

CITY OF ASHTABULA
ASHTABULA COUNTY, OHIO

**BASIC FINANCIAL STATEMENTS AND AUDIT
REPORTS**

FOR THE YEAR ENDED DECEMBER 31, 1999





STATE OF OHIO
OFFICE OF THE AUDITOR
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Members of City Council
City of Ashtabula
Ashtabula, Ohio

We have reviewed the Independent Auditor's Report of the City of Ashtabula, Ashtabula County, prepared by S. R. Snodgrass, A. C., for the audit period January 1, 1999 to December 31, 1999. 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 Ashtabula is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

August 15, 2000

City of Ashtabula, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 1999
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REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



Members of Council
City of Ashtabula, Ohio

We have audited the accompanying basic financial statements of the City of Ashtabula, Ashtabula County, Ohio, as of and for the year ended December 31, 1999, as listed in the table of contents. These basic financial statements are the responsibility of the City of Ashtabula's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Ashtabula, Ashtabula County, Ohio, as of December 31, 1999, and the results of its activities, operations and cash flows of its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

As described in Note 3, the City adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, as of January 1, 1999. In addition, as described in Note 3, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as January 1, 1999.

Members of Council
City of Ashtabula, Ohio

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2000, on our consideration of the City of Ashtabula, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Required Supplemental Information

The Management's Discussion and Analysis on pages 3-12 is not a required part of the basic financial statements but is supplemental information required by the Governmental Auditing Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Combining Financial Statements and Individual Fund Schedules

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City of Ashtabula, Ohio, taken as a whole. The accompanying information identified in the table of contents as combining financial statements and individual fund schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Schedule of Expenditures of Federal Awards

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

S. R. Snodgrass, A. C.

Ashtabula, Ohio
June 20, 2000

City of Ashtabula
Management's Discussion and Analysis
For the Year Ended December 31, 1999
Unaudited

The discussion and analysis of The City of Ashtabula's financial performance provides an overall review of the City's financial activities for the year ended December 31, 1999. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 1999 are as follows:

- ◆ In total, net assets increased \$1.8 million. Net assets of governmental activities increased \$1.7 million, which represents a 10 percent increase from 1998. Net assets of business-type activities increased \$100,000 or 1.0 percent from 1998.
- ◆ Total assets of governmental activities increased \$1.7 million, which represents a 6.2 percent increase from 1998.
- ◆ Total liabilities decreased by \$100,000, which is attributable to the business-type activities.
- ◆ In total, cash and cash equivalents increased \$1.7 million or 25.9 percent. Total cash and cash equivalents of governmental activities increased \$1.6 million or 28.4 percent, while cash and cash equivalents in our business-type activities increased over \$100,000 or 11 percent.
- ◆ Overall, the book value of capital assets increased by over \$700,000. Total capital assets from governmental activities increased by \$600,000 or 3.9 percent. Capital assets of business-type activities increased by over \$100,000 or 1 percent.
- ◆ On a modified accrual basis, city income tax revenue has increased an average of 4.1 percent per year for the last five years.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Ashtabula as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major 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 dollars remain 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.

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Reporting the City of Ashtabula as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did we do financially during 1999?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. This change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

- ◆ **Governmental Activities** - Most of the City's services are reported here including police, fire, administration, and all departments with the exception of our Wastewater Treatment Fund.
- ◆ **Business-Type Activities** - These services have a charge based upon the amount of usage. The City charges fees to recoup the cost of the entire operations of our Wastewater Treatment Plant as well as all capital expenses associated with the facility.
- ◆ **Component Unit** - The City includes the Ashtabula Port Authority in its report. Although legally separate, this component unit is important because it is fiscally dependent on the City.

Reporting the City of Ashtabula's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 16. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Ashtabula, our major funds are the General, Community Development Block Grant, Street Maintenance and Repair, Sanitation, Debt Service and Permanent Improvements.

Governmental Funds Most of the City's activities are reported in the 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 the 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 on services provided to our residents. The relationship (or

City of Ashtabula
Management's Discussion and Analysis
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differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

The City of Ashtabula as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 1999 compared to 1998.

(Table 1)
Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	1999	1998	1999	1998	1999	1998
Assets						
Current and Other Assets	\$13.1	\$12.0	\$2.2	\$2.3	\$15.3	\$14.3
Capital Assets, Net	16.0	15.4	10.3	10.2	26.3	25.6
<i>Total Assets</i>	<u>29.1</u>	<u>27.4</u>	<u>12.5</u>	<u>12.5</u>	<u>41.6</u>	<u>39.9</u>
Liabilities						
Current and Other Liabilities	(2.8)	(3.1)	(0.1)	(0.2)	(2.9)	(3.3)
Long-Term Liabilities:						
Due Within One Year	(2.0)	(1.7)	(0.2)	(0.2)	(2.2)	(1.9)
Due in More Than One Year	(5.1)	(5.1)	(2.0)	(2.0)	(7.1)	(7.1)
<i>Total Liabilities</i>	<u>(9.9)</u>	<u>(9.9)</u>	<u>(2.3)</u>	<u>(2.4)</u>	<u>(12.2)</u>	<u>(12.3)</u>
Net Assets						
Invested in Capital						
Assets Net of Debt	12.5	12.0	8.4	8.2	20.9	20.2
Restricted:						
Capital Projects	0.6	0.4	0.0	0.0	0.6	0.4
Debt Service	1.0	0.9	0.0	0.0	1.0	0.9
Other Purposes	1.9	2.3	0.0	0.0	1.9	2.3
Unrestricted	3.3	2.0	1.8	1.9	5.1	3.9
<i>Total Net Assets</i>	<u>\$19.3</u>	<u>\$17.6</u>	<u>\$10.2</u>	<u>\$10.1</u>	<u>\$29.5</u>	<u>\$27.7</u>

City of Ashtabula
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Total assets increased \$1.7 million. Equity in pooled cash and cash equivalents increased \$1.7 million. This increase reflects an effort to set aside cash to meet longer term obligations such as termination benefits and medical and workers' compensation claims.

Net assets of the City's governmental activities increased by \$1.7 million, with unrestricted net assets increasing \$1.3 million. This increase is a reflection of our increased collections in our City income tax. Although we have not increased the tax rate percentage, the growth in our City and surrounding townships have made our tax base expand. Each homeowner in the City is required to pay city income tax on wages earned if they work in a locality that does not have an income tax. Ashtabula Township, which borders our City has experienced substantial growth with the building of a new mall and all the businesses that want to be in or near a mall. Residents of Ashtabula City who work in or around this mall pay City of Ashtabula income tax, since there is no income tax in the township.

The City of Ashtabula has also worked very hard on reducing current liabilities and on stabilizing short and long-term liabilities. As an example, the City established a program five years ago to purchase a portion of unused sick time from any employee who had a balance in excess of 960 hours. The program was designed to be offered at the end of each year if the City auditor determines the cash is available for the buy-out. This program has now been offered for five consecutive years, reducing our long-term liability by over \$650,000. This program is a win-win situation for the employees and the City. The employee has the option of taking these dollars and investing in the Deferred Compensation Program which offers many mutual fund options as well as fixed income programs if desired by the employee. The City wins as we are buying these hours of accumulated sick leave at today's hourly rate of pay instead of the employee's hourly rate at some point in the future.

The net assets of the City's business type activities increased by \$100,000 or 1.0 percent. With usage rates generating revenue which reasonably matches expenses, the financial condition of the business type activity is relatively constant. The City continues to invest heavily in our wastewater treatment facility, which is our only business type activity. Continual upgrades to the plant and the sewer lines carrying the flow to the plant have been our top priority for at least the last ten years. In the early 90's, the Ohio EPA fined the City for not being in compliance with State's minimum requirements. We have since brought our facility into compliance and were recently awarded a certificate by the Ohio EPA for the turn around our facility has completed. Although a one percent increase in net assets may not seem that impressive, the reader must remember that this number is net of accumulated depreciation for all capital assets included in our business type activity and that the City's intent is not to profit from this operation, but to recover costs.

City of Ashtabula
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Table 2 shows the changes in net assets for the year ended December 31, 1999. Since this is the first year the City has prepared financial statements following GASB Statement 34, revenue and expense comparisons to 1998 are not available.

(Table 2)
Changes in Net Assets
(In Millions)

	Governmental Activities 1999	Business-Type Activities 1999	Total 1999
Revenues			
Program Revenues			
Charges for Services	\$1.9	\$2.6	\$4.5
Operating Grants, Contributions and Interest	1.2	0.0	1.2
Capital Grants and Contributions	0.3	0.6	0.9
General Revenues			
Property Taxes	2.2	0.0	2.2
Income Taxes	6.1	0.0	6.1
Grants and Entitlements	2.0	0.0	2.0
Other	1.0	0.0	1.0
<i>Total Revenues</i>	<u>14.7</u>	<u>3.2</u>	<u>17.9</u>
Program Expenses			
General Government:			
Legislative and Executive	2.2	0.0	2.2
Judicial System	0.7	0.0	0.7
Security of Persons and Property:			
Police	3.2	0.0	3.2
Fire	2.3	0.0	2.3
Public Health Services	0.2	0.0	0.2
Street Maintenance and Repairs	1.5	0.0	1.5
Housing and Community Development	0.9	0.0	0.9
Sanitation Services	1.8	0.0	1.8
Leisure Time Activities	0.0	0.0	0.0
Interest and Fiscal Charges	0.2	0.0	0.2
Wastewater Treatment	0.0	3.1	3.1
<i>Total Expenses</i>	<u>13.0</u>	<u>3.1</u>	<u>16.1</u>
<i>Increase in Net Assets</i>	<u>\$1.7</u>	<u>\$0.1</u>	<u>\$1.8</u>

City of Ashtabula
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Governmental Activities

Several revenues sources fund our Governmental Activities with the City income tax being the biggest contributor. The income tax rate of 1.8 percent was renewed by a vote of our citizens in 1999, which took effect January of 2000. This tax renewal is good for three years or until December of 2003. The Income tax revenue for 1999 exceeded \$6.1 million. General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. With the combination of income tax and intergovernmental funding 62 percent of all expenses in the Governmental Activities, the City monitors both of these revenue sources very closely for fluctuations.

The City has been able to increase our income tax collections approximately three percent per year for the last five years. This has been especially important because of the loss of industry such as Reliance Electric who took two hundred well paying jobs and sent them to Mexico. But despite this and a few smaller displacements, our tax base has continued to grow with many new small shops, stores, and other industry expanding in our City. The City of Ashtabula has been very aggressive in 1999 collecting delinquent income tax. Five new cases per week are being filed in the Ashtabula Municipal Court against people who have filed returns stating money was owed, and then never paid these taxes. I expect this level of enforcement to continue in the future as our City council has been monitoring the progress on this program. Local government funding from the State fluctuates based on the economic condition of the State and has been increasing steadily.

Security of persons and property and sanitation services are major activities of the City, generating 56 percent of governmental expenses. Several changes made in these departments, including a complete restructuring of our police department based upon a study by a group known as the Ohio Police Chiefs Association, which was contracted by the City, have proved very successful. The amount of overtime has been reduced as well as the number of Captains and Sergeants, without reducing personnel. Through attrition, the City has replaced the Captains and Sergeants positions with new patrolman, which is what our citizens requested. The fire department has worked with the City in reducing costs or holding costs in line with training being done in house, restricted use of comp time, and discipline for abuse of sick time. The City does monitor the police and fire department budgets very closely as these two departments use a significant amount of general revenues. A restructuring of our sanitation department including the combining of jobs has proven to be effective in holding the line on the cost of picking up and transferring resident's trash.

Although the City has worked very hard on increasing our income tax base by being proactive with new businesses in our City and reducing cost department by department, we still strive to provide a better service at a lower cost per man-hour. The ability of the City to continue to provide quality services without income tax increases rests on City management's ability to keep these costs in line.

Business-Type Activities

The City's only business-type activity is our Wastewater Treatment Facility. This plant treats sewage from the City of Ashtabula and surrounding townships. This plant generated revenues in excess of \$2.6 million and had expenses of \$3.1 million. Our expenses are monitored to coincide with our revenues so that at the end of the year, we are looking at our cash balance, which the City has tried to maintain at \$1 million or approximately one third of the annual budget. During 1999, the City received capital grant money from OPWC for its Wastewater Treatment Facility. The Wastewater Treatment Facility has also undergone a \$2 million dollar renovation, which was financed by a loan from OWDA. This loan originated just as our previous loan for

City of Ashtabula
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renovations from twenty years ago was paid in full. This renovation and updating process is a continuous process and I foresee a borrow and build plan in effect for many years. The City has been able to keep rates low because of increased revenues from adding additional flow from new construction of businesses and homes in our county. The Wastewater Treatment Facility receives no support from tax revenues.

The City's Funds

Information about the City's major governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$14.5 million and expenditures of \$14 million. The most significant change in our funds is the increase in cash on hand.

The fund balance of the general fund remained relatively constant, increasing by slightly more than \$100,000. While revenues exceeded expenditures by \$1.3 million, much of the excess was transferred to other funds. These funds used the transfers for street maintenance, trash collection, permanent improvements and for payment of pension obligations. This was the only governmental fund where the difference between revenues and expenses was significant.

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 1999, the City amended its general fund budget numerous times, none significant. All recommendations for a budget change come from the City Auditor to the Finance and Ordinance committee of Council for review before going to the whole council for ordinance enactment on the change. The City does allow small inter-departmental budget changes that modify line items within departments within the same fund. With the general fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

For the general fund, original budgeted revenues were \$8.4 million. The final budgeted amount was in excess of \$9.1 million. Of this \$700,000 difference, most was due to conservative tax, intergovernmental, and fines and forfeitures estimates.

Much of the conservative estimate was offset as the original appropriations were gradually increased during the year as revenue projections were surpassed. Salary cost proved to be higher than anticipated in the original budget. The comp time and sick time buy-back program increased these salary figures.

The City of Ashtabula's ending unencumbered cash balance in the general fund was \$238,000 above the final budgeted amount.

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Capital Assets and Debt Administration

Capital Assets

Table 3
Capital Assets at December 31, 1999
 (Net of Depreciation, in Millions)

	Governmental Activities		Business-Type Activities		Total	
	1999	1998	1999	1998	1999	1998
Land	\$1.2	\$1.2	\$0.0	\$0.0	\$1.2	\$1.2
Buildings and Improvements	5.6	5.7	4.5	4.7	10.1	10.4
Equipment	0.5	0.3	0.6	0.6	1.1	0.9
Vehicles	1.2	1.3	0.1	0.1	1.3	1.4
Construction in Progress	0.3	0.0	0.5	0.7	0.8	0.7
Infrastructure						
Bridges	2.2	2.2	0.0	0.0	2.2	2.2
Roads	3.0	3.0	0.0	0.0	3.0	3.0
Storm Sewer	1.5	1.3	0.0	0.0	1.5	1.3
Traffic Lights	0.5	0.3	0.0	0.0	0.5	0.3
Sanitary Sewer System	0.0	0.0	4.6	4.1	4.6	4.1
Construction in Progress	0.0	0.1	0.0	0.0	0.0	0.1
Totals	\$16.0	\$15.4	\$10.3	\$10.2	\$26.3	\$25.6

The primary increases occurred in Infrastructure. These improvements were part of the City's long-term goal of completely rebuilding the infrastructure of our City from roads and bridges through storm and sanitary sewers. With the increased cash flow from such items as local income tax and local government funds, we have had more dollars to use as matching grant dollars to do these expensive infrastructure projects. Even though grants are gradually increasing the required percentage of local matching funds, such as Issue II funds increasing from a 30 percent match to a 40 percent match, the City of Ashtabula has been aggressively seeking these grant dollars knowing that we have the local match dollars available. The major project during 1999 was the Benefit Avenue/West 38th Street Sewer project.

As of December 31, 1999, Council has committed \$500,000 per year for five years to use as matching money for five consecutive Issue II projects to continue the rebuilding of the sanitary sewers. The City will also continue to utilize grant money with matching permanent improvement property tax money that the City has budgeted each year for street improvements. The City retained Burgess and Niple engineering firm to prepare this five-year plan. Starting in the year 2000, we will begin in the Bunker Hill area which is the farthest point in our City from our treatment facility and work our way towards our Wastewater Treatment Plant repairing or replacing sections of sanitary and storm sewer lines as needed based on the televising project currently under way.

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Debt

At December 31, 1999 the City of Ashtabula had \$9.3 million in bonds, notes, claims, judgments, and compensated absences outstanding, \$2.2 million due within one year.

Table 4
Outstanding Debt at Year End
(In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
General Obligation Bonds	\$2.8	\$3.0	\$0.0	\$0.0	\$2.8	\$3.0
Urban Renewal Revenue Bonds	0.4	0.5	0.0	0.0	0.4	0.5
Special Assessment Bonds	0.1	0.1	0.0	0.0	0.1	0.1
OPWC Loan	0.2	0.0	0.0	0.0	0.2	0.0
Police and Fire Loan	0.7	0.8	0.0	0.0	0.7	0.8
Claims Payable	0.5	0.5	0.0	0.0	0.5	0.5
Judgments Payable	0.5	0.0	0.0	0.0	0.5	0.0
Compensated Absences	1.9	1.9	0.3	0.2	2.2	2.1
OWDA Loan Payable	0.0	0.0	1.9	2.0	1.9	2.0
Total	\$7.1	\$6.8	\$2.2	\$2.2	\$9.3	\$9.0

The Urban Renewal Revenue Bonds have been called effective June 1, 2000. The amount of money needed to pay these bonds early has accumulated over a series of years with the trustee. The Main Avenue Widening Special Assessment Bonds and the OPWC Loan are secured by future collections of special assessments.

The amount due to Ohio Water Development Authority is paid by sewer revenues collected from the residents for water consumption.

The Judgment Payable was for the New Lyme Landfill clean-up lawsuit. The City settled the suit for \$500,000 with the initial payment of \$200,000 due December 31, 1999, and \$100,000 per year thereafter in 2000, 2001 and 2002. The City has yet to pay the initial \$200,000 as the attorneys were still processing all the required documentation. The payment amount was in the sanitation fund at year-end waiting to be paid.

The City's overall legal debt margin was \$19,555,723 at December 31, 1999.

The Future

The City of Ashtabula is strong financially, and possibly in the best financial condition ever. It was only 15 years ago the City was in fiscal emergency and the State Auditors Office took control. A new administration,

City of Ashtabula
Management's Discussion and Analysis
For the Year Ended December 31, 1999
Unaudited

including City Manager, Auditor, Deputy Auditor, Treasurer, Solicitor, and others, were hired to turn our City around financially and esthetically and to increase citizen pride in our community. It has taken over ten years, but we have recovered in a strong way.

The City took a small risk seven years ago by getting into a self-funded health insurance program, and the self-funded workers' compensation program. Our premiums for health insurance, based on the plan our unions had negotiated, were extremely high and getting worse each year. The City was also negatively rated in the State funded workers' compensation program. When the City entered the retrospective rating program, both workers' compensation and health insurance monies were put into new funds established by the City as if the premiums were still being paid. The balances have increased to over three million dollars in these funds by reducing our annual expenses in both of these areas. The cash in these funds is money that would have gone to Blue Cross or the State of Ohio and can now be used in our City in the future.

The City has also purchased and paid cash for a tremendous amount of new equipment in the last five years. Items include new ladder and pumper trucks in our fire department, a complete new fleet of police cars, five new snowplow dump trucks, graders, sanitation equipment including trucks, semis, dumpsters, complete network computers systems for the finance department and the court system, sewer jets, and all new vehicles for our inspectors.

We have also spent a lot of money on building repairs and maintenance. The municipal building will be our 2001 project as we are in the middle of a study to determine if renovation or new construction is the best option for our city hall project.

We have worked extremely hard in reducing debt in our City. With programs such as the sick time buyback, comp time buyback, calling all urban renewal bonds six years early to save interest expenses and refinancing our police and fire pension liability, we are able to reduce payment amounts in the future with lower interest rates and shorter payment terms.

In conclusion, the City of Ashtabula has committed itself to financial excellence for many years. The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1987. The City of Ashtabula will also be one of the first cities in Ohio to report using the new GASB 33 and 34 requirements. Our commitment to the residents of the City of Ashtabula has always been full disclosure of the financial position of the City.

I must personally thank Mr. Jim Petro our State Auditor and his staff for their involvement and tremendous amount of help in putting together these GASB 33 and 34 statements. Mr. Petro's desire to make the State of Ohio one of the most respected in financial reporting to the citizens has certainly rubbed off in Ashtabula and I am proud to be part of this commitment.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors, and investors 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 Michael A. Zullo, CPA, Ashtabula City Auditor, 4400 Main Ave., Ashtabula, Ohio 44004, 440-992-7107, or e-mail at michaelz@suite224.net.

City Of Ashtabula, Ohio
Statement of Net Assets
December 31, 1999

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activity	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,560,096	\$1,016,479	\$7,576,575	\$0
Cash and Cash Equivalents in Segregated Accounts	0	0	0	213,721
Receivables:				
Taxes	3,737,500	0	3,737,500	0
Accounts	683,493	1,183,120	1,866,613	0
Special Assessments	95,779	0	95,779	0
Accrued Interest	2,097	0	2,097	0
Due from Other Governments	1,159,856	0	1,159,856	0
Materials and Supplies Inventory	22,472	6,487	28,959	0
Prepaid Items	74,078	18,417	92,495	0
Due from Component Unit	148,836	0	148,836	0
Notes Receivable	168,980	0	168,980	0
Restricted Assets:				
Cash and Cash Equivalents with Trustee	471,603	0	471,603	0
Land	1,226,816	34,025	1,260,841	127,590
Depreciable Capital Assets, Net	14,763,535	10,283,770	25,047,305	139,781
Total Assets	29,115,141	12,542,298	41,657,439	481,092
Liabilities				
Accounts Payable	76,594	28,045	104,639	0
Contracts Payable	22,967	6,157	29,124	0
Accrued Wages	81,047	14,942	95,989	0
Due to Other Governments	342,806	42,981	385,787	169
Deferred Revenue	2,017,298	0	2,017,298	0
Accrued Interest Payable	49,885	41,049	90,934	0
Due to Primary Government	0	0	0	148,836
Long-Term Liabilities:				
Due Within One Year	2,039,871	213,839	2,253,710	0
Due In More Than One Year	5,145,471	1,983,611	7,129,082	0
Total Liabilities	9,775,939	2,330,624	12,106,563	149,005
Net Assets				
Invested in Capital Assets, Net of Related Debt	12,518,234	8,430,490	20,948,724	0
Restricted for:				
Capital Projects	656,266	0	656,266	0
Debt Service	973,194	0	973,194	0
Other Purposes	1,934,811	0	1,934,811	0
Unrestricted	3,256,697	1,781,184	5,037,881	332,087
Total Net Assets	\$19,339,202	\$10,211,674	\$29,550,876	\$332,087

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Activities
For the Year Ended December 31, 1999

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$2,224,923	\$62,473	\$0	\$0
Judicial System	699,673	603,895	0	23,000
Security of Persons and Property:				
Police	3,145,679	2,948	208,908	0
Fire	2,308,578	0	0	0
Public Health Services	185,638	105,463	0	0
Street Maintenance and Repairs	1,460,414	0	787,659	216,255
Housing and Community Development	928,177	140,019	83,325	0
Sanitation Services	1,735,442	999,603	72,795	0
Leisure Time Activities	45,216	22,657	0	34,728
Interest and Fiscal Charges	228,614	0	0	0
<i>Total Governmental Activities</i>	12,962,354	1,937,058	1,152,687	273,983
Business-Type Activity				
Wastewater Treatment	3,144,965	2,655,841	475	615,654
<i>Total Primary Government</i>	\$16,107,319	\$4,592,899	\$1,153,162	\$889,637
Component Unit				
Ashtabula Port Authority	\$28,216	\$0	\$57,555	\$0

General Revenues

Property Taxes Levied for:

 General Purposes

 Special Revenue

 Debt Service

 Capital Outlay

Income Taxes Levied for:

 General Purposes

 Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Transfer

Investment Earnings

Other

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - (See Note 4)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Primary Government

Governmental Activities	Business-Type Activity	Total	Component Unit
(\$2,162,450)	\$0	(\$2,162,450)	\$0
(72,778)	0	(72,778)	0
(2,933,823)	0	(2,933,823)	0
(2,308,578)	0	(2,308,578)	0
(80,175)	0	(80,175)	0
(456,500)	0	(456,500)	0
(704,833)	0	(704,833)	0
(663,044)	0	(663,044)	0
12,169	0	12,169	0
(228,614)	0	(228,614)	0
(9,598,626)	0	(9,598,626)	0
0	127,005	127,005	0
(9,598,626)	127,005	(9,471,621)	0
0	0	0	29,339
929,688	0	929,688	0
450,779	0	450,779	0
514,786	0	514,786	0
353,342	0	353,342	0
5,504,629	0	5,504,629	0
617,626	0	617,626	0
1,967,337	0	1,967,337	0
87,000	(87,000)	0	0
301,463	0	301,463	2,232
555,547	89,401	644,948	14,550
11,282,197	2,401	11,284,598	16,782
1,683,571	129,406	1,812,977	46,121
17,655,631	10,082,268	27,737,899	285,966
\$19,339,202	\$10,211,674	\$29,550,876	\$332,087

City of Ashtabula, Ohio
Balance Sheet
Governmental Funds
December 31, 1999

	General	Community Development Block Grant	Street Maintenance and Repair	Sanitation	Debt Service
Assets					
Equity in Pooled Cash and Cash Equivalents	\$363,184	\$440,837	\$266,711	\$478,441	\$452,888
Receivables:					
Taxes	2,406,818	0	0	0	337,998
Accounts	84,590	119,352	2,757	476,794	0
Special Assessments	0	0	0	0	95,779
Accrued Interest	0	0	109	0	1,988
Due from Other Governments	1,009,591	71,915	70,612	0	0
Materials and Supplies Inventory	21,584	147	0	661	0
Prepaid Items	58,151	0	0	0	0
Due from Component Unit	0	148,836	0	0	0
Notes Receivable	0	168,980	0	0	0
Restricted Assets:					
Cash and Cash Equivalents with Trustee	0	0	0	0	471,603
Total Assets	\$3,943,918	\$950,067	\$340,189	\$955,896	\$1,360,256
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$47,693	\$0	\$17,309	\$4,035	\$321
Contracts Payable	0	0	0	22,967	0
Accrued Wages	63,952	0	9,800	6,863	0
Due to Other Governments	660	0	0	0	0
Deferred Revenue	2,767,025	151,232	34,238	423,463	432,635
Judgments Payable	0	0	0	200,000	0
Total Liabilities	2,879,330	151,232	61,347	657,328	432,956
Fund Balances					
Reserved for Encumbrances	84,701	49,410	36,189	18,918	0
Reserved for Inventory	21,584	147	0	661	0
Reserved for Loans Receivable	0	317,816	0	0	0
Unreserved:					
Undesignated, Reported in:					
General Fund	958,303	0	0	0	0
Special Revenue Funds	0	431,462	242,653	278,989	0
Debt Service Funds	0	0	0	0	927,300
Capital Projects Funds	0	0	0	0	0
Total Fund Balances	1,064,588	798,835	278,842	298,568	927,300
Total Liabilities and Fund Balances	\$3,943,918	\$950,067	\$340,189	\$955,896	\$1,360,256

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 1999

Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$200,991	\$1,153,200	\$3,356,252
534,056	458,628	3,737,500
0	0	683,493
0	0	95,779
0	0	2,097
0	7,738	1,159,856
0	80	22,472
1,005	0	59,156
0	0	148,836
0	0	168,980
0	0	471,603
<u>\$736,052</u>	<u>\$1,619,646</u>	<u>\$9,906,024</u>
\$3,236	\$4,000	\$76,594
0	0	22,967
0	432	81,047
0	750	1,410
477,534	461,405	4,747,532
0	0	200,000
<u>480,770</u>	<u>466,587</u>	<u>5,129,550</u>
85,650	185,587	460,455
0	80	22,472
0	0	317,816
0	0	958,303
0	681,792	1,634,896
0	0	927,300
169,632	285,600	455,232
<u>255,282</u>	<u>1,153,059</u>	<u>4,776,474</u>
<u>\$736,052</u>	<u>\$1,619,646</u>	<u>\$9,906,024</u>

Total Governmental Funds Balances	\$4,776,474
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	15,990,351
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Charges for Services	627,251
Grants	853,364
Income Tax	1,153,840
Special Assessments	95,779
Total	2,730,234
Two internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,631,394
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(312,942)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(2,785,000)
Revenue Bonds	(410,000)
Special Assessment Bonds	(70,000)
OPWC Loan	(195,674)
Police and Fire Loan	(700,805)
Judgments Payable	(300,000)
Compensated Absences	(1,953,502)
Capital Lease Payable	(11,470)
Accrued Interest Payable	(49,858)
Total	(6,476,309)
Net Assets of Governmental Activities	\$19,339,202

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 1999

	General	Community Development Block Grant	Street Maintenance and Repair	Sanitation	Debt Service
Revenues					
Property and Other Taxes	\$929,688	\$0	\$0	\$0	\$514,786
Municipal Income Tax	5,320,908	0	0	0	0
Charges for Services	45,766	0	0	970,046	0
Licenses and Permits	45,568	0	0	0	0
Fines and Forfeitures	573,271	0	0	0	0
Intergovernmental	1,999,730	733,501	635,688	72,795	39,810
Special Assessments	0	0	0	0	15,418
Interest	276,557	21,426	54,562	0	24,906
Other	205,150	27,442	4,405	3,748	0
Total Revenues	9,396,638	782,369	694,655	1,046,589	594,920
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,294,938	0	0	0	9,084
Judicial System	616,319	0	0	0	0
Security of Persons and Property:					
Police	2,891,749	0	0	0	0
Fire	1,916,959	0	0	0	0
Public Health Services	111,404	0	0	0	0
Street Maintenance and Repairs	23,015	0	978,595	0	0
Housing and Community Development	57,704	713,047	0	0	0
Sanitation Services	1,138	0	0	1,327,990	0
Leisure Time Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	70,260	0	0	0	240,000
Interest and Fiscal Charges	43,728	0	0	0	187,240
Total Expenditures	8,027,214	713,047	978,595	1,327,990	436,324
Excess of Revenues Over (Under) Expenditures	1,369,424	69,322	(283,940)	(281,401)	158,596
Other Financing Sources (Uses)					
Sale of Fixed Assets	4,922	0	0	0	0
Proceeds of OPWC Loan	0	0	0	0	0
Inception of Capital Lease	12,634	0	0	0	0
Transfers In	0	0	344,000	275,000	0
Transfers Out	(1,280,958)	0	0	0	0
Total Other Financing Sources (Uses)	(1,263,402)	0	344,000	275,000	0
Net Change in Fund Balances	106,022	69,322	60,060	(6,401)	158,596
Fund Balances Beginning of Year - Restated (See Note 4)	962,610	729,366	223,072	305,188	768,704
Increase (Decrease) in Reserve for Inventory	(4,044)	147	(4,290)	(219)	0
Fund Balances End of Year	\$1,064,588	\$798,835	\$278,842	\$298,568	\$927,300

See accompanying notes to the basic financial statements

City of Ashtabula, 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, 1999*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$353,342	\$450,779	\$2,248,595
597,213	0	5,918,121
0	32,036	1,047,848
0	126,071	171,639
0	30,624	603,895
273,983	139,376	3,894,883
0	0	15,418
0	13,736	391,187
7,954	625	249,324
<u>1,232,492</u>	<u>793,247</u>	<u>14,540,910</u>
0	0	2,304,022
0	13,766	630,085
0	341,956	3,233,705
0	303,285	2,220,244
0	79,344	190,748
0	9,000	1,010,610
0	163,323	934,074
0	0	1,329,128
0	55,703	55,703
1,525,562	0	1,525,562
0	0	310,260
0	0	230,968
<u>1,525,562</u>	<u>966,377</u>	<u>13,975,109</u>
<u>(293,070)</u>	<u>(173,130)</u>	<u>565,801</u>
15,800	0	20,722
195,647	0	195,647
0	0	12,634
222,000	707,958	1,548,958
<u>(107,000)</u>	<u>(74,000)</u>	<u>(1,461,958)</u>
<u>326,447</u>	<u>633,958</u>	<u>316,003</u>
33,377	460,828	881,804
221,905	693,276	3,904,121
0	(1,045)	(9,451)
<u>\$255,282</u>	<u>\$1,153,059</u>	<u>\$4,776,474</u>

Net Change in Fund Balances - Total Governmental Funds	\$881,804
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	573,128
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(28,666)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(288,208)
Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets.	(208,281)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	310,260
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	2,354
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(294,767)
The internal service funds used by management to charge the costs of insurance and workers' compensation to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	<u>735,947</u>
Change in Net Assets of Governmental Activities	<u>\$1,683,571</u>

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$887,500	\$887,500	\$929,688	\$42,188
Municipal Income Tax	4,871,763	5,171,763	5,241,817	70,054
Charges for Services	38,250	38,250	46,297	8,047
Licenses and Permits	45,321	45,321	45,818	497
Fines and Forfeitures	489,600	570,600	573,271	2,671
Intergovernmental	1,678,600	1,993,600	1,977,840	(15,760)
Interest	187,500	187,500	276,557	89,057
Other	209,969	209,969	205,372	(4,597)
<i>Total Revenues</i>	<u>8,408,503</u>	<u>9,104,503</u>	<u>9,296,660</u>	<u>192,157</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,371,842	2,382,078	2,349,038	33,040
Judicial System	585,752	627,178	623,413	3,765
Security of Persons and Property:				
Police	2,836,298	2,913,395	2,901,736	11,659
Fire	1,836,442	1,915,069	1,914,415	654
Public Health Services	108,180	115,232	113,996	1,236
Street Maintenance and Repairs	23,533	23,015	23,015	0
Housing and Community Development	51,925	67,137	67,006	131
Sanitation Services	1,309	1,138	1,138	0
Debt Service:				
Principal Retirement	70,261	70,261	70,260	1
Interest and Fiscal Charges	43,728	43,728	43,728	0
<i>Total Expenditures</i>	<u>7,929,270</u>	<u>8,158,231</u>	<u>8,107,745</u>	<u>50,486</u>
<i>Excess of Revenues Over Expenditures</i>	<u>479,233</u>	<u>946,272</u>	<u>1,188,915</u>	<u>242,643</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	4,922	4,922	4,922	0
Transfers In	0	4,000	0	(4,000)
Transfers Out	(609,919)	(1,280,958)	(1,280,958)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(604,997)</u>	<u>(1,272,036)</u>	<u>(1,276,036)</u>	<u>(4,000)</u>
<i>Net Change in Fund Balance</i>	(125,764)	(325,764)	(87,121)	238,643
<i>Fund Balance Beginning of Year</i>	231,012	231,012	231,012	0
Prior Year Encumbrances Appropriated	129,764	129,764	129,764	0
<i>Fund Balance End of Year</i>	<u>\$235,012</u>	<u>\$35,012</u>	<u>\$273,655</u>	<u>\$238,643</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Statement 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, 1999*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,295,230	\$1,295,230	\$763,834	(\$531,396)
Interest	10,000	10,000	19,735	9,735
Other	0	0	20	20
<i>Total Revenues</i>	<u>1,305,230</u>	<u>1,305,230</u>	<u>783,589</u>	<u>(521,641)</u>
Expenditures				
Current:				
Housing and Community Development	1,332,566	1,332,566	912,457	420,109
<i>Net Change in Fund Balance</i>	(27,336)	(27,336)	(128,868)	(101,532)
<i>Fund Balance Beginning of Year</i>	441,008	441,008	441,008	0
Prior Year Encumbrances Appropriated	20,336	20,336	20,336	0
<i>Fund Balance End of Year</i>	<u>\$434,008</u>	<u>\$434,008</u>	<u>\$332,476</u>	<u>(\$101,532)</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Street Maintenance and Repair Fund
 For the Year Ended December 31, 1999*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$692,000	\$692,000	\$651,542	(\$40,458)
Interest	27,000	27,000	54,594	27,594
Other	2,500	2,500	1,648	(852)
<i>Total Revenues</i>	721,500	721,500	707,784	(13,716)
Expenditures				
Current:				
Street Maintenance and Repairs	1,003,990	1,123,990	1,017,535	106,455
<i>Excess of Revenues Under Expenditures</i>	(282,490)	(402,490)	(309,751)	92,739
Other Financing Sources				
Transfers In	260,000	260,000	344,000	84,000
<i>Net Change in Fund Balance</i>	(22,490)	(142,490)	34,249	176,739
<i>Fund Balance Beginning of Year</i>	158,255	158,255	158,255	0
Prior Year Encumbrances Appropriated	22,904	22,904	22,904	0
<i>Fund Balance End of Year</i>	\$158,669	\$38,669	\$215,408	\$176,739

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Sanitation Fund
 For the Year Ended December 31, 1999*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$992,000	\$992,000	\$1,019,066	\$27,066
Intergovernmental	0	0	72,795	72,795
Other	8,000	8,000	3,748	(4,252)
<i>Total Revenues</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,095,609</u>	<u>95,609</u>
Expenditures				
Current:				
Sanitation Services	<u>1,277,866</u>	<u>1,277,866</u>	<u>1,228,915</u>	<u>48,951</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(277,866)</u>	<u>(277,866)</u>	<u>(133,306)</u>	<u>144,560</u>
Other Financing Sources				
Transfers In	<u>175,000</u>	<u>175,000</u>	<u>275,000</u>	<u>100,000</u>
<i>Net Change in Fund Balance</i>	<u>(102,866)</u>	<u>(102,866)</u>	<u>141,694</u>	<u>244,560</u>
<i>Fund Balance Beginning of Year</i>	214,463	214,463	214,463	0
Prior Year Encumbrances Appropriated	<u>102,866</u>	<u>102,866</u>	<u>102,866</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$214,463</u>	<u>\$214,463</u>	<u>\$459,023</u>	<u>\$244,560</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 1999

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	\$1,016,479	\$3,203,844
Accounts Receivable	1,183,120	0
Materials and Supplies Inventory	6,487	0
Prepaid Items	18,417	14,922
Capital Assets, Net	10,317,795	0
<i>Total Assets</i>	<u>12,542,298</u>	<u>3,218,766</u>
Liabilities		
Accounts Payable	28,045	0
Contracts Payable	6,157	0
Accrued Wages	14,942	0
Compensated Absences Payable	133,585	0
Due to Other Governments	42,981	28,454
Accrued Interest Payable	41,049	0
Claims Payable	0	333,918
OWDA Loan Payable	80,254	0
<i>Total Current Liabilities</i>	<u>347,013</u>	<u>362,372</u>
Long-Term Liabilities:		
Compensated Absences Payable	176,560	0
Claims Payable	0	225,000
OWDA Loan Payable	1,807,051	0
<i>Total Long-Term Liabilities</i>	<u>1,983,611</u>	<u>225,000</u>
<i>Total Liabilities</i>	<u>2,330,624</u>	<u>587,372</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	8,430,490	0
Unrestricted	1,781,184	2,631,394
<i>Total Net Assets</i>	<u>\$10,211,674</u>	<u>\$2,631,394</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 1999*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
Revenues		
Charges for Services	\$2,649,441	\$1,938,000
Tap-In Fees	6,400	0
<i>Total Revenues</i>	<u>2,655,841</u>	<u>1,938,000</u>
Operating Expenses		
Personal Services	1,717,329	0
Contractual Services	410,414	580,811
Materials and Supplies	394,781	0
Depreciation	493,242	0
Claims	0	927,465
<i>Total Expenses</i>	<u>3,015,766</u>	<u>1,508,276</u>
<i>Operating Income (Loss)</i>	<u>(359,925)</u>	<u>429,724</u>
Non Operating Revenues (Expenses)		
Other Non-Operating Revenues	89,401	306,223
Operating Grants	475	0
Loss on Disposal of Fixed Assets	(46,256)	0
Interest and Fiscal Charges	(82,943)	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>(39,323)</u>	<u>306,223</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(399,248)</u>	<u>735,947</u>
Capital Contributions	615,654	0
Transfers Out	(87,000)	0
<i>Change in Net Assets</i>	129,406	735,947
<i>Net Assets Beginning of Year Restated (See Note 4)</i>	<u>10,082,268</u>	<u>1,895,447</u>
<i>Net Assets End of Year</i>	<u>\$10,211,674</u>	<u>\$2,631,394</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 1999

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<i>Increase (Decrease) In Cash and Cash Equivalents</i>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$2,768,361	\$0
Cash Received from Quasi-External Transactions with Other Funds	0	1,938,000
Cash Received from Other Non-Operating Sources	89,401	306,223
Cash Received from Tap-In Fees	6,400	0
Cash Payments to Suppliers for Goods and Services	(799,852)	(690,077)
Cash Payments for Claims	0	(864,515)
Cash Payments for Employee Services and Benefits	(1,673,013)	0
<i>Net Cash Provided by Operating Activities</i>	<u>391,297</u>	<u>689,631</u>
Cash Flows from Noncapital Financing Activities:		
Operating Grants	475	0
Transfer Out	(87,000)	0
<i>Net Cash Used by Noncapital Financing Activities</i>	<u>(86,525)</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities		
Tap-In Fees	314,681	0
Acquisition of Capital Assets	(393,909)	0
Capital Grants	36,413	0
Principal Paid OWDA Loans	(76,873)	0
Interest Paid on OWDA Loans	(84,615)	0
<i>Net Cash Used by Capital and Related Financing Activities</i>	<u>(204,303)</u>	<u>0</u>
<i>Net Increase In Cash and Cash Equivalents</i>	100,469	689,631
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>916,010</u>	<u>2,514,213</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,016,479</u>	<u>\$3,203,844</u>

(continued)

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 1999

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
<i>Operating Income (Loss)</i>	(\$359,925)	\$429,724
Adjustments:		
Depreciation	493,242	0
Other Non-Operating Revenues	89,401	306,223
(Increase)/ Decrease in Assets:		
Accounts Receivable	118,920	5,400
Materials and Supplies Inventory	3,855	0
Prepaid Items	4,684	(14,922)
Increase/ (Decrease) in Liabilities:		
Accounts Payable	2,396	0
Contracts Payable	(5,592)	0
Accrued Wages	2,947	0
Compensated Absences Payable	35,320	0
Due to Other Governments	6,049	(99,744)
Claims Payable	0	62,950
<i>Net Cash Provided by Operating Activities</i>	<u>\$391,297</u>	<u>\$689,631</u>

Noncash Capital Financing Activities

During 1999, OPWC paid \$264,560 directly to contractors on behalf of the wastewater treatment fund. This amount is included in capital contributions.

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fiduciary Net Assets
Agency Funds
December 31, 1999

Assets	
Equity Pooled in Cash and Cash Equivalents	\$21,673
Cash and Cash Equivalents in Segregated Accounts	<u>61,211</u>
<i>Total Assets</i>	<u><u>\$82,884</u></u>
 Liabilities	
Due to Other Governments	\$3,258
Deposits Held and Due to Others	<u>79,626</u>
<i>Total Liabilities</i>	<u><u>\$82,884</u></u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Note 1 - Description of the City and Reporting Entity

The City of Ashtabula is a home rule municipal corporation incorporated as a city in 1891 under the laws of the State of Ohio. The City operates under its own charter. The charter provides for an elected City Manager-Council form of government, which was adopted on January 1, 1950. Elected officials, the city manager, members of council, and the city solicitor, all serve four-year terms.

Reporting Entity

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. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Ashtabula, this includes police and fire, street maintenance and repairs, parks and recreation, public improvements, community development (planning and zoning), health services, wastewater, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

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 organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget.

The component unit column in the basic financial statements identifies the financial data of the discretely presented component unit, the Ashtabula Port Authority. It is reported separately to emphasize that it is legally separate from the City.

Ashtabula Port Authority The Ashtabula Port Authority is a legally separate entity, statutorily created under Section 4582.02 of the Ohio Revised Code, served by a seven-member board of directors appointed by the City Manager with the approval of City Council. Charged with the responsibility of industrial development and the improvement of Ashtabula's interconnecting waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The Ashtabula Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City. Financial statements can be obtained from J. A. Valentic & Company Inc., 517 West Prospect Road, Ashtabula, Ohio.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to Ashtabula Port Authority is presented in Note 17.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Ashtabula have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The 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 assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the single business-type activity 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 limited exceptions. 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. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. 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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

Community Development Block Grant Special Revenue Fund The Community Development Block Grant Special Revenue fund is used to account for monies received from the State government under the federal Community Development Block Grant and Rental Rehabilitation programs.

Street Maintenance and Repair Special Revenue Fund The Street Maintenance and Repair Special Revenue fund is used to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of dedicated streets within the City.

Sanitation Special Revenue Fund The Sanitation Special Revenue fund is used to account for fees collected for residential and commercial trash services provided to City residents.

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Permanent Improvement Capital Projects Fund The permanent improvement capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary funds.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Fund Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the City accounts for the operations of the wastewater treatment facility.

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on self-insurance programs for employee medical benefits and workers' compensation.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, interest, tuition, grants, fees and rentals.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 1999, but which were levied to finance year 2000 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgets

An annual appropriated budget is legally required to be prepared for all funds of the City other than agency funds. Council passes detailed line item budgets for each department. Line item appropriations within a department may be transferred between the accounts with the approval of the City Manager, City Auditor and respective department head. Council must approve any revisions in the budget that alter total departmental appropriations. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements:

Tax Budget A tax budget of estimated revenues and expenditures for all funds other than agency funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

Estimated Resources The County Budget Commission determines if the tax budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate of estimated resources can be further amended during the year if the City Auditor determines, and the Budget Commission agrees, that an

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

estimate needs to be either increased or decreased. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

Appropriations A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year by action of Council, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. During the year, several supplemental appropriation measures were passed. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not re-appropriated.

Encumbrances As part of formal budgetary control purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures of governmental funds.

F. Cash and Cash Equivalents

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

During 1999, investments were limited to STAROhio, the U.S. Treasury money market fund (mutual fund), repurchase agreements and nonnegotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's current share price. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 1999.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 1999 amounted to \$276,557, which includes \$262,073 assigned from other City funds.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest-bearing depository accounts are presented on the statement of net assets as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City's treasury. The cash of the Municipal Court and the Ashtabula Port Authority component unit are included in this line item.

The City utilizes a trustee to collect revenue and retire principal and interest on its parking deck revenue bonds. The balance of this account is presented as restricted assets "Cash and Cash Equivalents with Trustee" and represents investments with an original maturity of three months or less.

For purposes of the statement of cash flows and for presentation on the statement of net assets/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the enterprise fund are expensed when used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expenditure in the year in which it was consumed.

I. Restricted Assets

Amounts held in trust that are legally restricted for use in paying current and future debt service on revenue bonds are classified as restricted assets.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. The City's infrastructure consists of roads, bridges, storm sewers and sanitary sewers. Improvements are capitalized; the costs of normal maintenance and repairs

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

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 capital assets is also capitalized.

All reported capital assets 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
Land	N/A	N/A
Buildings and Improvements	5 - 50 years	5 - 50 years
Equipment	3 - 25 years	3 - 25 years
Vehicles	3 - 7 years	3 - 7 years
Furniture and Fixtures	7 - 10 years	7 - 10 years
Infrastructure	10 - 99 years	25 - 99 years

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Receivables and payables resulting from transactions between the primary government and the component unit for services provided or goods received are classified as "Due to Primary Government" or "Due from Component Unit" on the fund financial statements.

L. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for 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 entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, and loans receivable are recorded as a reservation of fund balance.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

P. 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 waste water treatment and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

R. Interfund Activity

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

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

S. 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 1999.

T. Estimates

The preparation of the 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.

Note 3 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), 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 each major governmental 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 GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

In addition, the City does not budget for the activities of the trustee who collects and holds the restricted assets used for the retirement of debt associated with the City's parking deck. However, the activity of the trustee is included in the debt service fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

	Net Change in Fund Balance Major Governmental Funds			
	General	Community Development Block Grant	Street Maintenance and Repair	Sanitation
GAAP Basis	\$106,022	\$69,322	\$60,060	(\$6,401)
Net Adjustment for Revenue Accruals	(110,550)	(16,227)	13,129	49,020
Unrecorded Cash	(2,062)	(58,951)	0	0
Loan Repayment	0	76,398	0	0
Net Adjustment for Expenditure Accruals	6,936	0	12,363	118,493
Loan to Component Unit	0	(150,000)	0	0
Encumbrances	(87,467)	(49,410)	(51,303)	(19,418)
Budget Basis	<u>(\$87,121)</u>	<u>(\$128,868)</u>	<u>\$34,249</u>	<u>\$141,694</u>

Note 4 - Change in Accounting Principles and Restatement of Prior Year Fund Equity

Changes in Accounting Principles For 1999, the City has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

The government-wide financial statements split the City's programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 1998, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

Restatement of Fund Balance During 1999, it was determined taxes receivable, accounts receivable, special assessment receivable, due from other funds, due from other governments, compensated absences and deferred revenue were misstated. These restatements had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Community Development Block Grant	Street Maintenance and Repair	Sanitation
Fund Balances, December 31, 1998	\$1,233,090	\$1,411,422	\$218,141	\$539,839
Fund Reclassification	0	0	0	100,000
Taxes Receivable	(254,670)	0	0	0
Accounts Receivable	115	0	3,853	59,040
Special Assessment Receivable	0	0	0	0
Due from Other Funds	(37,782)	0	0	0
Due from Other Governments	5,390	0	0	0
Compensated Absences Payable	(5,140)	0	(2,006)	0
Implementation of GASB Interpretation No. 6	21,607	0	3,084	628
Adjusted Fund Balance, December 31, 1998	962,610	1,411,422	223,072	699,507
GASB 33 Adjustments:				
Accounts Receivable	0	0	0	(394,319)
Deferred Revenue	0	(682,056)	0	0
GASB 33 Adjusted Fund Balance, December 31, 1998	<u>\$962,610</u>	<u>\$729,366</u>	<u>\$223,072</u>	<u>\$305,188</u>

(continued)

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

	Debt Service	Permanent Improvement	Nonmajor	Total
Fund Balances, December 31, 1998	\$867,658	\$250,202	\$693,087	\$5,213,439
Fund Reclassification	(100,000)	0	0	0
Taxes Receivable	0	(28,297)	0	(282,967)
Accounts Receivable	0	0	0	63,008
Special Assessment Receivable	1,046	0	0	1,046
Due from Other Funds	0	0	0	(37,782)
Due from Other Governments	0	0	0	5,390
Compensated Absences Payable	0	0	(227)	(7,373)
Implementation of GASB Interpretation No. 6	0	0	416	25,735
Adjusted Fund Balance, December 31, 1998	768,704	221,905	693,276	4,980,496
GASB 33 Adjustments:				
Accounts Receivable	0	0	0	(394,319)
Deferred Revenue	0	0	0	(682,056)
GASB 33 Adjusted Fund Balance, December 31, 1998	<u>\$768,704</u>	<u>\$221,905</u>	<u>\$693,276</u>	3,904,121
GASB 34 Adjustments:				
Capital Assets				15,449,030
Internal Service Funds				1,895,447
Long-Term Liabilities				(6,611,409)
Long-Term (Deferred) Assets				3,018,442
Governmental Activities Net Assets, December 31, 1998				<u>\$17,655,631</u>

During 1999, it was determined accounts receivable, capital assets, compensated absences and accrued interest payable were misstated in the proprietary fund. These restatements had the following effects on fund equity as it was previously reported:

	Wastewater Treatment
Fund Equity December 31, 1998	\$10,183,721
Accounts Receivable	163,020
Capital Assets	(148,893)
Compensated Absences Payable	(72,859)
Accrued Interest Payable	(42,721)
Adjusted Net Assets, December 31, 1998	<u>\$10,082,268</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Note 5 - Deposits and Investments

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

Active monies are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or be withdrawn 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 two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies 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, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may 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 and 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 instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily and that the term of the agreement must not exceed thirty days.
4. Bonds and 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 instruments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

The City may also invest any monies not required or needed for a period of six months or more in the following:

1. Bonds of the State of Ohio
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons
3. Obligations of the City

Investments in stripped principal or interest obligations and reverse repurchase agreement 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 City treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand At year-end, the City had \$76,858 in undeposited cash on hand which is included on the balance sheet of the City as part of "equity in pooled cash and cash equivalents."

Deposits At year-end, the carrying amount of the City's deposits was \$141,963 and the bank balance was \$831,974. Of the bank balance:

1. \$220,380 was covered by federal depository insurance.
2. \$611,594 was uncollateralized and uninsured. Although the pledging banks have an investment and securities pool used to collateralize all public deposits which are held in the financial institutions name, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments GASB Statement No.3 requires the City to categorize investments to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments that are held by the counter-party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments that are held by the counter-party or by its trust department or agent but not in the City's name. Investments in the U.S. Treasury Money Market (mutual fund), and STAROhio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carry Value	Fair Value
Repurchase Agreements	\$1,950,174	\$1,950,174	\$1,950,174
U.S. Treasury Money Market			471,604
STAROhio			5,490,463
Total Investments	\$1,950,174	\$1,950,174	\$7,912,241

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

The classification of cash and cash equivalents, and investments on the basic financial statements is based on criteria set forth in GASB Statement 9. Cash equivalents are defined as investments with an original maturity of three months or less. Reconciliation between the classification of cash and investments on the basic financial statements and the classification per GASB Statement 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$8,131,062	\$0
Investments:		
STAROhio	(5,490,463)	5,490,463
U.S Treasury Money Market	(471,604)	471,604
Repurchase Agreements	(1,950,174)	1,950,174
Unrecorded Cash	(76,858)	0
GASB Statement 3	\$141,963	\$7,912,241

Note 6 - Receivables

Receivables at December 31, 1999, consisted primarily of taxes, accounts (billings for utility service), special assessments, accrued interest on investments and notes receivable. Notes receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant program. The loans bear interest at annual rates ranging between three and seven percent. The loans are to be repaid over periods ranging from five to fifteen years. The City has also loaned money to the Ashtabula Port Authority (component unit). The loan has an interest rate of 4.5% and is to be repaid over twenty years.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 1999 for real and public utility property taxes represents collections of the 1998 taxes. Property tax payments received during 1999 for tangible personal property (other than public utility property) is for 1999 taxes.

1999 real property taxes are levied after October 1, 1999, on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 1999 real property taxes are collected in and intended to finance 2000.

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. 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after October 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are 25 percent of true value.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

The full tax rate for all City operations for the year ended December 31, 1999, was \$12.31 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property	\$152,691,400
Public Utility Property	20,542,780
Tangible Personal Property	35,194,640
Total Valuation	<u>\$208,428,820</u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Ashtabula. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999 and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor were they levied to finance 1999 operations. The receivable is therefore offset by deferred revenue.

B. Income Taxes

An income tax of 1.8 percent is levied on substantially all income earned within the City. In addition, the residents of the City are required to pay City income taxes on income earned outside the City; however, credit is allowed for income taxes paid to other municipalities up to one hundred percent of the City's current tax rate.

The City's income tax ordinance requires ten percent of the income tax revenues to be used to finance capital projects or acquire fixed assets. As a result, this portion of the revenue is placed in the permanent improvement capital projects fund. The remaining ninety percent is unrestricted and is credited to the City's general fund.

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.

In accordance with the City Charter, any income tax ordinance must be approved by a majority vote at a City election prior to the ordinance becoming effective. The current income tax levy was renewed through December 2003.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government	\$840,702
Estate Tax	150,303
CHIP Grant	71,915
Gasoline and Excise Tax	71,146
Police Grant	7,729
Permissive Tax	7,204
STEP Grant	6,002
Liquor Licences	3,732
Probation	1,123
Total	\$1,159,856

Note 7 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1999, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Deductible
Coregis Insurance	Police Liability	No Deductible
	Fire with All-Risk Optional	\$500
	Comprehensive Public Liability and Property Damage	No Deductible
	Comprehensive Auto Liability and Physical Damage	100 500
	National Casualty	Public Officials Liability

There were no significant reductions from prior years and claims have not exceeded insurance coverage in any of the last three years.

The City provides hospital/medical, dental, drug and vision benefits for its employees through a self-insured program. A third party administrator processes and pays the claims. The City is paying self-insurance claims and administrative costs from its insurance internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$50,000 per employee. During 1999, a total of \$1,246,575 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$133,918, reported in the self insurance internal service fund at December 31, 1999, is based on the requirements of Governmental Accounting Standards Board

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Statement 10. Statement 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was determined by reviewing invoices for claims paid in January and February 2000 which were incurred in 1999.

The City participates in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for employees injured in 1999. Incurred but not reported claims of \$425,000 have been accrued as a liability in the workers' compensation internal service fund at December 31, 1999 based on an estimate by the City Auditor.

The estimates for the internal services funds were not affected by incremental claim adjustment expenses and does not include other allocated claim adjustment expenses. Changes in the internal services funds' claims liability amounts in the last two years follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1998	\$413,234	\$1,214,343	(\$1,131,609)	\$495,968
1999	495,968	927,465	(864,515)	558,918

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 1999, was as follows:

	Balance 12/31/98	Additions	Deductions	Balance 12/31/99
Governmental Activities				
Land	\$1,226,816	\$0	\$0	\$1,226,816
Buildings and Improvements	7,869,232	119,956	0	7,989,188
Equipment	1,645,695	313,033	(113,907)	1,844,821
Vehicles	3,097,986	258,737	(88,350)	3,268,373
Furniture and Fixtures	35,397	0	0	35,397
Construction in Progress	28,430	324,841	(25,476)	327,795
Infrastructure				
Bridges	3,485,757	0	0	3,485,757
Roads	7,448,580	442,135	(277,704)	7,613,011
Storm Sewers	2,207,794	199,218	0	2,407,012
Traffic Lights	405,948	109,000	(15,503)	499,445
Construction in Progress	63,782	286,273	(350,055)	0
Totals at Historical Cost	\$27,515,417	\$2,053,193	(\$870,995)	\$28,697,615

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

	Balance 12/31/98	Additions	Deductions	Balance 12/31/99
Less Accumulated Depreciation:				
Buildings and Improvements	(\$2,184,549)	(\$208,325)	\$0	(\$2,392,874)
Equipment	(1,305,365)	(119,568)	98,192	(1,326,741)
Vehicles	(1,833,630)	(276,510)	78,240	(2,031,900)
Furniture and Fixtures	(19,252)	(3,378)	0	(22,630)
Infrastructure				
Bridges	(1,302,054)	(35,210)	0	(1,337,264)
Roads	(4,474,756)	(434,489)	277,704	(4,631,541)
Storm Sewers	(890,439)	(22,575)	0	(913,014)
Traffic Lights	(56,342)	(4,479)	9,521	(51,300)
Total Accumulated Depreciation	(12,066,387)	(1,104,534) *	463,657	(12,707,264)
Governmental Activities Capital Assets, Net	\$15,449,030	\$948,659	(\$407,338)	\$15,990,351
Business-Type Activities				
Land	\$34,025	\$0	\$0	\$34,025
Buildings and Improvements	6,663,759	5,056	0	6,668,815
Equipment	1,343,210	164,602	(137,428)	1,370,384
Vehicles	443,373	1,195	0	444,568
Furniture and Fixtures	3,068	0	0	3,068
Construction in Progress	725,262	413,849	(692,262)	446,849
Infrastructure				
Sanitary Sewer System	6,606,517	766,029	(150,286)	7,222,260
Total at Historical Cost	15,819,214	1,350,731	(979,976)	16,189,969
Less Accumulated Depreciation:				
Building and Improvements	(1,993,561)	(169,241)	0	(2,162,802)
Equipment	(781,070)	(109,933)	119,483	(771,520)
Vehicles	(301,698)	(52,170)	0	(353,868)
Furniture and Fixtures	(381)	(349)	0	(730)
Infrastructure				
Sanitary Sewer System	(2,543,680)	(161,549)	121,975	(2,583,254)
Total Accumulated Depreciation	(5,620,390)	(493,242)	241,458	(5,872,174)
Business-Type Activities Capital Assets, Net	\$10,198,824	\$857,489	(\$738,518)	\$10,317,795

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

* Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$94,453
Judicial	60,574
Security of Persons and Property	
Police	127,337
Fire	85,674
Public Health Services	2,149
Street Maintenance and Repair	610,726
Housing and Community Development	5,316
Sanitation	101,632
Leisure Time Activities	16,673
Total Depreciation Expense	<u>\$1,104,534</u>

Note 9 - Compensated Absences

All full-time employees of the City earn vacation and sick leave at varying rates depending on length of service. Vacation hours are earned in one year and credited to the employee the following January 1. Vacations must be taken in the year the hours are credited to the employees. Sick leave is accrued at the rate of 1 1/4 days for each month of service for all full-time employees, except the fire department. The fire department is entitled to 14 hours per month for shift employees and 10 hours per month for "40 hour employees".

Each year the City determines whether a sick leave buy-out option will be offered to employees. This option with maximum buy-out of 160 hours per year allows employees to receive 100 percent payment for any sick leave balance in excess of 960 hours. This sick leave buy-out option was offered in 1999.

Upon retirement from the City all employees, with the exception of Police union employees, receive a lump sum payment for unused sick leave up to one hundred twenty (120) days. Employees of the Police union must have five or more years of service to receive payment for accumulated sick leave. An employee who has accumulated more than 120 days will receive a percentage of the excess based on years of service.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Note 10 - Long-Term Debt

A schedule of changes in bonds and other long-term obligations of the City during 1999, follows:

	Principal Outstanding 12/31/98	Additions	Deletions	Principal Outstanding 12/31/99	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
2.6% - 5.5%					
Justice Center Bonds	\$2,925,000	\$0	\$140,000	\$2,785,000	\$145,000
Revenue Bonds					
6.50% Urban					
Renewal Series A	290,000	0	50,000	240,000	55,000
5.00% Urban					
Renewal Series B	210,000	0	40,000	170,000	40,000
Special Assessment Bonds					
9.375% Main Avenue					
Widening	80,000	0	10,000	70,000	10,000
OPWC Loan	0	195,647	0	195,647	4,891
Police and Fire Loan	768,920	0	68,115	700,805	71,807
Claims Payable	495,968	927,465	864,515	558,918	333,918
Judgments Payable	0	500,000	0	500,000	300,000
Compensated Absences	1,986,560	1,077,095	1,110,153	1,953,502	1,077,095
Capital Lease Obligation	4,122	12,634	5,286	11,470	2,160
<i>Total Governmental Activities</i>	<u>\$6,760,570</u>	<u>\$2,712,841</u>	<u>\$2,288,069</u>	<u>\$7,185,342</u>	<u>\$2,039,871</u>
Business Type Activities					
OWDA Loan					
4.35% Wastewater					
Plant Renovation	\$1,964,178	\$0	\$76,873	\$1,887,305	\$80,254
Compensated Absences	274,825	133,585	98,265	310,145	133,585
<i>Total Business Type Activities</i>	<u>\$2,239,003</u>	<u>\$133,585</u>	<u>\$175,138</u>	<u>\$2,197,450</u>	<u>\$213,839</u>

All bonds are secured by the full faith and credit of the City. General obligation bonds are to be repaid from general property taxes levied on all taxable property located within the City. The main avenue widening special assessment bonds and the OPWC loan are secured by the future collections special assessments. The assessments for the OPWC loan were not levied in 1999. In the event that the benefitted property owner would fail to pay the assessment, payment would be made by the City. The amounts due the Ohio Water Development

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Authority are payable solely from sewer revenues. The parking deck revenue bonds are payable from taxes received from downtown property owners within the City's urban renewal area along with other "pledged revenues" as defined in the related trust agreement. The judgment will be paid from revenues in the sanitation fund. The police and fire loan is paid from revenues of the general fund. Compensated absences and the pension obligation will be paid from the same funds from which the employees' salaries are paid. Claims payable will be paid from the internal service funds (See Note 7.) Capital leases are paid from the general and capital projects funds. The remaining \$3,141 of the prior capital lease was forgiven.

During 1999, the New Lyme Landfill lawsuit was settled at a cost of \$500,000 with an initial payment of \$200,000 in 1999 and three subsequent payments of \$100,000 per year beginning in 2000. The initial payment of \$200,000 was due in 1999; however, the payment was not made as the attorneys were still processing all the required documentation. This lawsuit was an attempt to collect the costs of cleaning up the landfill from those persons who generated and transported waste to the landfill and from the operators of the landfill. This judgment will be paid from property taxes from the sanitation fund.

At December 31, 1999, \$471,603 of cash and cash equivalents were held in trust and legally restricted for use in paying debt service on the revenue bonds. These balances are reported as restricted assets in the accompanying basic financial statements.

The revenue bonds are callable at the option of the City at the following redemption premiums on the dates indicated:

Redemption Dates	Premium - % of Par Value
June 1 and December 1, 1999 through 2003	100%

The City's overall legal debt margin was \$19,555,723 at December 31, 1999. Principal and interest requirements to retire OWDA loan, OPWC loan, general obligation bonds, revenue bonds, special assessment bonds, and the police and fire pension loan payable at December 31, 1999, are as follows:

Year Ending December 31	OWDA Loans	OPWC Loan	General Obligations	Revenue Obligations	Special Assessment	Police and and Fire Pension Loan	Total
2000	\$161,488	\$4,891	\$286,990	\$119,100	\$16,563	\$110,994	\$700,026
2001	161,488	9,783	286,190	118,525	15,625	110,993	702,604
2002	161,488	9,783	284,890	117,625	14,688	110,993	699,467
2003	161,488	9,783	288,070	116,475	13,750	110,994	700,560
2004	161,488	9,783	285,480	0	12,813	110,993	580,557
2005 - 2009	807,440	48,911	1,439,600	0	22,813	332,981	2,651,745
2010 - 2014	807,440	48,911	1,140,800	0	0	0	1,997,151
2015 - 2019	242,231	48,911	0	0	0	0	291,142
2020	0	4,891	0	0	0	0	4,891
Totals	\$2,664,551	\$195,647	\$4,012,020	\$471,725	\$96,252	\$887,948	\$8,328,143

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Note 11 - Leases

During 1999, the City entered into a lease agreement for a copier. This lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and have been recorded in on the government wide statements. The agreements provide for minimum annual rental payments as follows:

	Year ending December 31,
2000	\$3,243
2001	3,243
2002	3,243
2003	3,243
2004	1,351
Total minimum lease payments	14,323
Less: Amount representing interest	(2,853)
Present value of minimum lease payments	\$11,470

The equipment has been capitalized in the in the amount of \$12,634, the present value of the minimum lease payments at the inception of the lease.

The City, as a lessor, has entered into an agreement leasing a building and accompanying land. The following schedule provides an analysis of the leased property at December 31, 1999:

Land	\$3,415
Building	97,000
	100,415
Less: Accumulated Depreciation	(17,231)
	\$83,184

The following is a schedule by years of minimum future rentals on the operating lease as of December 31, 1999:

	Year ending December 31,
2000	\$11,640
2001	11,640
2002	11,640
2003	10,670
Total minimum lease payments	\$45,590

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Note 12 - Defined Benefit Pension Plans

A. Public Employees Retirement System

All City full-time employees, other than Police and Firemen, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 9.35 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contribution to PERS for the years ended December 31, 1999, 1998, and 1997 were \$368,974, \$355,630, and \$298,240 respectively. The full amount has been contributed for 1998 and 1997. 69.45 percent has been contributed for 1999.

B. Police and Firemen's Disability and Pension Fund

The City contributes to the Police and Firemen's Disability and Pension Fund of Ohio (PFDPF), a cost-sharing multiple employer public employee retirement system administered by the PFDPF's Board of Trustees. The PFDPF provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The PFDPF issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and for 1999 the City was required to contribute 12.5 percent for police and 17 percent for firefighters. For 1998 the City contributions were 13 percent for police and 17.5 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$217,868 and \$216,877 for the year ended December 31, 1999, \$229,660 and \$229,191 for 1998 and \$214,078 and \$192,724 for 1997. The full amount has been contributed for 1998 and 1997. 70.72 percent and 69.62 percent, respectively, have been contributed for 1999.

Note 13 - Postemployment Benefits

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service employees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on the authority granted by State statute. The 1999 employer contribution rate was 13.55 percent of covered payroll for employees; 4.2 percent was the portion that was used to fund health care.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

Benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and Medicare, along with investments income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The City's actual contributions for 1999 which were used to fund OPEB were \$165,742.

During 1997, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health coverage.

B. Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund (PFDPF) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7 percent of covered payroll was applied to the postemployment health care program during 1999. For 1998 the percent used to fund healthcare was 6.5 percent. This allocation will be raised to 7.25 percent in 2000. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 1999 that were used to fund postemployment benefits were \$122,006 for police and \$89,302 for fire. PFDPF's total health care expenses for the year ended December 31, 1998, (the latest information available) were \$78,596,790, which was net of member contributions of \$5,331,515. The number of PFDPF participants eligible to receive health care benefits as of December 31, 1998, was 11,424 for police and 9,186 for firefighters.

Note 14 - Contingent Liabilities

A. Litigation

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

B. Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 1999, the audits of certain of these programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date.

Note 15 - Related Party Transactions

The Ashtabula Port Authority, a discretely presented component unit of the City of Ashtabula, receives contributions from the City for salaries for the administration, implementation and supervision of its projects. In 1999, these contributions totaled \$27,000.

Note 16 - Subsequent Event

On June 1, 2000, the City called the entire outstanding balance of the Urban Renewal Revenue Bonds. At June 1, 2000, the outstanding balance was comprised of \$240,000 for the Series A bonds and \$170,000 for the Series B bonds. There was no call premium for these bonds.

Note 17 - Ashtabula Port Authority

A. Description of Reporting Entity

The Ashtabula Port Authority is a legally separate entity, statutorily created under Section 4582.02 of the Ohio Revised Code, served by a seven-member board of directors appointed by the City Manager with the approval of City Council. Charged with the responsibility of industrial development and the improvement of Ashtabula's interconnecting waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The Ashtabula Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City.

B. Summary of Significant Account Policies

The Ashtabula Port Authority financial information is presented on the statement of net assets and statement of activities using the full accrual basis of accounting and the economic resources measurement focus.

1. Due to Primary Government

Payables resulting from transactions between the Ashtabula Port Authority and the primary government are classified as "due to primary government" on the fund financial statements.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

2. Property, Plant, Equipment and Depreciation

Fixed assets at the Ashtabula Port Authority are capitalized. All fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year.

Donated fixed assets are recorded at their fair market values as of the date donated. The Ashtabula Port Authority has established a capitalization threshold for fixed assets at \$1,000 with the exception of land, as all land was listed regardless of cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. Depreciation for the Ashtabula Port Authority is computed over twenty years.

C. Change in Accounting Principles and Restatement of Prior Year Fund Equity

For 1999, the Ashtabula Port Authority has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

Due to the implementation of GASB Statement No. 34, depreciation on capital assets needed to be calculated; therefore, net assets at December 31, 1998, of \$293,167 was restated by \$7,201 to \$285,966.

D. Deposits and Investments

The Ashtabula Port Authority follows the same statutory requirements for deposits and investments as the primary government (See Note 5).

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$213,721 and the bank balance was \$191,919. Of the bank balance, \$100,000 was covered by federal depository insurance and \$91,919 was uncollateralized and uninsured. Although the pledging banks have an investment and securities pool used to collateralize all public deposits which are held in the financial institutions name, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

For the purpose of classification under GASB Statement No. 3, the Ashtabula Port Authority did not have any investments at year end.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 1999

E. Capital Assets

A summary of the Ashtabula Port Authority's capital assets at December 31, 1999 follows:

	Balance 12/31/98	Additions	Deductions	Balance 12/31/99
Governmental Activities				
Land	\$72,965	\$59,906	(\$5,281)	\$127,590
Improvement	159,995	0	0	159,995
Totals at Historical Cost	232,960	59,906	(5,281)	287,585
Less Accumulated Depreciation:				
Improvements	(12,482)	(7,732)	0	(20,214)
Governmental Activities Capital Assets, Net	<u>\$220,478</u>	<u>\$52,174</u>	<u>(\$5,281)</u>	<u>\$267,371</u>

F. Long-term Debt

The City has loaned the Ashtabula Port Authority money in the amount of \$150,000. As of December 31, 1999, \$1,164 of this loan has been repaid leaving a balance of \$148,836. The following is a repayment schedule for the loan:

Year Ending December 31	Amount
2000	\$11,388
2001	11,388
2002	11,388
2003	11,388
2004	11,388
2005 - 2009	56,938
2010 - 2014	56,938
2015 - 2019	54,090
Totals	<u>\$224,906</u>

**Combining Statements and
Individual Fund Schedules**

Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Code Enforcement Fund - To account for rental unit inspection fees collected, ensuring each unit meets minimum standards for health and safety.

Fire Pension Fund - To accumulate property taxes levied for the payment of the current and accrued liability for fire disability and pension benefits.

Food Service Fund - To account for food service establishment inspection, license and permit fees collected by the City.

Indigent Alcohol Fund - To account for fees collected by the municipal court from pensions whose driver's license or permit was suspended for driving under the influence of alcohol.

Marina Fund - To account for monies received from permits and licenses issued in connection with the operation of the marina.

Municipal Probation Services Fund - To account for resources received from municipal probation.

Motor Vehicle License Tax Fund - To account for resources received as a result of the County's levied motor vehicle license tax.

Police Pension Fund - To accumulate property taxes levied for the payment of the current and accrued liability for police disability and pension benefits.

Public Health Nursing Fund - To account for monies received from residents who utilize the services of the home nursing program sponsored by the Department of Health of the City.

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

Walnut Beach Fund - To account for revenue received from concession stand operations.

(continued)

Combining Statements - Nonmajor Funds (continued)

Nonmajor Capital Projects Fund

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

Construction Fund - To account for financial services to be used for the acquisition and construction of the new Municipal building.

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 1999

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Assets				
Equity in Pooled Cash and Cash Equivalents	\$183,251	\$243,516	\$7,229	\$45,380
Taxes Receivable	0	229,314	0	0
Due from Other Governments	0	0	0	0
Materials and Supplies Inventory	80	0	0	0
<i>Total Assets</i>	<u>\$183,331</u>	<u>\$472,830</u>	<u>\$7,229</u>	<u>\$45,380</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$4,000
Accrued Wages	0	0	432	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	229,314	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>229,314</u>	<u>432</u>	<u>4,000</u>
Fund Balances				
Reserved for Encumbrances	914	88,702	1,139	0
Reserved for Inventory	80	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	182,337	154,814	5,658	41,380
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>183,331</u>	<u>243,516</u>	<u>6,797</u>	<u>41,380</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$183,331</u>	<u>\$472,830</u>	<u>\$7,229</u>	<u>\$45,380</u>

(continued)

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 1999

	Marina	Municipal Probation Services	Motor Vehicle License Tax	Police Pension
Assets				
<i>Equity in Pooled Cash and Cash Equivalents</i>	\$15,327	\$17,195	\$8,370	\$317,512
Taxes Receivable	0	0	0	229,314
Due from Other Governments	0	0	2,401	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$15,327</u>	<u>\$17,195</u>	<u>\$10,771</u>	<u>\$546,826</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	0	0	229,314
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>229,314</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	94,832
Reserved for Inventory	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	15,327	17,195	10,771	222,680
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>15,327</u>	<u>17,195</u>	<u>10,771</u>	<u>317,512</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$15,327</u>	<u>\$17,195</u>	<u>\$10,771</u>	<u>\$546,826</u>

Public Health Nursing	State Highway	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Governmental Funds
\$12,396	\$8,249	\$9,175	\$867,600	\$285,600	\$1,153,200
0	0	0	458,628	0	458,628
0	5,337	0	7,738	0	7,738
0	0	0	80	0	80
<u>\$12,396</u>	<u>\$13,586</u>	<u>\$9,175</u>	<u>\$1,334,046</u>	<u>\$285,600</u>	<u>\$1,619,646</u>
\$0	\$0	\$0	\$4,000	\$0	\$4,000
0	0	0	432	0	432
750	0	0	750	0	750
0	2,777	0	461,405	0	461,405
<u>750</u>	<u>2,777</u>	<u>0</u>	<u>466,587</u>	<u>0</u>	<u>466,587</u>
0	0	0	185,587	0	185,587
0	0	0	80	0	80
11,646	10,809	9,175	681,792	0	681,792
0	0	0	0	285,600	285,600
<u>11,646</u>	<u>10,809</u>	<u>9,175</u>	<u>867,459</u>	<u>285,600</u>	<u>1,153,059</u>
<u>\$12,396</u>	<u>\$13,586</u>	<u>\$9,175</u>	<u>\$1,334,046</u>	<u>\$285,600</u>	<u>\$1,619,646</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 1999

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Revenues				
Property and Other Taxes	\$0	\$225,390	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	75,074	0	36,022	0
Fines and Forfeitures	0	0	0	13,429
Intergovernmental	0	24,171	0	0
Interest	9,301	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>84,375</u>	<u>249,561</u>	<u>36,022</u>	<u>13,429</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	13,766
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	303,285	0	0
Public Health Services	0	0	52,747	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	163,323	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>163,323</u>	<u>303,285</u>	<u>52,747</u>	<u>13,766</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(78,948)</u>	<u>(53,724)</u>	<u>(16,725)</u>	<u>(337)</u>
Other Financing Sources (Uses)				
Transfers In	55,458	165,000	17,000	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>55,458</u>	<u>165,000</u>	<u>17,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(23,490)</u>	<u>111,276</u>	<u>275</u>	<u>(337)</u>
<i>Fund Balances Beginning of Year</i>	207,866	132,240	6,522	41,717
Decrease in Reserve for Inventory	(1,045)	0	0	0
<i>Fund Balances End of Year</i>	<u>\$183,331</u>	<u>\$243,516</u>	<u>\$6,797</u>	<u>\$41,380</u>

Marina	Municipal Probation Services	Motor Vehicle License Tax	Police Pension	Public Health Nursing	State Highway
\$0	\$0	\$0	\$225,389	\$0	\$0
0	0	0	0	24,354	0
14,975	0	0	0	0	0
0	17,195	0	0	0	0
0	0	46,763	24,171	0	44,271
0	0	0	0	0	4,435
0	0	0	0	0	0
<u>14,975</u>	<u>17,195</u>	<u>46,763</u>	<u>249,560</u>	<u>24,354</u>	<u>48,706</u>
0	0	0	0	0	0
0	0	0	341,956	0	0
0	0	0	0	0	0
0	0	0	0	26,597	0
0	0	0	0	0	9,000
0	0	0	0	0	0
27,160	0	0	0	0	0
<u>27,160</u>	<u>0</u>	<u>0</u>	<u>341,956</u>	<u>26,597</u>	<u>9,000</u>
<u>(12,185)</u>	<u>17,195</u>	<u>46,763</u>	<u>(92,396)</u>	<u>(2,243)</u>	<u>39,706</u>
0	0	0	260,000	0	0
0	0	(40,000)	0	0	(34,000)
0	0	(40,000)	260,000	0	(34,000)
<u>(12,185)</u>	<u>17,195</u>	<u>6,763</u>	<u>167,604</u>	<u>(2,243)</u>	<u>5,706</u>
27,512	0	4,008	149,908	13,889	5,103
0	0	0	0	0	0
<u>\$15,327</u>	<u>\$17,195</u>	<u>\$10,771</u>	<u>\$317,512</u>	<u>\$11,646</u>	<u>\$10,809</u>

(continued)

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
For the Year Ended December 31, 1999

	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Governmental Funds
Revenues				
Property and Other Taxes	\$0	\$450,779	\$0	\$450,779
Charges for Services	7,682	32,036	0	32,036
Licenses and Permits	0	126,071	0	126,071
Fines and Forfeitures	0	30,624	0	30,624
Intergovernmental	0	139,376	0	139,376
Interest	0	13,736	0	13,736
Other	625	625	0	625
<i>Total Revenues</i>	<u>8,307</u>	<u>793,247</u>	<u>0</u>	<u>793,247</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	13,766	0	13,766
Security of Persons and Property:				
Police	0	341,956	0	341,956
Fire	0	303,285	0	303,285
Public Health Services	0	79,344	0	79,344
Street Maintenance and Repairs	0	9,000	0	9,000
Housing and Community Development	0	163,323	0	163,323
Leisure Time Activities	28,543	55,703	0	55,703
<i>Total Expenditures</i>	<u>28,543</u>	<u>966,377</u>	<u>0</u>	<u>966,377</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(20,236)</u>	<u>(173,130)</u>	<u>0</u>	<u>(173,130)</u>
Other Financing Sources (Uses)				
Transfers In	18,500	515,958	192,000	707,958
Transfers Out	0	(74,000)	0	(74,000)
<i>Total Other Financing Sources and Uses</i>	<u>18,500</u>	<u>441,958</u>	<u>192,000</u>	<u>633,958</u>
<i>Net Change in Fund Balances</i>	<u>(1,736)</u>	<u>268,828</u>	<u>192,000</u>	<u>460,828</u>
<i>Fund Balances Beginning of Year</i>	10,911	599,676	93,600	693,276
Decrease in Reserve for Inventory	0	(1,045)	0	(1,045)
<i>Fund Balances End of Year</i>	<u>\$9,175</u>	<u>\$867,459</u>	<u>\$285,600</u>	<u>\$1,153,059</u>

Combining Statements - Internal Service Funds

To account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Self Insurance Fund - To account for a medical benefit self-insurance program for employees of the City. Monthly fees are paid and any balance on hand is held until used.

Workers' Compensation Fund - To account for the revenues used for the purpose of providing workers' compensation benefits to employees.

City of Ashtabula, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 1999

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,191,829	\$2,012,015	\$3,203,844
Prepaid Items	14,922	0	14,922
<i>Total Assets</i>	<u>1,206,751</u>	<u>2,012,015</u>	<u>3,218,766</u>
Liabilities			
Due to Other Governments	0	28,454	28,454
Claims Payable	133,918	200,000	333,918
<i>Total Current Liabilities</i>	133,918	228,454	362,372
Long-Term Liabilities:			
Claims Payable	0	225,000	225,000
<i>Total Liabilities</i>	<u>133,918</u>	<u>453,454</u>	<u>587,372</u>
Net Assets			
Unrestricted	1,072,833	1,558,561	2,631,394
<i>Total Net Assets</i>	<u>\$1,072,833</u>	<u>\$1,558,561</u>	<u>\$2,631,394</u>

City of Ashtabula, Ohio
*Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Service Funds
For the Year Ended December 31, 1999*

	Self Insurance	Workers' Compensation	Total
Revenues			
Charges for Services	\$1,503,000	\$435,000	\$1,938,000
Operating Expenses			
Contractual Services	540,297	40,514	580,811
Claims	706,278	221,187	927,465
<i>Total Expenses</i>	1,246,575	261,701	1,508,276
<i>Operating Loss</i>	256,425	173,299	429,724
Non Operating Revenues			
Other Non-Operating Revenues	0	306,223	306,223
<i>Change in Net Assets</i>	256,425	479,522	735,947
<i>Net Assets Beginning of Year</i>	816,408	1,079,039	1,895,447
<i>Net Assets End of Year</i>	\$1,072,833	\$1,558,561	\$2,631,394

City of Ashtabula, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 1999

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Quasi-External Transactions with Other Funds	\$1,503,000	\$435,000	\$1,938,000
Cash Received from Other Non-Operating Sources	0	306,223	306,223
Cash Payments to Suppliers for Goods and Services	(549,819)	(140,258)	(690,077)
Cash Payments for Claims	(668,328)	(196,187)	(864,515)
<i>Net Increase In Cash and Cash Equivalents</i>	284,853	404,778	689,631
<i>Cash and Cash Equivalents Beginning of Year</i>	906,976	1,607,237	2,514,213
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,191,829</u>	<u>\$2,012,015</u>	<u>\$3,203,844</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
<i>Operating Income</i>	\$256,425	\$173,299	\$429,724
Adjustments:			
Other Non-Operating Revenues	0	306,223	306,223
(Increase)/ Decrease in Assets:			
Accounts Receivable	5,400	0	5,400
Prepaid Items	(14,922)	0	(14,922)
Increase/ (Decrease) in Liabilities:			
Due to Other Governments	0	(99,744)	(99,744)
Claims Payable	37,950	25,000	62,950
<i>Net Cash Provided by Operating Activities</i>	<u>\$284,853</u>	<u>\$404,778</u>	<u>\$689,631</u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual**

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property and Other Taxes	\$887,500	\$887,500	\$929,688	\$42,188
Municipal Income Tax	4,871,763	5,171,763	5,241,817	70,054
Charges for Services	38,250	38,250	46,297	8,047
Licenses and Permits	45,321	45,321	45,818	497
Fines and Forfeitures	489,600	570,600	573,271	2,671
Intergovernmental	1,678,600	1,993,600	1,977,840	(15,760)
Interest	187,500	187,500	276,557	89,057
Other	209,969	209,969	205,372	(4,597)
Total Revenues	8,408,503	9,104,503	9,296,660	192,157
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	131,635	136,330	134,479	1,851
Materials and Supplies	6,000	11,500	10,645	855
Contractual Services	6,516	2,516	2,516	0
Total Council	144,151	150,346	147,640	2,706
Administration:				
Personal Services	115,097	117,035	115,396	1,639
Materials and Supplies	10,519	10,519	10,101	418
Contractual Services	8,378	8,477	8,293	184
Total Administration	133,994	136,031	133,790	2,241
Auditor:				
Personal Services	207,434	206,770	205,801	969
Materials and Supplies	18,000	18,130	18,024	106
Contractual Services	7,000	7,000	6,920	80
Total Auditor	232,434	231,900	230,745	1,155
Treasurer:				
Personal Services	43,002	48,600	48,398	202
Materials and Supplies	4,000	4,419	4,383	36
Total Treasurer	\$47,002	\$53,019	\$52,781	\$238

(continued)

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
City Income Tax:				
Personal Services	\$130,190	\$142,842	\$142,820	\$22
Materials and Supplies	15,000	16,802	16,802	0
Total City Income Tax	<u>145,190</u>	<u>159,644</u>	<u>159,622</u>	<u>22</u>
Solicitor:				
Personal Services	174,220	171,414	169,418	1,996
Materials and Supplies	10,500	10,500	10,085	415
Total Solicitor	<u>184,720</u>	<u>181,914</u>	<u>179,503</u>	<u>2,411</u>
Motor Maintenance:				
Personal Services	177,580	150,846	150,739	107
Materials and Supplies	85,800	88,300	82,863	5,437
Total Motor Maintenance	<u>263,380</u>	<u>239,146</u>	<u>233,602</u>	<u>5,544</u>
Engineering:				
Personal Services	171,486	173,138	172,679	459
Materials and Supplies	14,596	14,596	14,035	561
Contractual Services	700	700	157	543
Total Engineering	<u>186,782</u>	<u>188,434</u>	<u>186,871</u>	<u>1,563</u>
Affirmative Action:				
Personal Services	1,631	1,631	1,617	14
Materials and Supplies	200	200	0	200
Total Affirmative Action	<u>1,831</u>	<u>1,831</u>	<u>1,617</u>	<u>214</u>
County Auditor Deductions:				
Contractual Services	59,300	82,939	82,638	301
General Services:				
Street and Viaduct Lighting	366,250	359,560	358,375	1,185
Legal Advertising	5,500	5,500	3,965	1,535
Photocopy Machine	9,020	10,520	10,130	390
Bus Subsidy	24,000	25,000	25,000	0
Indigent Burials	5,000	2,875	2,875	0
Settlement of Claims	13,000	10,000	6,758	3,242
Membership Fees	8,875	8,875	8,665	210
Bank Fees	7,000	7,962	7,962	0
Other	15,000	15,000	15,000	0
Total General Services	<u>\$453,645</u>	<u>\$445,292</u>	<u>\$438,730</u>	<u>\$6,562</u>

(continued)

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Civil Service:				
Personal Services	\$7,627	\$7,627	\$7,092	\$535
Materials and Supplies	1,000	5,000	4,811	189
Total Civil Service	8,627	12,627	11,903	724
Lands and Buildings:				
Personal Services	152,385	142,613	142,114	499
Materials and Supplies	98,337	113,337	111,436	1,901
Contractual Services	258,000	241,211	234,252	6,959
Total Lands and Buildings	508,722	497,161	487,802	9,359
Water Pollution:				
Personal Services	2,064	1,794	1,794	0
Materials and Supplies	0	0	0	0
Contractual Services	0	0	0	0
Total Water Pollution	2,064	1,794	1,794	0
Total Legislative and Executive	2,371,842	2,382,078	2,349,038	33,040
Judicial System:				
Municipal Court/Probation:				
Personal Services	516,347	557,773	555,340	2,433
Materials and Supplies	58,905	58,905	58,104	801
Contractual Services	10,500	10,500	9,969	531
Total Judicial System	585,752	627,178	623,413	3,765
Total General Government	2,957,594	3,009,256	2,972,451	36,805
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,598,148	2,651,471	2,648,888	2,583
Materials and Supplies	181,750	211,750	205,915	5,835
Contractual Services	56,400	50,174	46,933	3,241
Total Police	\$2,836,298	\$2,913,395	\$2,901,736	\$11,659

(continued)

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Fire:				
Fire Prevention:				
Personal Services	\$1,721,322	\$1,820,439	\$1,819,801	\$638
Materials and Supplies	42,000	43,252	43,237	15
Contractual Services	73,120	51,378	51,377	1
Total Fire	<u>1,836,442</u>	<u>1,915,069</u>	<u>1,914,415</u>	<u>654</u>
Total Security of Persons and Property	<u>4,672,740</u>	<u>4,828,464</u>	<u>4,816,151</u>	<u>12,313</u>
Public Health Services:				
Health:				
Personal Services	91,880	95,139	95,118	21
Materials and Supplies	5,500	9,293	9,292	1
Contractual Services	10,800	10,800	9,586	1,214
Total Public Health Services	<u>108,180</u>	<u>115,232</u>	<u>113,996</u>	<u>1,236</u>
Street Maintenance and Repairs:				
Street:				
Personal Services	23,533	23,015	23,015	0
Housing and Community Development:				
Housing Inspection:				
Personal Services	51,825	67,037	67,006	31
Materials and Supplies	100	100	0	100
Total Housing and Community Development	<u>51,925</u>	<u>67,137</u>	<u>67,006</u>	<u>131</u>
Sanitation Services:				
Sanitation:				
Personal Services	1,309	1,138	1,138	0
Debt Service:				
Principal Retirement	70,261	70,261	70,260	1
Interest and Fiscal Charges	43,728	43,728	43,728	0
Total Expenditures	<u>7,929,270</u>	<u>8,158,231</u>	<u>8,107,745</u>	<u>50,486</u>
Excess of Revenues Over Expenditures	<u>\$479,233</u>	<u>\$946,272</u>	<u>\$1,188,915</u>	<u>\$242,643</u>

(continued)

City of Ashtabula, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Fund (continued)
 For the Year Ended December 31, 1999*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Other Financing Sources (Uses)				
Sale of Fixed Assets	\$4,922	\$4,922	\$4,922	\$0
Transfers In	0	4,000	0	(4,000)
Transfers Out	(609,919)	(1,280,958)	(1,280,958)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(604,997)</u>	<u>(1,272,036)</u>	<u>(1,276,036)</u>	<u>(4,000)</u>
<i>Net Change in Fund Balance</i>	(125,764)	(325,764)	(87,121)	238,643
<i>Fund Balance Beginning of Year</i>	231,012	231,012	231,012	0
<i>Prior Year Encumbrances Appropriated</i>	<u>129,764</u>	<u>129,764</u>	<u>129,764</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$235,012</u>	<u>\$35,012</u>	<u>\$273,655</u>	<u>\$238,643</u>

City of Ashtabula, Ohio
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, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$1,295,230	\$1,295,230	\$763,834	(\$531,396)
Interest	10,000	10,000	19,735	9,735
Other	0	0	20	20
<i>Total Revenues</i>	<u>1,305,230</u>	<u>1,305,230</u>	<u>783,589</u>	<u>(521,641)</u>
Expenditures				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Personal Services	141,100	141,100	85,518	55,582
Materials and Supplies	25,000	25,000	7,439	17,561
Contractual Services	1,166,466	1,166,466	819,500	346,966
<i>Total Expenditures</i>	<u>1,332,566</u>	<u>1,332,566</u>	<u>912,457</u>	<u>420,109</u>
<i>Net Change in Fund Balance</i>	(27,336)	(27,336)	(128,868)	(101,532)
<i>Fund Balance Beginning of Year</i>	441,008	441,008	441,008	0
Prior Year Encumbrances Appropriated	20,336	20,336	20,336	0
<i>Fund Balance End of Year</i>	<u>\$434,008</u>	<u>\$434,008</u>	<u>\$332,476</u>	<u>(\$101,532)</u>

City of Ashtabula, Ohio
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, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$692,000	\$692,000	\$651,542	(\$40,458)
Interest	27,000	27,000	54,594	27,594
Other	2,500	2,500	1,648	(852)
<i>Total Revenues</i>	<u>721,500</u>	<u>721,500</u>	<u>707,784</u>	<u>(13,716)</u>
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	748,501	828,501	781,051	47,450
Materials and Supplies	215,489	260,489	219,781	40,708
Contractual Services	40,000	35,000	16,703	18,297
<i>Total Expenditures</i>	<u>1,003,990</u>	<u>1,123,990</u>	<u>1,017,535</u>	<u>106,455</u>
<i>Excess of Revenues Under Expenditures</i>	(282,490)	(402,490)	(309,751)	92,739
Other Financing Sources				
Transfers In	260,000	260,000	344,000	84,000
<i>Net Change in Fund Balance</i>	(22,490)	(142,490)	34,249	176,739
<i>Fund Balance Beginning of Year</i>	158,255	158,255	158,255	0
Prior Year Encumbrances Appropriated	22,904	22,904	22,904	0
<i>Fund Balance End of Year</i>	<u>\$158,669</u>	<u>\$38,669</u>	<u>\$215,408</u>	<u>\$176,739</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitation Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for Services	\$992,000	\$992,000	\$1,019,066	\$27,066
Intergovernmental	0	0	72,795	72,795
Other	8,000	8,000	3,748	(4,252)
<i>Total Revenues</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,095,609</u>	<u>95,609</u>
Expenditures				
Current:				
Sanitation Services:				
Sanitation:				
Personal Services	750,775	748,421	744,160	4,261
Materials and Supplies	171,091	181,091	161,258	19,833
Contractual Services	356,000	348,354	323,497	24,857
<i>Total Expenditures</i>	<u>1,277,866</u>	<u>1,277,866</u>	<u>1,228,915</u>	<u>48,951</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(277,866)</u>	<u>(277,866)</u>	<u>(133,306)</u>	<u>144,560</u>
Other Financing Sources				
Transfers In	175,000	175,000	275,000	100,000
<i>Net Change in Fund Balance</i>	(102,866)	(102,866)	141,694	244,560
<i>Fund Balance Beginning of Year</i>	214,463	214,463	214,463	0
Prior Year Encumbrances Appropriated	102,866	102,866	102,866	0
<i>Fund Balance End of Year</i>	<u>\$214,463</u>	<u>\$214,463</u>	<u>\$459,023</u>	<u>\$244,560</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$381,500	\$381,500	\$400,058	\$18,558
Intergovernmental	34,900	34,900	41,473	6,573
Special Assessments	22,000	22,000	15,418	(6,582)
<i>Total Revenues</i>	<u>438,400</u>	<u>438,400</u>	<u>456,949</u>	<u>18,549</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Personal Services	1,000	700	560	140
Materials and Supplies	1,000	1,000	309	691
Contractual Services	10,500	10,800	8,203	2,597
Total General Government	<u>12,500</u>	<u>12,500</u>	<u>9,072</u>	<u>3,428</u>
Debt Service:				
Principal Retirement	150,000	150,000	150,000	0
Interest and Fiscal Charges	158,000	158,000	154,880	3,120
<i>Total Expenditures</i>	<u>320,500</u>	<u>320,500</u>	<u>313,952</u>	<u>6,548</u>
<i>Net Change in Fund Balance</i>	117,900	117,900	142,997	25,097
<i>Fund Balance Beginning of Year</i>	<u>309,891</u>	<u>309,891</u>	<u>309,891</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$427,791</u>	<u>\$427,791</u>	<u>\$452,888</u>	<u>\$25,097</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$341,200	\$341,200	\$353,342	\$12,142
Municipal Income Tax	591,000	591,000	588,425	(2,575)
Intergovernmental	196,683	196,683	202,569	5,886
Other	254,453	254,453	7,954	(246,499)
<i>Total Revenues</i>	<u>1,383,336</u>	<u>1,383,336</u>	<u>1,152,290</u>	<u>(231,046)</u>
Expenditures				
Capital Outlay:				
Contractual Services	8,000	8,000	7,108	892
Capital Outlay	1,379,235	1,467,510	1,392,008	75,502
<i>Total Expenditures</i>	<u>1,387,235</u>	<u>1,475,510</u>	<u>1,399,116</u>	<u>76,394</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,899)</u>	<u>(92,174)</u>	<u>(246,826)</u>	<u>(154,652)</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	15,800	15,800	15,800	0
Proceeds of OPWC Loan	38,364	38,364	38,364	0
Transfers In	0	0	222,000	222,000
Transfers Out	(107,000)	(107,000)	(107,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(52,836)</u>	<u>(52,836)</u>	<u>169,164</u>	<u>222,000</u>
<i>Net Change in Fund Balance</i>	<u>(56,735)</u>	<u>(145,010)</u>	<u>(77,662)</u>	<u>67,348</u>
<i>Fund Balance Beginning of Year</i>	135,191	135,191	135,191	0
Prior Year Encumbrances Appropriated	56,735	56,735	56,735	0
<i>Fund Balance End of Year</i>	<u>\$135,191</u>	<u>\$46,916</u>	<u>\$114,264</u>	<u>\$67,348</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Code Enforcement Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Permits	\$185,500	\$185,500	\$68,324	(\$117,176)
Interest	5,000	5,000	8,515	3,515
<i>Total Revenues</i>	<u>190,500</u>	<u>190,500</u>	<u>76,839</u>	<u>(113,661)</u>
Expenditures				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	106,458	106,458	103,964	2,494
Materials and Supplies	19,250	19,250	18,856	394
Contractual Services	128,864	128,864	41,417	87,447
<i>Total Expenditures</i>	<u>254,572</u>	<u>254,572</u>	<u>164,237</u>	<u>90,335</u>
<i>Excess of Revenues Under Expenditures</i>	(64,072)	(64,072)	(87,398)	(23,326)
Other Financing Sources				
Operating Transfers In	55,458	55,458	55,458	0
<i>Net Change in Fund Balance</i>	(8,614)	(8,614)	(31,940)	(23,326)
<i>Fund Balance Beginning of Year</i>	198,127	198,127	198,127	0
Prior Year Encumbrances Appropriated	8,614	8,614	8,614	0
<i>Fund Balance End of Year</i>	<u>\$198,127</u>	<u>\$198,127</u>	<u>\$174,801</u>	<u>(\$23,326)</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property and Other Taxes	\$215,200	\$215,200	\$225,390	\$10,190
Intergovernmental	22,150	22,150	24,171	2,021
<i>Total Revenues</i>	<u>237,350</u>	<u>237,350</u>	<u>249,561</u>	<u>12,211</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	399,683	399,233	387,627	11,606
Contractual Services	4,000	4,450	4,360	90
<i>Total Expenditures</i>	<u>403,683</u>	<u>403,683</u>	<u>391,987</u>	<u>11,696</u>
<i>Excess of Revenues Under Expenditures</i>	(166,333)	(166,333)	(142,426)	23,907
Other Financing Sources				
Transfers In	65,000	65,000	165,000	100,000
<i>Net Change in Fund Balance</i>	(101,333)	(101,333)	22,574	123,907
<i>Fund Balance Beginning of Year</i>	50,907	50,907	50,907	0
Prior Year Encumbrances Appropriated	81,333	81,333	81,333	0
<i>Fund Balance End of Year</i>	<u>\$30,907</u>	<u>\$30,907</u>	<u>\$154,814</u>	<u>\$123,907</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Permits	<u>\$35,025</u>	<u>\$35,025</u>	<u>\$36,622</u>	<u>\$1,597</u>
Expenditures				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	45,897	47,897	47,444	453
Materials and Supplies	3,000	3,000	2,918	82
Contractual Services	<u>4,450</u>	<u>4,450</u>	<u>3,427</u>	<u>1,023</u>
<i>Total Expenditures</i>	<u>53,347</u>	<u>55,347</u>	<u>53,789</u>	<u>1,558</u>
<i>Excess of Revenues Under Expenditures</i>	(18,322)	(20,322)	(17,167)	3,155
Other Financing Sources				
Transfers In	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,322)	(3,322)	(167)	3,155
<i>Fund Balance Beginning of Year</i>	6,257	4,800	4,800	0
Prior Year Encumbrances Appropriated	<u>1,457</u>	<u>1,457</u>	<u>1,457</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,392</u>	<u>\$2,935</u>	<u>\$6,090</u>	<u>\$3,155</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Alcohol Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$50,000	\$50,000	\$13,429	(\$36,571)
Expenditures				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	50,000	50,000	9,766	40,234
<i>Net Change in Fund Balance</i>	0	0	3,663	3,663
<i>Fund Balance Beginning of Year</i>	41,717	41,717	41,717	0
<i>Fund Balance End of Year</i>	\$41,717	\$41,717	\$45,380	\$3,663

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Marina Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Licenses and Permits	\$14,500	\$14,500	\$14,975	\$475
Expenditures				
Current:				
Leisure Time Activities:				
Marina:				
Materials and Supplies	300	300	160	140
Contractual Services	12,000	28,000	27,000	1,000
<i>Total Expenditures</i>	12,300	28,300	27,160	1,140
<i>Net Change in Fund Balance</i>	2,200	(13,800)	(12,185)	1,615
<i>Fund Balance Beginning of Year</i>	27,512	27,512	27,512	0
<i>Fund Balance End of Year</i>	\$29,712	\$13,712	\$15,327	\$1,615

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Fines and Forfeitures	\$0	\$0	\$17,195	\$17,195
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	17,195	17,195
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$17,195</u>	<u>\$17,195</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$48,000	\$48,000	\$47,948	(\$52)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	48,000	48,000	47,948	(52)
Other Financing Uses				
Transfers Out	<u>(45,000)</u>	<u>(45,000)</u>	<u>(40,000)</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	3,000	3,000	7,948	4,948
<i>Fund Balance Beginning of Year</i>	<u>422</u>	<u>422</u>	<u>422</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,422</u>	<u>\$3,422</u>	<u>\$8,370</u>	<u>\$4,948</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property and Other Taxes	\$215,200	\$215,200	\$225,389	\$10,189
Intergovernmental	22,150	22,150	24,171	2,021
<i>Total Revenues</i>	<u>237,350</u>	<u>237,350</u>	<u>249,560</u>	<u>12,210</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	455,789	455,339	432,428	22,911
Contractual Services	4,000	4,450	4,360	90
<i>Total Expenditures</i>	<u>459,789</u>	<u>459,789</u>	<u>436,788</u>	<u>23,001</u>
<i>Excess of Revenues Under Expenditures</i>	(222,439)	(222,439)	(187,228)	35,211
Other Financing Sources				
Transfers In	110,000	110,000	260,000	150,000
<i>Net Change in Fund Balance</i>	(112,439)	(112,439)	72,772	185,211
<i>Fund Balance Beginning of Year</i>	57,469	57,469	57,469	0
Prior Year Encumbrances Appropriated	92,439	92,439	92,439	0
<i>Fund Balance End of Year</i>	<u>\$37,469</u>	<u>\$37,469</u>	<u>\$222,680</u>	<u>\$185,211</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Health Nursing Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$24,354</u>	<u>(\$646)</u>
Expenditures				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	9,000	9,000	9,000	0
Materials and Supplies	<u>16,000</u>	<u>17,546</u>	<u>17,546</u>	<u>0</u>
<i>Total Expenditures</i>	<u>25,000</u>	<u>26,546</u>	<u>26,546</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(1,546)	(2,192)	(646)
<i>Fund Balance Beginning of Year</i>	<u>14,588</u>	<u>14,588</u>	<u>14,588</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,588</u>	<u>\$13,042</u>	<u>\$12,396</u>	<u>(\$646)</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$49,000	\$49,000	\$45,052	(\$3,948)
Interest	5,000	5,000	4,435	(565)
<i>Total Revenues</i>	54,000	54,000	49,487	(4,513)
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	9,000	9,000	9,000	0
<i>Excess of Revenues Over Expenditures</i>	45,000	45,000	40,487	(4,513)
Other Financing Uses				
Transfers Out	(45,000)	(45,000)	(34,000)	11,000
<i>Net Change in Fund Balance</i>	0	0	6,487	6,487
<i>Fund Balance Beginning of Year</i>	1,762	1,762	1,762	0
<i>Fund Balance End of Year</i>	<u>\$1,762</u>	<u>\$1,762</u>	<u>\$8,249</u>	<u>\$6,487</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Walnut Beach Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for Services	\$0	\$0	\$7,682	\$7,682
Other	1,500	1,500	625	(875)
<i>Total Revenues</i>	<u>1,500</u>	<u>1,500</u>	<u>8,307</u>	<u>6,807</u>
Expenditures				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Personal Services	15,000	19,258	18,125	1,133
Materials and Supplies	7,153	8,652	7,418	1,234
<i>Total Expenditures</i>	<u>22,153</u>	<u>27,910</u>	<u>25,543</u>	<u>2,367</u>
<i>Excess of Revenues Under Expenditures</i>	(20,653)	(26,410)	(17,236)	9,174
Other Financing Sources				
Transfers In	18,500	18,500	18,500	0
<i>Net Change in Fund Balance</i>	(2,153)	(7,910)	1,264	9,174
<i>Fund Balance Beginning of Year</i>	5,758	5,758	5,758	0
Prior Year Encumbrances Appropriated	2,153	2,153	2,153	0
<i>Fund Balance End of Year</i>	<u>\$5,758</u>	<u>\$1</u>	<u>\$9,175</u>	<u>\$9,174</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Construction Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	192,000	192,000	0	192,000
<i>Excess of Revenues Under Expenditures</i>	(192,000)	(192,000)	0	192,000
Other Financing Sources				
Transfers In	192,000	192,000	192,000	0
<i>Net Change in Fund Balance</i>	0	0	192,000	192,000
<i>Fund Balance Beginning of Year</i>	93,600	93,600	93,600	0
<i>Fund Balance End of Year</i>	<u>\$93,600</u>	<u>\$93,600</u>	<u>\$285,600</u>	<u>\$192,000</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Wastewater Treatment Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for Services	\$2,554,568	\$2,554,568	\$2,760,049	\$205,481
Tap-In Fees	388,708	388,708	321,081	(67,627)
Other Non-Operating Revenues	55,500	55,500	89,401	33,901
Grants	36,413	36,413	36,888	475
<i>Total Revenues</i>	<u>3,035,189</u>	<u>3,035,189</u>	<u>3,207,419</u>	<u>172,230</u>
Expenses				
Personal Services	1,713,505	1,716,894	1,713,910	2,984
Contractual Services	435,481	418,567	408,000	10,567
Materials and Supplies	297,677	426,203	413,169	13,034
Capital Outlay	453,284	433,284	429,925	3,359
Debt Service:				
Principal Retirement	79,000	79,000	76,873	2,127
Interest and Fiscal Charges	87,000	87,000	84,615	2,385
<i>Total Expenses</i>	<u>3,065,947</u>	<u>3,160,948</u>	<u>3,126,492</u>	<u>34,456</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(30,758)	(125,759)	80,927	206,686
Other Financing Uses				
Transfers Out	(57,000)	(87,000)	(87,000)	0
<i>Net Change in Fund Balance</i>	(87,758)	(212,759)	(6,073)	206,686
<i>Fund Equity Beginning of Year</i>	828,252	828,252	828,252	0
Prior Year Encumbrances Appropriated	87,758	87,758	87,758	0
<i>Fund Equity End of Year</i>	<u>\$828,252</u>	<u>\$703,251</u>	<u>\$909,937</u>	<u>\$206,686</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 1999

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,492,000	\$1,492,000	\$1,503,000	\$11,000
Expenses				
Contractual Services	624,430	624,430	549,819	74,611
Claims	867,570	867,570	668,328	199,242
<i>Total Expenses</i>	<u>1,492,000</u>	<u>1,492,000</u>	<u>1,218,147</u>	<u>273,853</u>
<i>Net Change in Fund Balance</i>	0	0	284,853	284,853
<i>Fund Equity Beginning of Year</i>	<u>906,976</u>	<u>906,976</u>	<u>906,976</u>	0
<i>Fund Equity End of Year</i>	<u>\$906,976</u>	<u>\$906,976</u>	<u>\$1,191,829</u>	<u>\$284,853</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 1999

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for Services	\$445,000	\$445,000	\$435,000	(\$10,000)
Other Non-Operating Revenues	1,000	1,000	306,223	305,223
Total Revenues	446,000	446,000	741,223	295,223
Expenses				
Contractual Services	140,258	140,258	140,258	0
Claims	305,742	305,742	196,187	109,555
Total Expenses	446,000	446,000	336,445	109,555
<i>Net Change in Fund Balance</i>	0	0	404,778	404,778
<i>Fund Equity Beginning of Year</i>	1,607,237	1,607,237	1,607,237	0
<i>Fund Equity End of Year</i>	\$1,607,237	\$1,607,237	\$2,012,015	\$404,778

City of Ashtabula
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 1999

Federal Grantor/ Pass-through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U. S. DEPARTMENT OF HOUSING AND DEVELOPMENT</u>			
Community Development Block Grant Home Investment Partnerships Program	A-C-98-085-02	14.239	\$ <u>345,391</u>
<u>U. S. DEPARTMENT OF HOUSING AND DEVELOPMENT</u> <i>Passed Through Ohio Department of Development</i>			
Community Development Block Grant/State's Program Community Housing Improvement Program	A-C-98-085-01	14.228	140,083
Community Development Block Grant/State's Program Formula Allocation Program	A-F-97-085-01 A-F-98-085-02	14.228 14.228	26,792 <u>161,000</u>
Total U. S. Department of Housing and Development			<u>327,875</u>
<u>U. S. DEPARTMENT OF JUSTICE</u>			
Community Oriented Policing Services (COPS)		16.710	<u>73,275</u>
Total			<u>\$ 746,541</u>

The accompanying notes to this schedule are an integral part of this schedule.

City of Ashtabula
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 1999

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City of Ashtabula's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
REVOLVING LOAN PROGRAMS**

The City of Ashtabula has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households, to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City of Ashtabula passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 1999, the gross amount of loans outstanding under this program was \$317,814.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*



Members of Council
City of Ashtabula
Ashtabula, Ohio

We have audited the financial statements of the City of Ashtabula as of and for the year ended December 31, 1999, and have issued our report thereon dated June 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Ashtabula's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Ashtabula in a separate letter dated June 20, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Ashtabula's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City of Ashtabula in a separate letter dated June 20, 2000.

Members of Council
City of Ashtabula
Report on Compliance and Internal Controls Over
Financial Reporting Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards
Page 2

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

S. R. Snodgrass, A. C.

June 20, 2000

SNODGRASS

Certified Public Accountants and Consultants

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



Members of Council
City of Ashtabula
Ashtabula, Ohio

Compliance

We have audited the compliance of the City of Ashtabula with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City of Ashtabula's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Ashtabula's management. Our responsibility is to express an opinion on the City of Ashtabula's compliance based on our audit.

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

In our opinion, the City of Ashtabula complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the City of Ashtabula is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Ashtabula's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Members of Council
City of Ashtabula
Report on Compliance With Requirements Applicable to Each Major
Major Program And Internal Control Over Compliance
In Accordance With OMB Circular A-133
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

S. R. Snodgrass, A. C.

June 20, 2000

City of Ashtabula
SCHEDULE OF FINDINGS (Continued)
For the Year Ended December 31, 1999

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

None



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OFFICE OF THE AUDITOR

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CITY OF ASHTABULA

ASHTABULA 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 19, 2000**