 | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 434,655 | 399,919 | 123,221 | 306,000 | 193,528 | 123,185 |
| Transfers Out | (494,655) | (623,281) | (153,221) | (477,609) | (216,034) | (266,978) |
| Payment to Refunded Bond Escrow Agent | 0 | 0 | 0 | 0 | 0 | (1,769,254) |
| Total Other Financing Sources (Uses) | 505,737 | 1,049,944 | 543,058 | 151,366 | (13,324) | (107,218) |
| Net Change in Fund Balances | \$ 955,490 | \$ 1,788,275 | \$ 1,032,413 | \$ 751,290 | \$ (160,785) | \$ (376,532) |
| Debt Service as a Percentage of Noncapital Expenditures | 6.49% | 3.85% | 1.54% | 3.17% | 3.13% | 3.45% |

| | 2012 | 2011 | 2010 | 2009 |
|----|------------|--------------|--------------|--------------|
| \$ | 1,099,577 | \$ 1,157,321 | \$ 1,052,925 | \$ 1,158,112 |
| | 8,312,982 | 8,166,672 | 7,927,130 | 7,840,484 |
| | 0 | 0 | 0 | 0 |
| | 1,489,025 | 2,543,025 | 2,440,271 | 2,666,577 |
| | 21,867 | 28,051 | 27,785 | 53,418 |
| | 1,179,434 | 1,063,998 | 1,067,750 | 1,082,464 |
| | 3,055,646 | 4,123,298 | 3,966,281 | 3,259,390 |
| | 0 | 0 | 23,527 | 0 |
| | 73,910 | 72,191 | 63,380 | 52,643 |
| | 21,087 | 53,951 | 111,602 | 274,215 |
| | 36,317 | 259,920 | 47,668 | 98,519 |
| | 139,277 | 195,116 | 289,756 | 503,340 |
| | 15,429,122 | 17,663,543 | 17,018,075 | 16,989,162 |
| | 4,673,945 | 5,119,520 | 5,455,386 | 5,044,994 |
| | 6,676,321 | 6,510,302 | 6,707,997 | 7,026,459 |
| | 297,364 | 315,944 | 325,085 | 307,075 |
| | 997,974 | 1,056,252 | 1,213,926 | 1,058,094 |
| | 579,507 | 445,004 | 483,674 | 364,060 |
| | 1,736,326 | 1,957,277 | 1,833,595 | 1,480,092 |
| | 506,080 | 1,561,427 | 861,743 | 1,065,698 |
| | 394,966 | 424,089 | 183,269 | 414,560 |
| | 111,947 | 126,813 | 117,998 | 213,663 |
| | 0 | 0 | 20,026 | 33,243 |
| | 15,974,430 | 17,516,628 | 17,202,699 | 17,007,938 |
| | (545,308) | 146,915 | (184,624) | (18,776) |
| | 0 | 0 | 835,000 | 0 |
| | 0 | 0 | 30,629 | 57,106 |
| | 0 | 0 | 0 | 0 |
| | 0 | 90,890 | 48,486 | 0 |
| | 0 | 0 | 0 | 0 |
| | 197,378 | 773,806 | 542,449 | 725,959 |
| | (350,943) | (909,019) | (650,906) | (793,149) |
| | 0 | 0 | 0 | 0 |
| | (153,565) | (44,323) | 805,658 | (10,084) |
| \$ | (698,873) | \$ 102,592 | \$ 621,034 | \$ (28,860) |
| | 3.28% | 3.45% | 1.85% | 3.95% |

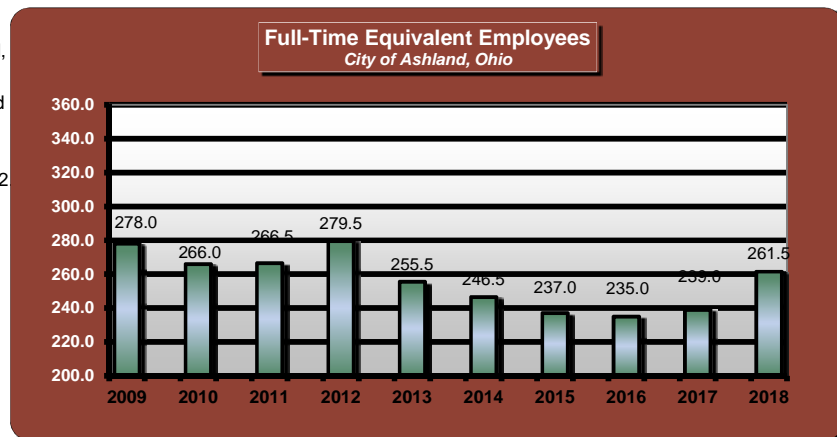
City of Ashland, Ohio

Operating Information

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Function/Program | | | | | | | | | | |
| General Government: | | | | | | | | | | |
| Council | 3.5 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3.5 |
| Mayor | 3 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2 | 2 | 2 | 3 |
| Finance | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Law | 4 | 5 | 4 | 4.5 | 4.5 | 5 | 5 | 0 | 5 | 5 |
| Engineering | 5 | 4 | 4 | 4 | 4 | 4 | 5 | 0 | 4.5 | 4.5 |
| Building and Zoning | 2.5 | 2 | 2 | 2 | 2 | 2.5 | 2.5 | 2.5 | 2.5 | 3.5 |
| Human Resources | 2.5 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2.5 | 2.5 |
| Income Tax | 3.5 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 4 | 4 |
| Municipal Court | 35.5 | 30 | 41 | 39.5 | 34.5 | 34 | 27.5 | 28 | 30.5 | 31 |
| Municipal Court Community Corrections | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Municipal Court Probation | 3 | 3 | 2 | 2 | 2 | 1 | 0 | 0 | 0 | 0 |
| Security of Persons and Property: | | | | | | | | | | |
| Police | 38.5 | 40 | 36 | 32 | 34.5 | 33.5 | 35 | 35.5 | 36.5 | 38.5 |
| Fire | 37 | 35 | 36 | 35 | 37 | 34 | 36 | 34 | 38 | 41 |
| Recreation: | | | | | | | | | | |
| Golf Course | 15 | 11 | 12.5 | 31.5 | 12.5 | 13 | 11 | 12 | 10.5 | 4.5 |
| Park | 23 | 16.5 | 19.5 | 19.5 | 16 | 14 | 12.5 | 14 | 9 | 8 |
| Swimming Pool | 10 | 10.5 | 9 | 10 | 10 | 10 | 10.5 | 13 | 0 | 0 |
| Service: | | | | | | | | | | |
| Building Maintenance | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Economic Development | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Justice Center Maintenance | 1 | 1.5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Maintenance | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 |
| Transit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 7.5 |
| Sanitation | 14 | 18 | 14 | 13 | 11 | 10 | 9 | 12 | 12 | 15 |
| Sewer | 4 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 |
| Street Maintenance | 20 | 20 | 18 | 15 | 18 | 16 | 18 | 18 | 16 | 21 |
| Technical Services | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water Distribution | 12 | 13 | 13 | 12 | 14 | 13 | 15 | 15 | 14 | 17 |
| Water Pollution | 15 | 14 | 14 | 15 | 15 | 17 | 11 | 12 | 13 | 15 |
| Water Treatment | 13 | 14 | 13 | 16 | 13 | 13 | 13 | 13 | 13 | 13 |
| Total Number of Employees | 278.0 | 266.0 | 266.5 | 279.5 | 255.5 | 246.5 | 237.0 | 235.0 | 239.0 | 261.5 |

Source: Finance Division, City of Ashland,
Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee. Count taken from W-2s.
 Some employees have more than one W-2



CITY OF ASHLAND, OHIO

Operating Information

Operating Indicators by Function/Program

Last Ten Years

| Function/Program | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------|--------------|--------------|---------------|--------------|
| General Government | | | | | |
| Construction Permits Issued (1) | 10 | 4 | 10 | 7 | 8 |
| Estimated Value of Construction (1) ** | \$ 11,817,000 | \$ 8,036,000 | \$ 6,080,367 | \$ 21,951,000 | \$ 1,833,000 |
| Total Cases Filed (2) | 11,970 | 9,970 | 8,685 | 10,287 | 12,117 |
| Fines Collected (2) | \$ 3,537,620 | \$ 3,148,140 | \$ 2,965,795 | \$ 3,027,596 | \$ 3,319,318 |
| Economic Development Projects (3) | 114 | 100 | 85 | 85 | 70 |
| Purchase Orders Issued (4) | 3,224 | 3,411 | 3,053 | 3,373 | 3,316 |
| Number of W-2 Forms Issued (4) | 281 | 286 | 336 | 321 | 317 |
| Police (5) | | | | | |
| Total Incidents | 22,804 | 17,574 | 16,471 | 14,050 | 15,182 |
| Total Arrests | 1,228 | 1,219 | 1,160 | 1,352 | 1,917 |
| Hours of Training | 858 | 928 | 501 | 255 | 519 |
| Total Citations | 696 | 596 | 467 | 680 | 714 |
| Parking Tickets | 163 | 222 | 129 | 317 | 383 |
| Parking Ticket Fines Collected | \$ 2,690 | \$ 2,170 | \$ 2,125 | \$ 6,135 | \$ 7,345 |
| Fire (6) | | | | | |
| Fire Calls | 644 | 820 | 709 | 695 | 622 |
| EMS Calls | 3,533 | 3,322 | 3,516 | 3,288 | 3,091 |
| Total People Reached (Fire Safety Classes) | 2,440 | 879 | 719 | 1,660 | 1,321 |
| Hours of Training | 10,302 | 6,635 | 0 | 4,016 | 6,269 |
| Fire Loss | \$ 735,250 | \$ 549,310 | \$ 557,550 | \$ 837,095 | \$ 867,945 |
| Public Service | | | | | |
| Tons of snow melting salt used (7) | 3,569 | 1,766 | 1,768 | 4,103 | 4,545 |
| Leaves picked up (cubic yards) (7) | 5,582 | 4,115 | 6,087 | 6,547 | 8,562 |
| Diesel Fuel Used (gal.) (7)* | 39,356 | 38,337 | 36,155 | 39,529 | 35,215 |
| Unleaded Fuel Used (gal.) (7)* | 67,219 | 60,526 | 58,077 | 59,949 | 56,995 |
| Total Water Customers (8) | 7,788 | 7,800 | 7,459 | 7,417 | 7,422 |
| Water Receipts (8) | \$ 3,175,452 | \$ 3,197,685 | \$ 3,252,330 | \$ 3,212,132 | \$ 3,183,643 |
| Sewer Receipts (8) | \$ 3,848,440 | \$ 3,881,902 | \$ 3,947,990 | \$ 3,912,822 | \$ 3,898,115 |
| Refuse Receipts (8) | \$ 1,658,399 | \$ 1,635,655 | \$ 1,642,504 | \$ 1,621,356 | \$ 1,643,962 |
| Number of trees removed (9) | 355 | 596 | 304 | 470 | 611 |
| Number of trees planted (9) | 15 | 32 | 84 | 90 | 59 |
| Transports (10) | 32,849 | 45,079 | 29,700 | 30,573 | 35,360 |
| Miles Transported (10) | 163,056 | 151,648 | 151,736 | 154,024 | 155,901 |
| Recreation (11) | | | | | |
| Number of Brookside Pool Memberships | 154 | 145 | 149 | 124 | 123 |
| Number of Parks | 15 | 15 | 15 | 15 | 15 |
| Size of Parks (Acres) | 443 | 443 | 443 | 443 | 443 |
| Number of Golf Courses | 1 | 1 | 1 | 1 | 1 |

(Continued)

CITY OF ASHLAND, OHIO

Operating Information

Operating Indicators by Function/Program

Last Ten Years

(Continued)

| Function/Program | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------------|--------------|--------------|--------------|---------------|
| General Government | | | | | |
| Construction Permits Issued (1) | 15 | 9 | 6 | 9 | 10 |
| Estimated Value of Construction (1) | \$ 36,431,000 | \$ 1,624,000 | \$ 1,083,000 | \$ 1,213,300 | \$ 22,987,925 |
| Total Cases Filed (2) | 11,212 | 12,325 | 13,265 | 11,265 | 11,866 |
| Fines Collected (2) | \$ 3,477,423 | \$ 3,307,294 | \$ 3,068,278 | \$ 3,076,082 | \$ 2,933,817 |
| Economic Development Projects (3) | 75 | 54 | 40 | 46 | 45 |
| Purchase Orders Issued (4) | 3,568 | 977 | 546 | 735 | 473 |
| Number of W-2 Forms Issued (4) | 322 | 326 | 332 | 336 | 346 |
| Police (5) | | | | | |
| Total Incidents | 15,240 | 16,660 | 16,554 | 16,939 | 18,704 |
| Total Arrests | 1,252 | 1,339 | 390 | 1,319 | 1,208 |
| Hours of Training | 394 | 530 | 785 | 1,592 | 549 |
| Total Citations | 879 | 1,086 | 935 | 1,264 | 1,082 |
| Parking Tickets | 285 | 250 | 305 | 378 | 379 |
| Parking Ticket Fines Collected | \$ 5,550 | \$ 4,905 | \$ 7,220 | \$ 7,235 | \$ 7,863 |
| Fire (6) | | | | | |
| Fire Calls | 541 | 641 | 572 | 543 | 538 |
| EMS Calls | 2,897 | 3,058 | 3,230 | 2,988 | 3,016 |
| Total People Reached (Fire Safety Classes) | 732 | 767 | 601 | 386 | 1,678 |
| Hours of Training | 4,170 | 4,679 | 3,304 | 3,792 | 4,931 |
| Fire Loss | \$ 1,286,837 | \$ 572,215 | \$ 5,952,090 | \$ 902,210 | \$ 919,800 |
| Public Service | | | | | |
| Tons of snow melting salt used (7) | 3,589 | 2,419 | 4,927 | 4,041 | 4,800 |
| Leaves picked up (cubic yards) (7) | 5,637 | 6,707 | 4,823 | 6,240 | 8,818 |
| Diesel Fuel Used (gal.) (7)* | 35,476 | 35,483 | 36,371 | 35,942 | 30,245 |
| Unleaded Fuel Used (gal.) (7)* | 59,409 | 58,964 | 56,164 | 53,594 | 49,236 |
| Total Water Customers (8) | 7,354 | 7,257 | 7,613 | 7,820 | 7,218 |
| Water Receipts (8) | \$ 3,188,513 | \$ 3,244,157 | \$ 2,967,778 | \$ 3,109,373 | \$ 3,214,130 |
| Sewer Receipts (8) | \$ 3,834,517 | \$ 3,766,871 | \$ 3,276,106 | \$ 3,179,785 | \$ 2,854,567 |
| Refuse Receipts (8) | \$ 1,654,312 | \$ 1,795,853 | \$ 1,538,533 | \$ 1,684,341 | \$ 1,706,628 |
| Number of trees removed (9) | 217 | 272 | 302 | 176 | 185 |
| Number of trees planted (9) | 121 | 110 | 309 | 275 | 219 |
| Transports (10) | 34,741 | 32,116 | 34,012 | 33,899 | 27,158 |
| Miles Transported (10) | 159,207 | 162,417 | 138,830 | 130,611 | 129,990 |
| Recreation (11) | | | | | |
| Number of Brookside Pool Memberships | 118 | 166 | 159 | 129 | 147 |
| Number of Parks | 15 | 15 | 15 | 15 | 14 |
| Size of Parks (Acres) | 443 | 443 | 443 | 443 | 418 |
| Number of Golf Courses | 1 | 1 | 1 | 1 | 1 |

* Fuel statistics are estimates.

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

Sources: (1) City of Ashland Building and Zoning Department

(2) City of Ashland Municipal Court

(3) City of Ashland Economic Development

(4) City of Ashland Finance Division

(5) City of Ashland Police Department

(6) City of Ashland Fire Department

(7) City of Ashland Street Department

(8) City of Ashland Water and Sanitation Division

(9) City of Ashland Arborist Division

(10) City of Ashland Transit Division

(11) City of Ash

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

CITY OF ASHLAND, OHIO

Operating Information

Capital Asset Statistics by Function/Program

Last Ten Years

| Function/Program | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General Government | | | | | | | | | | |
| (1) Square Footage Occupied (Municipal Bld) | 21,726 | 21,726 | 21,726 | 21,726 | 21,726 | 21,726 | 21,726 | 21,726 | 21,726 | 21,726 |
| (3) Engineering Vehicles | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 2 | 2 |
| (3) Other Departmental Vehicles | 8 | 9 | 7 | 7 | 6 | 6 | 7 | 7 | 7 | 6 |
| Police | | | | | | | | | | |
| (1) Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| (1) Square Footage of Building | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| (3) Vehicles | 28 | 21 | 18 | 22 | 22 | 23 | 21 | 19 | 23 | 20 |
| Fire Station | | | | | | | | | | |
| (1) Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| (1) Square Footage of Building | 15,377 | 15,377 | 15,377 | 15,377 | 15,377 | 15,377 | 15,377 | 15,377 | 15,377 | 15,377 |
| (3) Vehicles | 19 | 19 | 17 | 18 | 18 | 18 | 17 | 17 | 16 | 18 |
| Other Public Works | | | | | | | | | | |
| (4) Streets (miles) | 110 | 91 | 91 | 91 | 115 | 115 | 115 | 115 | 115 | 97 |
| * Streetlights | 94 | * | * | * | * | * | * | * | * | * |
| (4) Traffic Signals (includes flashing) | 37 | 37 | 38 | 38 | 39 | 38 | 38 | 37 | 37 | 31 |
| (3) Public Service Vehicles | 83 | 83 | 83 | 86 | 87 | 82 | 79 | 80 | 85 | 89 |
| Recreation | | | | | | | | | | |
| (2) Number of Parks | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 14 |
| (3) Vehicles | 22 | 22 | 23 | 22 | 23 | 29 | 32 | 35 | 36 | 22 |
| Water | | | | | | | | | | |
| (1) Water mains (miles) | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 |
| (1) Fire hydrants | 926 | 923 | 923 | 921 | 921 | 921 | 921 | 920 | 920 | 920 |
| Wastewater | | | | | | | | | | |
| (1) Sanitary Sewers (miles) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| (1) Storm Sewers (miles) | 68 | 68 | 68 | 67 | 67 | 67 | 67 | 66 | 66 | 66 |
| Transit | | | | | | | | | | |
| (3) Vehicles | 10 | 9 | 9 | 8 | 8 | 9 | 9 | 9 | 9 | 10 |

Source:

- (1) Ashland City Engineering Dept
- (2) Ashland City Park Dept
- (3) Ashland City Finance Dept - Asset Report
- (4) Street Dept (2011 - included flashing signals also)

* Streetlights are owned by the Electric Company

**CITY OF ASHLAND
ASHLAND COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

**CITY OF ASHLAND
ASHLAND COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

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

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

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ashland, Ashland County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Ashland's basic financial statements and have issued our report thereon date June 26, 2019, wherein we noted as discussed in Note 2, the City of Ashland adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, as discussed in Note 2, the City of Ashland determined that a certain nonmajor enterprise fund, no longer met the criteria mandating it to be an enterprise fund, and thus, reclassified this fund within a nonmajor governmental fund.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Julian & Grube, Inc.
June 26, 2019

OHIO AUDITOR OF STATE KEITH FABER



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
SEPTEMBER 17, 2019**