

CITY OF ASHTABULA

ASHTABULA COUNTY

Audit Report

For the Year Ended December 31, 2016





Dave Yost • Auditor of State

City Council
City of Ashtabula
4717 Main Avenue
Ashtabula, Ohio 44004

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

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

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

Dave Yost
Auditor of State

September 13, 2017

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City of Ashtabula
Ashtabula County
For the Year Ended December 31, 2016

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Cleveland OH 44113-1306
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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Ashtabula
Ashtabula County
4717 Main Avenue
Ashtabula, OH 44004

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2017.

Internal Control Over Financial Reporting

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

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

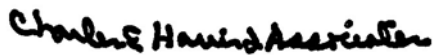
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 28, 2017

City of Ashtabula, Ohio



Comprehensive Annual Financial Report

For The Year Ended
December 31, 2016

Prepared by the Finance Department

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INTRODUCTORY SECTION

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City of Ashtabula, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2016

Prepared by:
The Finance Department

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City of Ashtabula, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
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CITY OF ASHTABULA
FINANCE DEPARTMENT

MUNICIPAL BUILDING
4717 MAIN AVENUE
ASHTABULA, OHIO 44004

DANA PINKERT
FINANCE DIRECTOR



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dpinkert@ashtabulacity.com

June 28, 2017

Members of Ashtabula City Council,
City Manager, James M Timonere and
The Citizens of Ashtabula, Ohio

The City of Ashtabula's (the City) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2016 is hereby submitted for review. This report, prepared by the Finance Department, enables the City to comply with Ohio Administrative Code Section 117-02-03(B), which requires reporting on GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of year end. It represents the City of Ashtabula's operations and provides a clear, comprehensive, and materially accurate overview of the City's financial position at December 31, 2016.

While there is no legal requirement for the preparation of a CAFR, doing so reflects the ongoing commitment of the City of Ashtabula to follow nationally recognized standards of excellence in financial reporting, a commitment shared by a growing number of governmental entities in Ohio. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures contained within, rests with the City, specifically the Finance Department. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- 1.) the cost of a control should not exceed the benefits likely to be derived; and
- 2.) the valuation of costs and benefits requires estimates and judgments by management.

In accordance with Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. Charles E. Harris and Associates has issued an unqualified ("clean") opinion on the City of Ashtabula's financial statements for the year ended December 31, 2016. Charles E. Harris and Associates accountant's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditor and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City of Ashtabula is located on the south shore of Lake Erie, fifty-six miles east of Cleveland, Ohio. On April 6, 1891, the village of Ashtabula was incorporated into a city under the laws of the State of Ohio. Ashtabula was named by the Indians. The word was originally pronounced "Hash - Ta La," and its name, meaning "River of Many Fish," was first applied to what is now the Ashtabula River. Those who decided to settle on the west bank of the Ashtabula River Gulf in the early 1800's faced the challenge of clearing forest land with crude tools, raising and storing food, and building shelters to protect themselves from the elements. Although the task was formidable, a small number of settlers responded to the challenge and helped the area become a borough, a village, and eventually, a city.

The City's area is 7.6 square miles with other areas considering annexation into the City corporation limits. The City of Ashtabula is five hundred ninety feet above sea level. According to the 2010 census, the City's population was 19,680. The Ashtabula County area population is now estimated at approximately 98,231 with the City of Ashtabula population estimated at 18,663.

Form of Government

The City of Ashtabula is a home rule municipal corporation established under the laws of the State of Ohio and operated under its own charter. The current charter, which provides for a City Manager - City Council form of government, was adopted on January 1, 1916. The City Manager and the City Solicitor are elected by a vote of the people and serve for four-year terms. To provide necessary services to its citizens, the City of Ashtabula is divided into departments and financial management and control systems. Services provided include police and fire protection, trash disposal, street maintenance, construction and repair, cultural, parks and recreational facilities, wastewater treatment and a staff to provide support (i.e., payroll processing and accounts payable) to facilitate the objectives the service providers. The City also partners with the Municipal Court and City Health Department to provide such services through legislative, administrative and finance support. The operation and control of City activities are carried out by the City Council through the budgetary process and administration of the finance activities of the City and the City Manager through administrative and managerial policies and procedures. All are responsible to the citizens of Ashtabula and are included as part of the reporting entity.

Legislative authority is vested in a seven-member Council consisting of five ward and two at-large representatives; elected to serve for four-year terms. The at-large candidate receiving the most votes becomes the council president, and the other at-large candidate becomes the vice president. City Council holds its regular bi-monthly council meetings on the first and third Mondays of each month. The Council appoints the Clerk of Council and Finance Director.

The Division of Police enforces local, state, and federal laws in addition to protecting citizens and their property. Service to the community through an aggressive, proactive updated law enforcement approach is the main concern of the division. The department, which is headed by the Chief of Police, consists of jail operations, auxiliary police, as well as a staff of lieutenants, patrol officers, and K-9 units. Administrative services consist of the chief's secretary and a records officer. The police department is located at 110 West 44th Street.

The Division of Fire provides fire protection and emergency medical services to City of Ashtabula citizens, as well as placing strong emphasis on community involvement and education. Staff training, planning and equipment maintenance activities remain high priorities. A Chief leads the department which is composed of firefighters, an engineer, a lieutenant and captain personnel. The fire station is located at 4326 Main Avenue.

The Service Department is comprised of several divisions/departments administered by the Superintendent of Public Services; the division of Public Works, division of Sanitation, and Motor Maintenance.

The division of Public Works is responsible for the non-contractual maintenance of the City's roadways, leaf collection, and snow removal in the winter. The Service Department also maintains the parks and playgrounds and traffic signalization within the City.

The Sanitation department is responsible for the City-wide collection and removal of trash, both residential and commercial. They have a state-of-the-art recycling center which handles all types of recyclables.

Motor Maintenance performs routine maintenance and repairs to City vehicles; major repairs are outsourced as needed.

The Division of Wastewater Treatment is headed by the Superintendent who holds a Class IV certification. The plant is running twenty-four hours a day, seven days a week with three shifts. They treat the City's sanitary sewage and that of some of the surrounding townships. The plant is located at 303 Woodland Avenue.

The Health Department personnel provide essential public health services and information. They issue birth and death certificates. The nursing staff administers immunization and vaccinations to children and adults. The Environment Officer protects the public against environmental hazards.

The Planning and Community Development Department is responsible for the City's housing, engineering, zoning, code enforcement, grant administration and revolving loan administration functions. The department issues permits and conducts site inspections. Code Enforcement oversees the residential rental stock in the City. These homes are inspected and landlords pay a rental fee, to ensure their rentals are in compliance with the City's building codes. In addition, the Department is responsible for writing grants for major projects and the City's CDBG programs. The department works with qualifying residents to improve their housing through CDBG housing grant programs. These programs provide funding for the purchase of homes and repairs to owner occupied homes.

Building Maintenance personnel keep all City buildings clean and safe for employees and visitors.

The Manager's Department is the administrative arm of the City. The Manager is the elected official responsible for the Police, Fire, Service, Sanitation, Wastewater Treatment, Planning and Community Development and Building Maintenance Departments. The administrative offices are located at 4717 Main Avenue, 2nd floor.

The Solicitor's Department advises the City Council, the City Manager and all departments on legal matters concerning the City. The City Solicitor is also the City's Prosecutor and administers the Law Enforcement Trust Fund. The department which includes an assistant solicitor, an administrative assistant and one clerical employee prepares and/or approves all contracts, legislation and legal documents. Their offices are located in the Annex Building at 110 West 44th Street.

The Municipal Court is the judicial branch of the City and is headed by the Honorable Municipal Judge elected by the citizens. Civil and criminal cases, including traffic, are handled by the Court. Probation obligations are handled in co-operation with the court.

The City Council is the legislative branch of the City. All legislative matters of the City are brought to the Council for their approval. The Council is the appointing authority for the Clerk of Council and the Finance Director; offices located at 4717 Main Ave, 2nd floor.

The Clerk keeps a permanent record of all proceedings and legislation passed by Council.

The Finance Director is appointed by Council. The Finance Director is the head of and administers the City of Ashtabula Finance Division.

The Finance Department is responsible for income taxes, human resources and payroll, service billing and financial reporting and other finance functions as specified in the City Charter. In addition, the Finance Department assists all City departments in facilitating their objectives by providing administrative support.

The Income Tax Department is responsible for the collection of municipal income tax with over 4,000 resident returns, 1,100 business net profits returns and the collection from 912 withholding accounts from businesses within the City. The department offers free preparation in house service for the municipal income tax returns. The department is under the general direction of the City Finance Director.

Accounting Systems and Budgetary Control

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation and (2) the valuation of costs and benefits requires estimates and judgments by management.

Under State law, all funds, with the exception of agency funds, are legally required to be budgeted and appropriated. The legal level of control has been established by Council at the personal services and other object level within each fund. Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit intra-fund transfers within control levels with approval by the Manager and Finance Director.

Budgetary control is maintained by an encumbrance of purchase amounts and certification of available funds of prior to creating the expense liability. Purchase orders are not issued when an insufficient unencumbered appropriation balance is available. The Finance Department is responsible for ensuring availability of funds prior to processing purchase orders.

The Finance Director certifies the availability of the funds. Upon such certification, the City Manager, who is also the Purchasing Agent by City Charter, approves and issues the purchase order. Copies of all approved purchase orders are returned to the department head pending receipt of the goods and invoice. Once the goods or services and the invoice are received, department head must sign a request for payment as verification that all goods or services were received and are in acceptable condition prior to payment for such is issued. Each department head is furnished a monthly report showing the status of the budget accounts for which he/she is responsible. The reports detail monthly transactions and summarize the available balances.

Economic Conditions and Outlook

The City of Ashtabula is committed to the revitalization of existing resources and the search for new ways to improve the economic outlook of the community. The City has Joint Economic Development District agreements in place with Ashtabula Township and Saybrook Township both of which were expanded in 2015. In addition, the City has nine (9) Community Reinvestment Agreements in place. City Council execute such agreements with eligible businesses for the purpose of establishing, expanding, renovating or occupying facilities, hiring new employees and preserving jobs within the enterprise zone, in exchange for specified local tax incentives granted by the City. Aqua Ohio with the a 14,000 square foot operations center, is the cornerstone tenant of the Ashtabula City Port Authority's enterprise zone; fifty acres of land at the end of State Route 11, within the City boundaries.

The City's revolving loan program provides direct, low-interest construction loans to small businesses and industries to encourage their success and future growth as well as to create and retain permanent jobs for low and moderate income City residents.

The City Department of Planning and Community Development and a five-member Loan Review Committee serve as an independent administrative board and are responsible for administering the revolving loan fund. Since the program's inception over twenty years ago, twenty-four viable inquiries have been made, thirteen full applications have been received and eight applicants were approved for funding.

The City of Ashtabula also has one of the finest harbors on the Great Lakes. In terms of tonnage shipped in and out, Ashtabula is one of the largest coal and iron ore ports on the Great Lakes. The facility uses a coal loader, which is the newest and best of its kind on the Lakes. The Port of Ashtabula generally receives more iron ore and rubber than any other lake port and ships out tremendous quantities of coal. The entire harbor is dredged and canalized to the highest Great Lakes' standards, enabling the docks to serve vessels of any size.

The Port of Ashtabula is one of the area's most valuable assets. With the growth of recreational boating on the river and on Lake Erie, the number of boats docked at marinas on the river has grown to over 400 annually with most marinas' dock space is filled to capacity.

The Ashtabula Harbor area hosted the Beach Glass Festival, The Arts on Bridge Street and the Wine and Walleye Festival in June and July respectively. Bridge Street has become regional destination for tourism, recreation and entertainment with unique shops and places to dine and drink.

The City maintains ten public parks; two are located on the lakefront and are popular bathing and amusement resorts during the summer season. Lake Shore Park offers a picnic pavilion, a swimming area, new boat launching ramps, and new beach facilities. Walnut Beach Bathhouse, a brick structure that houses spacious dressing rooms equipped with showers, is free to the public. Food and soft drinks are served at a modern lunch counter and are available during the summer. The extensive facilities with sandy beaches make this resort one of the most attractive swimming and recreation areas on Lake Erie.

The Walnut Beach area comprises approximately twenty-two acres with one thousand feet of Lake Erie frontage. This area is important to the City as a prime site for recreation, accommodating over a thousand boats annually from the Ashtabula River and adjacent marinas. A roped-off swimming area, with anchor docking, does make Walnut Beach attractive to the fast growing boating population. The park also hosts Bands on the Beach, a summertime concert series that draws many residents and visitors to the beach during the summer.

The largest employer in the City is the Ashtabula County Medical Center (ACMC), an affiliate of Cleveland Clinic. With over 1,000 employees it is by far the largest medical facility in the county and surrounding area. ACMC has been recognized as a Top Performer on Key Quality Measures by the Joint Commission; the leading accreditor of healthcare organizations in the United States.

The chief industries of the City and surrounding territory are manufacturing, agriculture, dairying, coal, iron ore, rubber and transportation, including shipping. Industries such as Molded Fiberglass, which began in 1948, today produce compression molded parts with 300 employees at two Ashtabula plants. The "sandwich" of plastic, resin, glass, resin and plastic is about 30 times stronger than normal plastic. MFG Body Company was the original molder of the Corvette (in 1953), but today automotive is only one part of its business. Chromaflo Technologies Corporation, the largest independent global colorant provider to the Coatings and Thermoset Plastics markets and Community Care Ambulance house headquarters in the City.

City residents purchase water service from the Aqua Ohio Water Company. The daily average water pumpage is more than 6,500,000 gallons. The FirstEnergy/Illuminating Company provides electricity. The newest electrical generating facility available to FirstEnergy is the Perry Nuclear Power Plant, which is located approximately twenty-five miles from Ashtabula. Natural gas is supplied by the Dominion East Ohio Gas Company, which has over eight hundred miles of gas lines in the City. Windstream Western Reserve and Greatwave Communications provide local telephone service, and residents can choose between Time Warner, Direct TV and/or Dish Network for cable or satellite television services.

Major Initiatives

During the year, vehicles were acquired by the Planning and Community Development, Police, and Public Works Departments to enhance the overall operational effectiveness and readiness of the City. To maintain the public safety, the Police Department purchased three new vehicles.

The City partnered with State, Federal and local agency grants; Community Development Block Grant funds, an Ohio Department of Natural Resources Nature Works Grant and a grant from the Community Development Corporation; to fund the re-design and removal of the parking areas at Walnut Beach and installation of new playground equipment, benches and trash receptacles.

Improvements at the City's Wastewater Treatment Plant continued with the completion of Final Settling Tank Rehabilitation and Electrical Improvements, Ultra Violet Light Disinfection and the Primary Tank Rehabilitation projects all underway in 2016. The City will fund eight million dollars in improvements, with loans through the Ohio Water Development Authority. Improvements to the collection system continued with the start of Phase I of the Sanitary Sewer Overflow Elimination project. The Ohio Public Works Commission funded 65 percent of the project through grants and interest free loans with the City having an initial local match of 35 percent or \$105,140.

The Fire Department answered 693 fire alarms in 2016, performed 34 fire investigations and provided mutual aid to surrounding communities. The Fire Division is full partner in the City's EMS system, responding to 1,601 ambulance calls, transporting 824 patients and collecting over \$117,000.

The Sanitation Department services approximately 7,000 households and 160 commercial accounts per week. Pick-up is mandatory for all residents, and businesses have the option of City pick-up or private hauler. The City contracted with Waste Management and expended \$463,000 in landfill fees for the rubbish collected by our trucks and the rubbish collected at our transfer station. In addition to landfill fees, the City expended \$53,900 for recyclable material pick-ups.

The City has a state-of-the-art-recycling center that receives all types of recyclables. The goal for the recycling center is to reduce the tonnage that is hauled to the landfill, and reduce the amount of landfill and pickup fees paid during the year.

Future Projects

Phase II of the Sanitary Sewer Overflow Elimination and the Digester Rehabilitation will get underway in 2017.

In addition to the US Route 20 improvement ODOT project that will get underway in 2017, the City budgeted \$400,000 for street improvements. The City's share of the US Route 20 project is \$302,000 and will be funded with the State Infrastructure Bank Loan.

The City will invest \$170,000 in Finance, Accounting and Billing software and hardware to upgrade outdated software and interface with other City departments.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ashtabula, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. This was the City of Ashtabula's twenty-ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report depends on the contributions of all City departments and many dedicated employees. Our gratitude of those primarily responsible for its completion is extended to all contributors, especially the employees in the Finance Department who have spent their time and energy on various parts of the project; specifically, the Accounting Assistant and Assistant Finance Director who assumed new responsibilities for such and the Local Government Services Section of Auditor of State's office for their assistance in the organization and final review of our 2016 Comprehensive Annual Financial Report.

On behalf of the Finance Department, our sincere thanks and appreciation is offered to the members of City Council and the Administration whose continued support is necessary for the City of Ashtabula to conform to reporting requirements established for municipal governments. We would also like to thank the residents and taxpayers of the City of Ashtabula for entrusting us with the administration and preservation of their public assets.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'D. Pinkert', is positioned above the typed name.

Dana D. Pinkert
Finance Director

City of Ashtabula, Ohio
List of Principal Officials

Elected City Officials

City Council

Josephine Misener President
Christopher J. McClure Vice President
John Rosckovics Ward I
August A. Pugliese Ward II
Kristy Hosken Ward III
Michael D. Speelman Ward IV
Kris E. Hamrick Ward V

City Manager

James M Timonere

City Solicitor

Michael Franklin

Municipal Court Judge

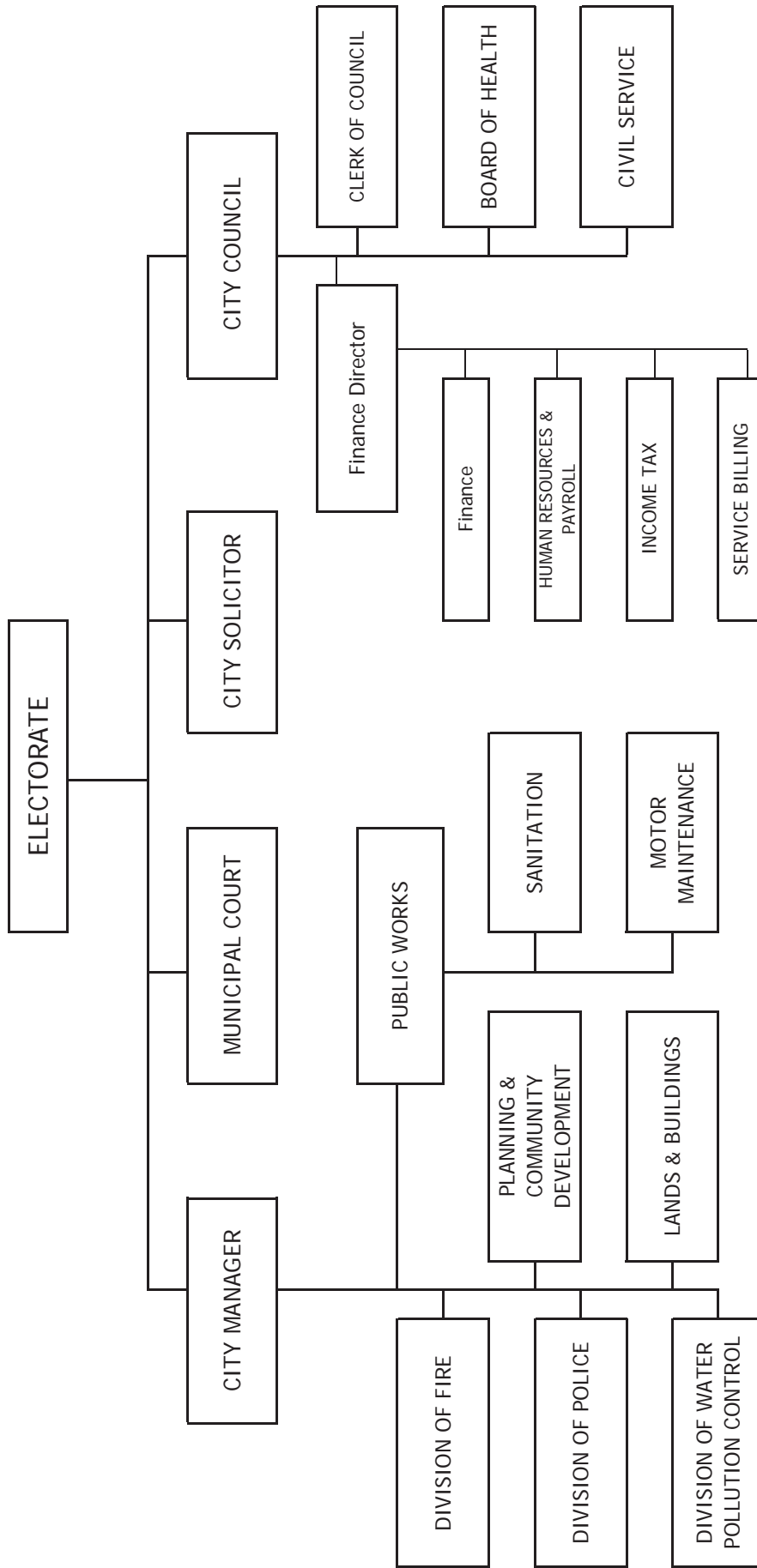
Laura DiGiacomo

Appointed City Officials

LaVette E. Hennigan Clerk of Council
Dana D. Pinkert Finance Director
Shawn Gruber Chief of Fire
Robert D. Stell Chief of Police
Christine L. Hill Health Commissioner
Vacant Director of Planning & Community Development
Lawrence Meaney Superintendent of Public Works and Sanitation
Craig Pierce Superintendent of Wastewater Treatment Plant

CITY OF ASHTABULA, OHIO ORGANIZATIONAL CHART

December 31, 2016





Government Finance Officers Association

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

Presented to

**City of Ashtabula
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

FINANCIAL SECTION

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

City of Ashtabula
Ashtabula County
4717 Main Avenue
Ashtabula, OH 44004

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the remaining aggregate fund information of the City of Ashtabula, Ashtabula County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Community Development Block Grant, Street Maintenance and Repair and Police Levy funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Charles Harris Associates

Charles E. Harris & Associates, Inc.
June 28, 2017

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City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
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, 2016. 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

- ◆ On November 8, 2016, City residents approved a 1.5 mill park levy effective for tax year 2016, collection year 2017.
- ◆ During 2016, the City leveraged CDBG and EPA grant funds with local contributions to make \$450,000 in improvements at Walnut Beach. Improvements included redesign for parking areas with the removal of the old parking areas and building of the new lighting, a new parking lot and site improvements to prevent runoff into Lake Erie.
- ◆ The City's \$8 million wastewater treatment plant improvement plan continued during 2016. The final settling rehabilitation was completed while the ultra violet light disinfection and electrical improvement projects were initiated.
- ◆ The City is committed to providing the Citizens of Ashtabula with the highest quality of services while maintaining efficiency and cost effectiveness. The City continues to work diligently to operate within the limitations of the annual budget.

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 Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those 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 non-major funds presented in total in one column.

Reporting the City of Ashtabula as a Whole

Statement of Net Position 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, "Is the City as a whole better off or worse off as a result of the year's activities during 2016?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector companies; taking into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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These two statements report the City's net position and the changes in that position. This change in net position is important because it tells the reader whether the City as a whole and its financial position has improved or diminished. However, in evaluating the overall net position of the City, non financial 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 Position 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 other departments with the exception of water pollution control/wastewater and sanitation.
- ◆ **Business-Type Activities** - The City's business-type activities are water pollution control (wastewater treatment) and sanitation. The City charges fees to recoup the cost of the entire operations of business-type activities as well as all capital expenses associated with water pollution control.
- ◆ **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 11. 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, police levy, and permanent improvement funds.

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 differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds 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.

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For the Year Ended December 31, 2016
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The City of Ashtabula as a Whole

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

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$9,779,306	\$9,801,597	\$3,238,869	\$2,987,095	\$13,018,175	\$12,788,692
Capital Assets	31,816,647	32,364,481	18,335,374	15,306,527	50,152,021	47,671,008
<i>Total Assets</i>	<u>41,595,953</u>	<u>42,166,078</u>	<u>21,574,243</u>	<u>18,293,622</u>	<u>63,170,196</u>	<u>60,459,700</u>
Deferred Outflows of Resources						
Pension	3,798,879	1,513,789	957,589	291,944	4,756,468	1,805,733
Liabilities						
Current and Other Liabilities	647,736	1,194,330	416,976	1,142,230	1,064,712	2,336,560
Long-Term Liabilities:						
Due Within One Year	1,407,407	948,927	196,012	635,052	1,603,419	1,583,979
Due In More Than One Year:						
Net Pension Liability	14,134,597	11,085,870	2,428,243	1,638,695	16,562,840	12,724,565
Other Amounts Due In More Than One Year	6,408,254	6,743,066	5,631,692	2,347,384	12,039,946	9,090,450
<i>Total Liabilities</i>	<u>22,597,994</u>	<u>19,972,193</u>	<u>8,672,923</u>	<u>5,763,361</u>	<u>31,270,917</u>	<u>25,735,554</u>
Deferred Inflows of Resources						
Property Taxes	2,288,657	1,881,579	0	0	2,288,657	1,881,579
Pension	133,333	39,756	46,918	28,788	180,251	68,544
<i>Total Deferred Inflows of Resources</i>	<u>2,421,990</u>	<u>1,921,335</u>	<u>46,918</u>	<u>28,788</u>	<u>2,468,908</u>	<u>1,950,123</u>
Net Position						
Net Investment in Capital Assets	26,242,611	26,578,704	12,825,905	11,965,565	39,068,516	38,544,269
Restricted for:						
Capital Projects	2,064,719	2,093,617	0	0	2,064,719	2,093,617
Debt Service	49,326	48,482	0	0	49,326	48,482
Community Development	158,477	153,062	0	0	158,477	153,062
Street Maintenance and Repair	574,691	635,571	0	0	574,691	635,571
Public Safety	489,315	653,281	0	0	489,315	653,281
Municipal Court	58,041	96,620	0	0	58,041	96,620
Other Purposes	168,231	120,536	0	0	168,231	120,536
Unrestricted (Deficit)	(9,430,563)	(8,593,534)	986,086	827,852	(8,444,477)	(7,765,682)
<i>Total Net Position</i>	<u>\$20,374,848</u>	<u>\$21,786,339</u>	<u>\$13,811,991</u>	<u>\$12,793,417</u>	<u>\$34,186,839</u>	<u>\$34,579,756</u>

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The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

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

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

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

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

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The net position for governmental activities saw a decrease in 2016. The decrease is primarily due to increase in deferred inflows of resources to account for the 2016 park levy effective for collection year 2017. The significant increase in total deferred outflows of resources in 2016 was due to an increase in the difference between projected and actual earnings on investments related to the City's net pension liability for OPERS and OP&F. Current liabilities decreased primarily due to the City paying obligations prior to year end. Long-term liabilities increased in 2016 largely due to an increase in net pension liability. The net pension liability increase represents the City's proportionate share of the OPERS traditional plan's unfunded benefits. As indicated above, changes in pension benefits, contribution rates and return on investments affect the balance of the net pension liability.

The net position of the City's business type activities increased 2016. Assets increased due to continued wastewater treatment plant improvements affecting capital assets. Current liabilities decreased primarily due to the contracts payable due on the wastewater treatment plant improvements. Long-term liabilities increased with the increase in the net pension liability previously discussed.

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

(Table 2)
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for Services	\$1,813,447	\$1,867,252	\$5,418,331	\$5,363,789	\$7,231,778	\$7,231,041
Operating Grants, Contributions and Interest	1,587,496	1,113,802	0	0	1,587,496	1,113,802
Capital Grants and Contributions	87,304	686,611	54,028	25,690	141,332	712,301
Total Program Revenues	3,488,247	3,667,665	5,472,359	5,389,479	8,960,606	9,057,144
General Revenues						
Property Taxes	1,765,577	1,980,203	0	0	1,765,577	1,980,203
Income Taxes	6,369,895	6,443,716	0	0	6,369,895	6,443,716
Grants and Entitlements	808,303	877,128	0	0	808,303	877,128
Investment Earnings	538	175	0	0	538	175
Franchise Taxes	225,803	244,176	0	0	225,803	244,176
Other	87,282	167,832	5,279	10,589	92,561	178,421
Total General Revenues	9,257,398	9,713,230	5,279	10,589	9,262,677	9,723,819
Total Revenues	\$12,745,645	\$13,380,895	\$5,477,638	\$5,400,068	\$18,223,283	\$18,780,963

(continued)

City of Ashtabula, Ohio
Management's Discussion and Analysis
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Unaudited

(Table 2)

Change in Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Program Expenses						
General Government						
Legislative and Executive	\$2,073,507	\$2,258,619	\$0	\$0	\$2,073,507	\$2,258,619
Judicial System	1,133,813	1,006,688	0	0	1,133,813	1,006,688
Security of Persons and Property						
Police	4,630,686	4,244,476	0	0	4,630,686	4,244,476
Fire	2,678,611	2,845,390	0	0	2,678,611	2,845,390
Public Health Services	380,260	388,432	0	0	380,260	388,432
Street Maintenance and Repairs	2,376,580	2,989,848	0	0	2,376,580	2,989,848
Housing and Community						
Development	772,464	1,288,296	0	0	772,464	1,288,296
Sanitation Services	6,485	334,856	0	0	6,485	334,856
Leisure Time Activities	55,362	95,965	0	0	55,362	95,965
Interest and Fiscal Charges	3,650	70,338	0	0	3,650	70,338
Sanitation			2,088,252	1,672,859	2,088,252	1,672,859
Wastewater Treatment	0	0	2,416,530	4,253,305	2,416,530	4,253,305
<i>Total Expenses</i>	<u>14,111,418</u>	<u>15,522,908</u>	<u>4,504,782</u>	<u>5,926,164</u>	<u>18,616,200</u>	<u>21,449,072</u>
<i>Increase (Decrease) in Net Position Before Transfers</i>	(1,365,773)	(2,142,013)	972,856	(526,096)	(392,917)	(2,668,109)
Transfers	<u>(45,718)</u>	<u>(55,500)</u>	<u>45,718</u>	<u>55,500</u>	<u>0</u>	<u>0</u>
<i>Change in Net Position</i>	(1,411,491)	(2,197,513)	1,018,574	(470,596)	(392,917)	(2,668,109)
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>21,786,339</u>	<u>23,983,852</u>	<u>12,793,417</u>	<u>13,264,013</u>	<u>34,579,756</u>	<u>37,247,865</u>
<i>Net Position End of Year</i>	<u>\$20,374,848</u>	<u>\$21,786,339</u>	<u>\$13,811,991</u>	<u>\$12,793,417</u>	<u>\$34,186,839</u>	<u>\$34,579,756</u>

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the biggest contributor at 49.98 percent of program and general revenues. The income tax rate of 1.8 percent was renewed by a vote of our citizens in November of 2016 and will be in effect indefinitely. This is significant as the City's income tax funds approximately 45 percent of all expenses in the governmental activities.

Income taxes received during the year decreased \$73,821 as well as property taxes received decreasing by \$214,626. Operating grants increased due to the receipt of CDBG and other Federal Grant funds. Capital grants decreased due to less funding for capital projects in 2016. Charges for services remained fairly consistent with the prior year.

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Unaudited

Business-Type Activities

The City's business-type activities include the wastewater treatment and sanitation. The wastewater program receives no support from tax revenues. The wastewater treatment plant treats sewage from the City of Ashtabula and surrounding townships. The facility generated revenues of \$3,646,281 and had expenses of \$2,335,512 during 2016. Expenses decreased in 2016 due to less expenditures for the water treatment plant major capital improvements than in 2015. The City continues looking at ways to improve cash flow by reducing costs of operation. The City doesn't have the option of discontinuing sewer service for nonpayment; the water is provided by a privately owned company. Delinquent sewer bills are certified to the County Auditor for assessment as part of the property tax bill. The City has been able to keep sewer rates low and does not foresee a rate increase to fund the improvements, however, the City may have to extend an existing debt service charge.

The Sanitation Department receives charges for services revenue from residential rubbish pickup, commercial containers and from individuals dumping at the transfer station. In 2016, revenues from such services were \$1,777,329 while department expenses were \$2,087,901. The cost of landfill and pick-up fees was in excess of \$487,043 for 2016; recycling is encouraged as an effort to keep such landfill costs low. Delinquent trash bills are certified to the County Auditor for assessment on the property tax bill. Build up of trash creates a health hazard and blight to the neighborhoods therefore the residential trash collection service is not discontinued for lack of payment.

The City's Funds

As of December 31, 2016, the City's governmental funds reported a combined fund balance of \$3,608,301. Of that amount, \$208,099 represents unassigned fund balance, and \$112,091 is nonspendable because it has already been allocated to materials and supplies, prepaids and unclaimed monies. The remaining \$3,288,111 fund balance is reported as restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted, committed or assigned to a specified purpose or it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year. Information about the City's major governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting.

The City's major governmental funds are the general fund, three special revenue funds - community development block grant, street maintenance and repair and police levy, as well as the permanent improvement capital projects fund. The general fund realized an increase in fund balance during the year with revenues exceeding expenditures by \$409,790 in 2016. This is due to a decrease in expenditures reported in 2016 compared to that in 2015 as a result of conservative budgeting and management diligently monitoring spending.

The community development block grant saw a decrease in fund balance of \$71,147 in 2016, primarily due to expending revolving loan funds to supplement grant projects, grant funds receivable and expending program income. Grant money was used to demolish 39 homes throughout the City. The street maintenance and repair fund saw a decrease in fund balance during the year due to an increase in expenditures from 2015 primarily for salt and contractual services. The policy levy fund decreased as the expenditures outpaced the revenues received during the year. The permanent improvement capital projects fund increased by \$391,776 due to decreases in expenditures paid on capital projects.

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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 2016, the City amended its general fund budget several times, none significant. All recommendations for a budget change come from the City Finance Director 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 intra-fund budget changes that modify line items within the legislated level of appropriations. 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.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$1,977,331	\$1,977,331	\$86,863	\$86,863	\$2,064,194	\$2,064,194
Construction in Progress	2,318,410	2,692,107	4,007,715	1,418,917	6,326,125	4,111,024
Buildings and Improvements	4,313,325	4,189,811	3,601,945	2,814,900	7,915,270	7,004,711
Furniture, Fixtures and Equipment	574,943	614,524	659,201	823,849	1,234,144	1,438,373
Vehicles	1,384,182	1,417,751	74,799	128,716	1,458,981	1,546,467
Infrastructure						
Bridges	12,864,974	13,017,187	0	0	12,864,974	13,017,187
Roads	5,732,075	6,762,207	0	0	5,732,075	6,762,207
Storm Sewers	1,252,654	1,236,426	0	0	1,252,654	1,236,426
Traffic Lights	1,398,753	457,137	0	0	1,398,753	457,137
Sanitary Sewers	0	0	9,904,851	10,033,282	9,904,851	10,033,282
Total	\$31,816,647	\$32,364,481	\$18,335,374	\$15,306,527	\$50,152,021	\$47,671,008

The primary decrease in governmental capital assets occurred with the replacement of a number of vehicles in addition to another year of depreciation. This decrease was offset by the completion of the Point Park stairs improvement project and the traffic signalization upgrade. The City of Ashtabula aggressively seeks grant dollars and leverages dollars designated for permanent improvements for matching funds.

Projects for 2016 included Walnut Beach improvements which includes the parking lot and a new playground, engineering on the US Route 20 improvements and lighting upgrades and a new roof at the fire station. The City also purchased seven vehicles and a new loader and bucket in 2016.

The increase in business-type activities capital assets occurred in construction in process and buildings and improvements for capital and was primarily due to the wastewater treatment plant improvement projects. As part of the City's plan to renovate and upgrade the entire plant within ten years, monies were expended for improvements and equipment. See Note 15 for additional information about the City's capital assets.

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Long-term Obligations

The City's long-term obligations are comprised of State infrastructure bank bonds and loans, OPWC loans, OWDA loans, equalization basin loan, notes payable, capital leases payable, claims payable, compensated absences and net pension liability.

(Table 4)
 Outstanding Long-term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
SIB Bonds	\$4,010,000	\$3,930,022	\$0	\$0	\$4,010,000	\$3,930,022
SIB Loans	1,172,842	941,091	0	0	1,172,842	941,091
OPWC Loans	78,525	88,307	627,373	665,628	705,898	753,935
OWDA Loans	0	0	4,679,870	1,611,877	4,679,870	1,611,877
EQ Basin Loan	0	0	0	298,757	0	298,757
Notes Payable	0	0	137,909	0	137,909	0
Capital Leases Payable	312,669	491,812	16,427	59,920	329,096	551,732
Claims Payable	177,990	172,971	0	0	177,990	172,971
Compensated Absences	2,063,635	2,067,790	366,125	346,254	2,429,760	2,414,044
Net Pension Liability	14,134,597	11,085,870	2,428,243	1,638,695	16,562,840	12,724,565
Total	\$21,950,258	\$18,777,863	\$8,255,947	\$4,621,131	\$30,206,205	\$23,398,994

During 2016, the City borrowed \$311,729 from the State Infrastructure Bank (SIB). The purpose of the SIB Bonds and Loans are to provide the funding necessary for the City's share for design engineering, right away acquisition and transactions costs for the US Route 20 improvement project. The bonds and loans will be repaid over a period of 10 years at an interest rate of 3 percent and will be repaid from the debt service fund.

Ohio Public Works Commission loan for the Harbor Heights project are secured by future collections of special assessments. Residents have agreed to be assessed on their property taxes for a 20 year period commencing January 1, 1999 and ending July 2018. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City.

The amount due to the Ohio Public Works Commission and the Ohio Water Development Authority for business-type activities are paid by sewer revenues collected from the users as part of their normal sewer bill.

The City's overall legal debt margin was \$15,606,254 at December 31, 2016. See Notes 16 and 18 for additional information about the City's long-term debt.

Current Related Financial Activities

The City of Ashtabula is committed to maintaining the highest standards of services to the Citizens of Ashtabula and is proactive when planning expenses in order to stay within the City's revenues.

As the preceding information shows, the City is heavily reliant on income and property taxpayers. The General Fund revenue is usually constant but did realize increased income tax withholding collections primarily due to timing of deposits. While the Local Government Fund revenue sharing amounts received have become static and more projectable for budgeting purposes, the negative effect of the State's decision to make reductions is ongoing. The enterprise funds have generally experienced a positive cash flow as the result of consistent billing thereby creating a regular schedule of revenues.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

The City continued a conservative spending pattern in 2016 however, overall expenditures increased due to capital spending. Only capital items that management and City Council determined necessary, or had off-setting grant revenues were appropriated. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

While the City's general fund unencumbered balance at year end 2016 was substantial at more than \$500,000, the true effect of the State of Ohio's local income tax reform specifically, implementing net operating loss carryovers, is unknown. The challenge of trying to find revenue streams to make-up the loss of local government funds remains constant. The electorate did approve a City Park Levy effective in 2017 and will be used to maintain and improve the City's park system. State funding issues are constantly monitored to determine the impact on the City and all of the City's financial abilities will be needed to meet the challenges of the future. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide excellent services to the residents of the City.

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 Dana Pinkert, Ashtabula City Finance Director, 4717 Main Avenue, Ashtabula, Ohio 44004, telephone 440-992-7107, or e-mail at dpinkert@ashtabulacity.com.

City Of Ashtabula, Ohio
Statement of Net Position
December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,581,497	\$612,534	\$4,194,031	\$0
Cash and Cash Equivalents in Segregated Accounts	47,923	0	47,923	207,632
Accounts Receivable	600,813	2,625,815	3,226,628	0
Accrued Interest	0	0	0	1,129
Intergovernmental Receivable	1,094,631	0	1,094,631	0
Materials and Supplies Inventory	42,240	520	42,760	0
Prepaid Items	48,767	0	48,767	0
Due from Primary Government	0	0	0	1,950
Due from Component Unit	30,241	0	30,241	0
Property Taxes Receivable	2,823,858	0	2,823,858	0
Income Taxes Receivable	1,477,700	0	1,477,700	0
Special Assessments Receivable	31,636	0	31,636	0
Nondepreciable Capital Assets	4,295,741	4,094,578	8,390,319	1,717,541
Depreciable Capital Assets	27,520,906	14,240,796	41,761,702	212,207
<i>Total Assets</i>	<u>41,595,953</u>	<u>21,574,243</u>	<u>63,170,196</u>	<u>2,140,459</u>
Deferred Outflows of Resources				
Pension	3,798,879	957,589	4,756,468	0
Liabilities				
Accounts Payable	95,179	57,255	152,434	0
Contracts Payable	270	18,713	18,983	0
Accrued Wages	222,883	62,425	285,308	0
Intergovernmental Payable	76,650	18,694	95,344	112,185
Due to Component Unit	1,950	0	1,950	0
Retainage Payable	0	167,170	167,170	0
Accrued Interest Payable	39,961	14,719	54,680	0
Claims Payable	16,752	0	16,752	0
Notes Payable	194,091	78,000	272,091	0
Due to Primary Government	0	0	0	30,241
Long-Term Liabilities:				
Due Within One Year	1,407,407	196,012	1,603,419	70,777
Due In More Than One Year:				
Net Pension Liability (See Note 21)	14,134,597	2,428,243	16,562,840	0
Other Amounts Due In More Than One Year	6,408,254	5,631,692	12,039,946	170,725
<i>Total Liabilities</i>	<u>22,597,994</u>	<u>8,672,923</u>	<u>31,270,917</u>	<u>383,928</u>
Deferred Inflows of Resources				
Property Taxes	2,288,657	0	2,288,657	0
Pension	133,333	46,918	180,251	0
<i>Total Deferred Inflows of Revenue</i>	<u>2,421,990</u>	<u>46,918</u>	<u>2,468,908</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	26,242,611	12,825,905	39,068,516	1,658,005
Restricted for:				
Capital Projects	2,064,719	0	2,064,719	0
Debt Service	49,326	0	49,326	0
Community Development	158,477	0	158,477	0
Street Maintenance and Repair	574,691	0	574,691	0
Public Safety	489,315	0	489,315	0
Municipal Court	58,041	0	58,041	0
Other Purposes	168,231	0	168,231	0
Unrestricted (Deficit)	(9,430,563)	986,086	(8,444,477)	98,526
<i>Total Net Position</i>	<u>\$20,374,848</u>	<u>\$13,811,991</u>	<u>\$34,186,839</u>	<u>\$1,756,531</u>

See accompanying notes to the basic financial statements

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$2,073,507	\$246,670	\$0	\$0
Judicial System	1,133,813	282,346	0	0
Security of Persons and Property:				
Police	4,630,686	414,081	132,037	0
Fire	2,678,611	278,732	57,684	0
Public Health Services	380,260	79,261	28,092	0
Street Maintenance and Repairs	2,376,580	302,625	805,132	87,304
Housing and Community Development	772,464	208,883	546,572	0
Sanitation Services	6,485	849	0	0
Leisure Time Activities	55,362	0	17,979	0
Interest and Fiscal Charges	3,650	0	0	0
<i>Total Governmental Activities</i>	<u>14,111,418</u>	<u>1,813,447</u>	<u>1,587,496</u>	<u>87,304</u>
Business-Type Activities				
Sanitation	2,088,252	1,777,296	0	26,265
Wastewater Treatment	2,416,530	3,641,035	0	27,763
<i>Total Business-Type Activities</i>	<u>4,504,782</u>	<u>5,418,331</u>	<u>0</u>	<u>54,028</u>
<i>Total Primary Government</i>	<u>\$18,616,200</u>	<u>\$7,231,778</u>	<u>\$1,587,496</u>	<u>\$141,332</u>
Component Unit				
Asthtabula Port Authority	<u>\$94,745</u>	<u>\$52,691</u>	<u>\$44,798</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for:

General Purposes

Capital Outlay

Other Purposes

Income Taxes Levied for:

General Purposes

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Franchise Taxes

Gain on Sale of Capital Assets

Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (See Note 3)

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$1,826,837)	\$0	(\$1,826,837)	\$0
(851,467)	0	(851,467)	0
(4,084,568)	0	(4,084,568)	0
(2,342,195)	0	(2,342,195)	0
(272,907)	0	(272,907)	0
(1,181,519)	0	(1,181,519)	0
(17,009)	0	(17,009)	0
(5,636)	0	(5,636)	0
(37,383)	0	(37,383)	0
(3,650)	0	(3,650)	0
(10,623,171)	0	(10,623,171)	0
0	(284,691)	(284,691)	0
0	1,252,268	1,252,268	0
0	967,577	967,577	0
(\$10,623,171)	\$967,577	(\$9,655,594)	\$0
0	0	0	2,744
698,451	0	698,451	0
293,845	0	293,845	0
773,281	0	773,281	0
5,737,015	0	5,737,015	0
632,880	0	632,880	0
808,303	0	808,303	0
538	0	538	102
225,803	0	225,803	0
0	0	0	0
87,282	5,279	92,561	0
9,257,398	5,279	9,262,677	102
(45,718)	45,718	0	0
9,211,680	50,997	9,262,677	102
(1,411,491)	1,018,574	(392,917)	2,846
21,786,339	12,793,417	34,579,756	1,753,685
\$20,374,848	\$13,811,991	\$34,186,839	\$1,756,531

City of Ashtabula, Ohio

Balance Sheet

Governmental Funds

December 31, 2016

	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement
Assets					
Equity in Pooled Cash and Cash Equivalents	\$609,336	\$53,754	\$115,971	\$154,481	\$1,649,287
Cash and Cash Equivalents In Segregated Accounts	32,175	0	0	0	0
Receivables:					
Property Taxes	1,006,200	0	0	575,144	427,754
Income Taxes	1,329,930	0	0	0	147,770
Accounts	183,412	0	67,441	0	0
Interfund	18,701	0	0	0	0
Special Assessments	0	0	0	0	0
Intergovernmental Receivable	410,912	80,000	352,317	15,314	83,676
Materials and Supplies Inventory	3,965	0	34,688	0	0
Prepaid Items	40,881	0	2,886	0	0
Due from Component Unit	0	30,241	0	0	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	21,084	0	0	0	0
Total Assets	\$3,656,596	\$163,995	\$573,303	\$744,939	\$2,308,487
Liabilities					
Accounts Payable	\$35,619	\$0	\$9,262	\$0	\$0
Contracts Payable	0	0	0	0	270
Accrued Wages	187,946	4,637	16,054	12,831	0
Intergovernmental Payable	25,719	881	3,004	1,091	0
Due to Component Unit	1,950	0	0	0	0
Interfund Payable	150,000	0	0	0	0
Accrued Interest Payable	2,168	0	0	0	0
Notes Payable	194,091	0	0	0	0
Total Liabilities	597,493	5,518	28,320	13,922	270
Deferred Inflows of Resources					
Property Tax	795,995	0	0	455,708	338,380
Unavailable Revenue	1,486,466	80,000	302,319	133,307	263,313
Total Deferred Inflows of Resources	2,282,461	80,000	302,319	589,015	601,693
Fund Balances					
Nonspendable	65,930	0	37,574	0	0
Restricted	194,091	78,477	205,090	142,002	1,706,524
Committed	0	0	0	0	0
Assigned	263,424	0	0	0	0
Unassigned (Deficit)	253,197	0	0	0	0
Total Fund Balances	776,642	78,477	242,664	142,002	1,706,524
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,656,596	\$163,995	\$573,303	\$744,939	\$2,308,487

See accompanying notes to the basic financial statements

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

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Funds Balances	\$3,608,301
		<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
\$676,453	\$3,259,282	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	31,816,647
15,748	47,923		
814,760	2,823,858	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
0	1,477,700	Delinquent Property Taxes	535,201
349,960	600,813	Municipal Income Taxes	914,181
0	18,701	Intergovernmental	820,773
31,636	31,636	Special Assessments	31,636
137,359	1,079,578	Charges for Services	435,298
3,587	42,240	Fees, Licences and Permits	14,800
5,000	48,767	Franchise Taxes	89,242
0	30,241		
		Total	2,841,131
0	21,084	In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds, an interest expenditure is reported when due.	(37,793)
<u>\$2,034,503</u>	<u>\$9,481,823</u>		
\$49,623	\$94,504	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 position:	
0	270	Net Position	253,284
1,415	222,883	Claims Payable	177,990
28,472	59,167		
0	1,950		
18,701	168,701	Total	431,274
0	2,168		
0	194,091		
		Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
98,211	743,734	SIB Bonds	(4,010,000)
698,574	2,288,657	SIB Loan	(1,172,842)
575,726	2,841,131	OPWC Loan	(78,525)
		Claims Payable	(177,990)
1,274,300	5,129,788	Capital Lease	(312,669)
		Compensated Absences	(2,063,635)
8,587	112,091	Total	(7,815,661)
414,975	2,741,159	The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
283,528	283,528	Deferred Outflows - Pension	3,798,879
0	263,424	Net Pension Liability	(14,134,597)
(45,098)	208,099	Deferred Inflows - Pension	(133,333)
661,992	3,608,301		
<u>\$2,034,503</u>	<u>\$9,481,823</u>	Total	<u>(10,469,051)</u>
		<i>Net Position of Governmental Activities</i>	<u><u>\$20,374,848</u></u>

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

	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement
Revenues					
Property Taxes	\$828,513	\$0	\$0	\$466,690	\$349,223
Municipal Income Tax	6,081,200	0	0	0	671,123
Charges for Services	396,295	0	270	0	0
Licenses and Permits	82,955	0	0	0	0
Fines and Forfeitures	487,026	0	0	0	0
Intergovernmental	802,977	434,515	699,418	29,184	118,149
Special Assessments	0	0	0	0	0
Interest	538	0	0	0	0
Rentals	144,767	0	0	0	0
Franchise Taxes	128,808	0	0	0	0
Other	24,716	39,504	1,712	0	14,900
<i>Total Revenues</i>	<u>8,977,795</u>	<u>474,019</u>	<u>701,400</u>	<u>495,874</u>	<u>1,153,395</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	1,896,077	0	0	0	0
Judicial System	837,300	0	0	0	0
Security of Persons and Property:					
Police	2,827,593	0	0	568,427	0
Fire	2,107,792	0	0	0	0
Public Health Services	282,310	0	0	0	0
Street Maintenance and Repairs	78,443	0	854,483	0	0
Housing and Community Development	0	545,166	0	0	0
Sanitation Services	6,503	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	834,385
Debt Service:					
Principal Retirement	0	0	0	0	251,744
Interest and Fiscal Charges	3,404	0	0	0	10,826
<i>Total Expenditures</i>	<u>8,039,422</u>	<u>545,166</u>	<u>854,483</u>	<u>568,427</u>	<u>1,096,955</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>938,373</u>	<u>(71,147)</u>	<u>(153,083)</u>	<u>(72,553)</u>	<u>56,440</u>
Other Financing Sources (Uses)					
State Infrastructure Bank Bonds Issued	0	0	0	0	79,978
State Infrastructure Bank Loan Issued	0	0	0	0	231,751
Inception of Capital Lease	0	0	0	0	72,601
Transfers In	0	0	128,000	0	0
Transfers Out	(528,583)	0	0	0	(48,994)
<i>Total Other Financing Sources (Uses)</i>	<u>(528,583)</u>	<u>0</u>	<u>128,000</u>	<u>0</u>	<u>335,336</u>
<i>Net Change in Fund Balances</i>	409,790	(71,147)	(25,083)	(72,553)	391,776
<i>Fund Balances (Deficits) Beginning of Year</i>	<u>366,852</u>	<u>149,624</u>	<u>267,747</u>	<u>214,555</u>	<u>1,314,748</u>
<i>Fund Balances End of Year</i>	<u>\$776,642</u>	<u>\$78,477</u>	<u>\$242,664</u>	<u>\$142,002</u>	<u>\$1,706,524</u>

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, 2016*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$709,549
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$453,990	\$2,098,416	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 outlay exceeded depreciation in the current period:	
0	6,752,323	Capital Outlay	1,364,966
301,954	698,519	Depreciation	(1,912,800)
275,903	358,858	Total	(547,834)
223,023	710,049	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
310,887	2,395,130	Property Taxes	(332,839)
10,755	10,755	Municipal Income Tax	(382,428)
0	538	Intergovernmental	87,973
0	144,767	Special Assessments	(10,332)
7,753	136,561	Charges for Services	87,469
6,450	87,282	Fees, Licenses and Permits	(186,638)
		Franchise Taxes	89,242
<u>1,590,715</u>	<u>13,393,198</u>	Total	(647,553)
377	1,896,454	Repayment of bonds, OPWC loan and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	261,526
175,869	1,013,169	Accrued interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net position.	10,580
397,421	3,793,441	Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	4,155
427,814	2,535,606	Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:	
86,631	368,941	SIB Bond Issued	(79,978)
574,863	1,507,789	SIB Loan Issued	(231,751)
215,307	760,473	Capital Lease Issued	(72,601)
0	6,503	Total	(384,330)
29,744	29,744	The internal service funds used by management to charge the costs of insurance and workers' compensation to individual funds are not reported in the city-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.	39,630
0	834,385	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	1,076,074
9,782	261,526	Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities.	(1,933,288)
0	14,230		
<u>1,917,808</u>	<u>13,022,261</u>	<i>Change in Net Position of Governmental Activities</i>	<u><u>(\$1,411,491)</u></u>
(327,093)	370,937		
0	79,978		
0	231,751		
0	72,601		
403,859	531,859		
0	(577,577)		
<u>403,859</u>	<u>338,612</u>		
76,766	709,549		
585,226	2,898,752		
<u>\$661,992</u>	<u>\$3,608,301</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$819,458	\$819,458	\$828,513	\$9,055
Municipal Income Tax	5,675,974	5,895,345	5,975,929	80,584
Charges for Services	349,300	349,300	375,016	25,716
Licenses and Permits	60,692	60,692	79,205	18,513
Fines and Forfeitures	460,000	460,000	495,423	35,423
Intergovernmental	843,200	843,200	839,010	(4,190)
Interest	0	0	538	538
Rentals	133,000	133,000	144,767	11,767
Franchise Fees	205,000	205,000	194,699	(10,301)
Other	95,797	95,797	24,716	(71,081)
<i>Total Revenues</i>	8,642,421	8,861,792	8,957,816	96,024
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,989,556	1,956,385	1,938,104	18,281
Judicial System	775,936	854,288	846,319	7,969
Security of Persons and Property:				
Police	2,955,024	2,893,262	2,818,623	74,639
Fire	2,176,751	2,111,729	2,104,946	6,783
Public Health Services	269,104	284,457	282,597	1,860
Street Maintenance and Repairs	79,361	78,591	78,443	148
Sanitation Services	8,712	7,138	6,503	635
Debt Service:				
Principal Retirement	268,800	268,800	266,091	2,709
Interest and Fiscal Charges	4,320	4,320	3,341	979
<i>Total Expenditures</i>	8,527,564	8,458,970	8,344,967	114,003
<i>Excess of Revenues Over (Under) Expenditures</i>	114,857	402,822	612,849	210,027
Other Financing Sources (Uses)				
Proceeds of Notes	196,800	196,800	194,091	(2,709)
Transfers Out	(505,003)	(530,854)	(528,583)	2,271
<i>Total Other Financing Sources (Uses)</i>	(308,203)	(334,054)	(334,492)	(438)
<i>Net Change in Fund Balance</i>	(193,346)	68,768	278,357	209,589
<i>Fund Balance Beginning of Year</i>	197,741	197,741	197,741	0
Prior Year Encumbrances Appropriated	78,585	78,585	78,585	0
<i>Fund Balance End of Year</i>	\$82,980	\$345,094	\$554,683	\$209,589

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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$22,433	\$668,000	\$453,107	(\$214,893)
Other	7,567	0	39,504	39,504
<i>Total Revenues</i>	30,000	668,000	492,611	(175,389)
Expenditures				
Current:				
Housing and Community Development	21,354	669,354	581,478	87,876
<i>Net Change in Fund Balance</i>	8,646	(1,354)	(88,867)	(87,513)
<i>Fund Balance Beginning of Year</i>	85,651	85,651	85,651	0
Prior Year Encumbrances Appropriated	21,354	21,354	21,354	0
<i>Fund Balance End of Year</i>	<u>\$115,651</u>	<u>\$105,651</u>	<u>\$18,138</u>	<u>(\$87,513)</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,000	\$2,000	\$270	(\$1,730)
Intergovernmental	690,000	690,000	694,214	4,214
Other	0	0	1,712	1,712
<i>Total Revenues</i>	692,000	692,000	696,196	4,196
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works	841,903	856,903	807,090	49,813
<i>Excess of Revenues Over (Under) Expenditures</i>	(149,903)	(164,903)	(110,894)	54,009
Other Financing Sources (Uses)				
Transfers In	128,000	128,000	128,000	0
<i>Net Change in Fund Balance</i>	(21,903)	(36,903)	17,106	54,009
<i>Fund Balance Beginning of Year</i>	56,036	56,036	56,036	0
Prior Year Encumbrances Appropriated	18,100	18,100	18,100	0
<i>Fund Balance End of Year</i>	\$52,233	\$37,233	\$91,242	\$54,009

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
Police Levy Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$486,303	\$486,303	\$466,690	(\$19,613)
Intergovernmental	<u>0</u>	<u>0</u>	<u>29,155</u>	<u>29,155</u>
<i>Total Revenues</i>	486,303	486,303	495,845	9,542
Expenditures				
Current:				
Security of Persons and Property:				
Police	<u>488,978</u>	<u>587,076</u>	<u>583,679</u>	<u>3,397</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,675)	(100,773)	(87,834)	12,939
Other Financing Sources (Uses)				
Transfers Out	<u>(43,099)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(45,774)	(100,773)	(87,834)	12,939
<i>Fund Balance Beginning of Year</i>	221,183	221,183	221,183	0
Prior Year Encumbrances Appropriated	<u>21,132</u>	<u>21,132</u>	<u>21,132</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$196,541</u>	<u>\$141,542</u>	<u>\$154,481</u>	<u>\$12,939</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Sanitation	Wastewater Treatment	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$181,702	\$430,832	\$612,534	\$301,131
Accounts Receivable	838,102	1,787,713	2,625,815	0
Interfund Receivable	0	0	0	150,000
Materials and Supplies Inventory	124	396	520	0
Intergovernmental Receivable	0	0	0	15,053
<i>Total Current Assets</i>	<u>1,019,928</u>	<u>2,218,941</u>	<u>3,238,869</u>	<u>466,184</u>
<i>Noncurrent Assets:</i>				
<i>Capital Assets:</i>				
Capital Assets, Nondepreciable	29,100	4,065,478	4,094,578	0
Capital Assets, Depreciable, Net	630,243	13,610,553	14,240,796	0
<i>Total Noncurrent Assets</i>	<u>659,343</u>	<u>17,676,031</u>	<u>18,335,374</u>	<u>0</u>
<i>Total Assets</i>	<u>1,679,271</u>	<u>19,894,972</u>	<u>21,574,243</u>	<u>466,184</u>
Deferred Outflows of Resources				
Pension	415,817	541,772	957,589	0
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	19,592	37,663	57,255	675
Contracts Payable	84	18,629	18,713	0
Accrued Wages	28,668	33,757	62,425	0
Intergovernmental Payable	5,279	13,415	18,694	17,483
Retainage Payable	0	167,170	167,170	0
Accrued Interest Payable	540	14,179	14,719	0
Notes Payable	18,000	60,000	78,000	0
Compensated Absences Payable	58,083	87,459	145,542	0
Claims Payable	0	0	0	94,742
Capital Leases Payable	0	6,011	6,011	0
Loans Payable	0	44,459	44,459	0
<i>Total Current Liabilities</i>	<u>130,246</u>	<u>482,742</u>	<u>612,988</u>	<u>112,900</u>
<i>Long-Term Liabilities (net of current portion):</i>				
Notes Payable	30,335	107,574	137,909	0
Compensated Absences Payable	86,021	134,562	220,583	0
Claims Payable	0	0	0	100,000
Capital Leases Payable	0	10,416	10,416	0
Loans Payable	0	5,262,784	5,262,784	0
Net Pension Liability	1,016,473	1,411,770	2,428,243	0
<i>Total Long-Term Liabilities</i>	<u>1,132,829</u>	<u>6,927,106</u>	<u>8,059,935</u>	<u>100,000</u>
<i>Total Liabilities</i>	<u>1,263,075</u>	<u>7,409,848</u>	<u>8,672,923</u>	<u>212,900</u>
Deferred Inflows of Resources				
Pension	19,640	27,278	46,918	0
Net Position				
Net Investment in Capital Assets	659,343	12,166,562	12,825,905	0
Unrestricted	153,030	833,056	986,086	253,284
<i>Total Net Position</i>	<u>\$812,373</u>	<u>\$12,999,618</u>	<u>\$13,811,991</u>	<u>\$253,284</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Wastewater		
		Treatment	Total	
Operating Revenues				
Charges for Services	\$1,777,296	\$3,632,535	\$5,409,831	\$1,848,293
Tap-In Fees	0	8,500	8,500	0
Miscellaneous	33	5,246	5,279	0
<i>Total Revenues</i>	<u>1,777,329</u>	<u>3,646,281</u>	<u>5,423,610</u>	<u>1,848,293</u>
Operating Expenses				
Personal Services	1,197,612	1,690,191	2,887,803	4,595
Contractual Services	594,756	0	594,756	407,042
Materials and Supplies	105,107	173,561	278,668	0
Depreciation	190,426	471,760	662,186	0
Claims	0	0	0	1,397,026
<i>Total Operating Expenses</i>	<u>2,087,901</u>	<u>2,335,512</u>	<u>4,423,413</u>	<u>1,808,663</u>
<i>Operating Income (Loss)</i>	(310,572)	1,310,769	1,000,197	39,630
Non Operating Revenues (Expenses)				
Interest and Fiscal Charges	(351)	(81,018)	(81,369)	0
<i>Income (Loss) Before Capital Contributions and Transfers</i>	(310,923)	1,229,751	918,828	39,630
Capital Contributions	26,265	27,763	54,028	0
Transfers In	39,255	6,463	45,718	0
<i>Change in Net Position</i>	(245,403)	1,263,977	1,018,574	39,630
<i>Net Position Beginning of Year</i>	<u>1,057,776</u>	<u>11,735,641</u>	<u>12,793,417</u>	<u>213,654</u>
<i>Net Position End of Year</i>	<u>\$812,373</u>	<u>\$12,999,618</u>	<u>\$13,811,991</u>	<u>\$253,284</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, 2016

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Sanitation	Wastewater Treatment	Total	
<i>Increase (Decrease) In Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,819,949	\$3,572,917	\$5,392,866	\$0
Cash Received from Tap-In Fees	0	8,500	8,500	0
Cash Received from Other Funds	0	0	0	1,848,885
Cash Payments Received from Other Operating Sources	33	5,246	5,279	0
Cash Payments for Employee Services and Benefits	(1,118,218)	(1,587,219)	(2,705,437)	(4,945)
Cash Payments to Suppliers for Goods and Services	(707,813)	(682,700)	(1,390,513)	(488,293)
Cash Payments for Claims	0	0	0	(1,473,351)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(6,049)	1,316,744	1,310,695	(117,704)
Cash Flows from Noncapital Financing Activities				
Financing Activities:				
Transfers In	39,255	6,463	45,718	0
Cash Flows from Capital and Related Financing Activities				
Capital Grants	26,265	27,763	54,028	0
Proceeds of Notes	48,335	167,574	215,909	0
Proceeds of OPWC Loan	0	3,662	3,662	0
Proceeds of OWDA Loan	0	3,171,057	3,171,057	0
Principal Paid on OWDA Loans	0	(103,064)	(103,064)	0
Principal Paid on EQ Basin Loan	0	(298,757)	(298,757)	0
Principal Paid OPWC Loans	0	(41,917)	(41,917)	0
Principal Paid on Notes	(66,335)	(227,574)	(293,909)	0
Principal Paid on Capital Lease	(37,626)	(5,867)	(43,493)	0
Interest Paid on OWDA Loan	0	(75,550)	(75,550)	0
Interest Paid on EQ Basin Loan	0	(12,548)	(12,548)	0
Interest Paid on Notes	(835)	(2,787)	(3,622)	0
Interest Paid on Capital Lease	(1,629)	(593)	(2,222)	0
Payments for Capital Acquisitions	(6,900)	(3,684,133)	(3,691,033)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	(38,725)	(1,082,734)	(1,121,459)	0
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	(5,519)	240,473	234,954	(117,704)
<i>Cash and Cash Equivalents Beginning of Year</i>	187,221	190,359	377,580	418,835
<i>Cash and Cash Equivalents End of Year</i>	\$181,702	\$430,832	\$612,534	\$301,131

(continued)

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2016

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Sanitation	Wastewater Treatment	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	(\$310,572)	\$1,310,769	\$1,000,197	\$39,630
Adjustments:				
Depreciation	190,426	471,760	662,186	0
(Increase)/ Decrease in Assets:				
Accounts Receivable	42,653	(59,618)	(16,965)	0
Intergovernmental Receivable	0	0	0	592
Materials and Supplies Inventory	72	73	145	0
Decrease in Deferred Outflows of Resources - Pension	85,710	109,308	195,018	0
Increase/ (Decrease) in Liabilities:				
Accounts Payable	12,718	22,677	35,395	(179)
Contracts Payable	(20,740)	(607,573)	(628,313)	0
Accrued Wages	10,291	6,943	17,234	(294)
Compensated Absences Payable	3,730	16,141	19,871	0
Intergovernmental Payable	1,843	(11,520)	(9,677)	(81,128)
Retainage Payable	0	88,589	88,589	0
Claims Payable	0	0	0	(76,325)
Net Pension Liability	(10,471)	(14,542)	(25,013)	0
Decrease in Deferred Inflows of Resources - Pension	(11,709)	(16,263)	(27,972)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$6,049)</u>	<u>\$1,316,744</u>	<u>\$1,310,695</u>	<u>(\$117,704)</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

Assets	
Equity in Pooled Cash and Cash Equivalents	\$174,220
Cash and Cash Equivalents in Segregated Accounts	<u>56,876</u>
<i>Total Assets</i>	<u><u>\$231,096</u></u>
 Liabilities	
Intergovernmental Payable	\$54,916
Deposits Held and Due to Others	<u>176,180</u>
<i>Total Liabilities</i>	<u><u>\$231,096</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, 2016

Note 1 - Description of the City and Reporting Entity

The City of Ashtabula (the “City”) 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 approved by the voters on November 3, 1914. The charter provides for an elected City Manager-Council form of government, which was adopted on January 1, 1950. Elected officials are 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 (See Note 24). 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 that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

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 City Port Authority The Ashtabula City 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 Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City. On November 1, 1999, the Port Authority borrowed \$150,000 from the City’s Revolving Loan Fund to finance the construction of a new housing facility for the United States Coast Guard Station located within the City limits. The Coast Guard signed a twenty year lease with the Port Authority. The City of Ashtabula was the co-signer on a fifteen year, \$375,000 Rural Industrial Park loan, taken out by the Port Authority for the infrastructure installation in the new 38 acre Industrial Park located at the end of State Route 11. The loan was through the Ohio Department of Development. The Port Authority is planning on selling the lots to businesses and applying the proceeds on repayment of the loan. The loan has no interest, principal, or service fee payments for the first sixty months. Thereafter the Port Authority will pay interest at the rate of 3 percent plus a .25 percent service fee per annum. 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 the Ashtabula City Port Authority is presented in Note 24.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

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 Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the City's accounting policies are described below.

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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 position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain 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. Non-major 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.

Fund Accounting

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

The following are the City's major governmental funds:

General Fund The general fund accounts for and reports all financial resources except those required to be accounted for and reported 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 and report restricted monies received from the State under the federal Community Development Block Grant and Rental Rehabilitation programs and expended under the guidelines of those programs.

Street Maintenance and Repair Special Revenue Fund The street maintenance and repair special revenue fund accounts for and reports the portion of the gasoline tax and motor vehicle registration fees restricted for maintenance and repair of dedicated streets within the City.

Police Levy Fund The police levy fund is used to account for and report the restricted property and other taxes collected for police officer wages and benefits.

Permanent Improvement Capital Projects Fund The permanent improvement capital projects fund accounts for and reports restricted property and other taxes, municipal income tax and intergovernmental revenues 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, committed or assigned to a particular purpose.

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

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

Sanitation Fund The sanitation fund accounts for and reports fees charged for residential and commercial trash services provided to City residents.

Wastewater Treatment Fund The wastewater treatment fund accounts for and reports fees charged for residential and commercial wastewater services provided to City residents.

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 position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. 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 to account for assets held by the City for fire deposits, the law library, marina, Municipal Court, street deposits and to distribute income tax revenues to Ashtabula and Saybrook Townships.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Measurement Focus

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

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

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

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; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
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Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 21.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represent receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental grants and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 21).

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

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.

Budgets

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2016.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

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

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as “equity in pooled cash and cash equivalents”.

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 position 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 recreation department, Municipal Court and the Ashtabula Port Authority component unit are included in this line item.

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

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

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2016 amounted to \$538, which includes \$454 assigned from other City funds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Any increase or decrease in fair value is reported as a component of interest income. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted net position in the general fund represents unclaimed monies and the City's early retirement pension buyout liability.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost and inventories of proprietary funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. 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.

Prepaid Items

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

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 position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	5 - 50 years	5 - 50 years
Furniture, Fixtures and Equipment	3 - 25 years	3 - 25 years
Vehicles	3 - 7 years	3 - 7 years
Infrastructure	10 - 99 years	25 - 99 years

The City's infrastructure consists of bridges, roads, storm sewers, traffic lights and sanitary sewers and includes infrastructure acquired prior to December 31, 1980.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

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. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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 absences liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes property acquired for resale, unless the use of the proceeds from the sale of those properties is restricted, committed, or assigned.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2017's appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets, 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 position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for public health services.

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

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 sanitation, wastewater treatment and self-insurance for health and workers' compensation. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenues and expenses which do not meet these definitions are reported as non-operating.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital 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.

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 position, 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.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Interfund payments for services provided and used are not eliminated. 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.

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 – Change in Accounting Principle and Restatement of Net Position

Change in Accounting Principle

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application," GASB Statement No 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68," GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," GASB Statement No. 77, "Tax Abatement Disclosures," GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," and GASB Statement No. 82, "Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73."

City of Ashtabula, Ohio
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GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Restatement

During 2016, it was determined State Infrastructure Bank (SIB) bond and loan proceeds in the amounts of \$355,445 and \$34,817, respectively, were not recorded. As a result, net position of governmental activities decreased by \$390,262 from \$22,176,601 to \$21,786,339 at December 31, 2016.

Note 4 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Fund Balances	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>							
Inventory	\$3,965	\$0	\$34,688	\$0	\$0	\$3,587	\$42,240
Prepays	40,881	0	2,886	0	0	5,000	48,767
Unclaimed Monies	21,084	0	0	0	0	0	21,084
<i>Total Nonspendable</i>	65,930	0	37,574	0	0	8,587	112,091
<i>Restricted for</i>							
Road Improvements	0	0	205,090	0	0	48,786	253,876
Park Improvements	0	0	0	0	0	12,622	12,622
Public Safety	0	0	0	142,002	0	89,730	231,732
Municipal Court Services	0	0	0	0	0	57,537	57,537
Recycling Program	0	0	0	0	0	60,935	60,935
Economic Development	0	78,477	0	0	0	0	78,477
Debt Service Payments	0	0	0	0	0	55,483	55,483
Capital Improvement	0	0	0	0	1,706,524	3,311	1,709,835
Municipal Court Improvements	0	0	0	0	0	86,571	86,571
Early Retirement Payments	72,000	0	0	0	0	0	72,000
<i>Total Restricted</i>	72,000	78,477	205,090	142,002	1,706,524	414,975	2,619,068
<i>Committed to</i>							
Food Service	0	0	0	0	0	5,786	5,786
Code Enforcement	0	0	0	0	0	253,269	253,269
Public Health Nursing	0	0	0	0	0	24,473	24,473
<i>Total Committed</i>	0	0	0	0	0	283,528	283,528
<i>Assigned to</i>							
Purchases on Order:							
Supplies	16,579	0	0	0	0	0	16,579
Year 2017 Appropriations	246,845	0	0	0	0	0	246,845
<i>Total Assigned</i>	263,424	0	0	0	0	0	263,424
<i>Unassigned (Deficit)</i>	497,379	0	0	0	0	(45,098)	452,281
<i>Total Fund Balances</i>	\$898,733	\$78,477	\$242,664	\$142,002	\$1,706,524	\$661,992	\$3,730,392

Note 5 – Fund Deficits

The fire pension, police pension, police grant and street lighting assessment special revenue funds had deficit fund balances as of December 31, 2016 in the amounts of \$9,920, \$940, \$9,292 and \$24,946, respectively. The deficits in the special revenue funds are caused by revenues being insufficient to cover expenditures on a modified accrual basis of accounting. The general fund is liable for any deficits in the funds and provides transfers when cash is required, not when accruals occur.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Note 6 - 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 the general and each major special revenue 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 are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Unrecorded cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.
4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
5. Proceeds from short-term notes are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

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			
	General	Community Development Block Grant	Street Maintenance And Repair	Police Levy
GAAP Basis	\$409,790	(\$71,147)	(\$25,083)	(\$72,553)
Net Adjustment for Revenue Accruals	(52,446)	18,592	(5,204)	(29)
Ending Unrecorded Cash	32,467	0	0	0
Proceeds of Notes	194,091	0	0	0
Net Adjustment for Expenditure Accruals	(262,275)	(696)	72,122	(15,252)
Encumbrances	(43,270)	(35,616)	(24,729)	0
Budget Basis	<u>\$278,357</u>	<u>(\$88,867)</u>	<u>\$17,106</u>	<u>(\$87,834)</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Note 7 – Interfund Transfers and Balances

Interfund Transfers

Interfund transfers for the year ended December 31, 2016, consisted of the following:

Transfers To	Transfers From		Totals
	General	Permanent Improvement	
Major Governmental Funds:			
Street Maintenance and Repair	\$128,000	\$0	\$128,000
Other Governmental Funds	400,583	3,276	403,859
Sanitation	0	39,255	39,255
Wastewater Treatment	0	6,463	6,463
Totals	<u>\$528,583</u>	<u>\$48,994</u>	<u>\$577,577</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations; to segregate money for anticipated capital projects; to make debt payments and to return money to the fund from which it was originally provided once a project is completed.

Interfund Balances

Interfund balances consisted of a \$225,000 advance made in 2010 from the workers' compensation fund to the general fund due to an overall decrease in revenues in the general fund. The general fund began repaying the advance back to the workers' compensation fund in \$25,000 increments over 10 years in 2012. As of December 31, 2016, the balance was \$150,000. The general fund advanced \$18,701 to the police grant special revenue fund to support programs pending the receipt of grant money. The advance is payable to the general fund and is expected to be repaid in 2017.

Note 8 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories.

Active deposits are public monies determined to be 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 five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those 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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, 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, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, 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 Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest monies not required to be used 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; and
3. Obligations of the City.

City of Ashtabula, Ohio
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The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are reported as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City Treasury.

Deposits

Custodial Credit Risk Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. According to State law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government.

These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least one hundred five percent of the total value of public monies on deposit at the institution. The City's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of December 31, 2016, the carrying amount of the City's deposits was \$4,241,954 and the bank balance was \$4,264,313. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2016, none of the City's bank balance was exposed to custodial credit risk as described above.

Investments

At December 31, 2016, the City had \$100,990 invested in STAR Ohio with an average maturity of 51.6 days.

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. To date, no investments have been purchased with a life greater than five years.

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

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

Note 9 - Receivables

Receivables at December 31, 2016, consisted primarily of taxes, accounts (billings for utility service), special assessments, accrued interest on investments, amounts due from other governments and loans receivable. Loans 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

City of Ashtabula, Ohio
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interest rate of 4.5 percent and is to be repaid over twenty years. No allowances for doubtful accounts have been recorded. All receivables, except property taxes and special assessments are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$21,336 in the debt service fund. At December 31, 2016, the amount of delinquent special assessments was \$736. Collections expected in 2017 amount to \$10,300.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government	\$331,366
Gasoline and Excise Tax	271,670
Grants	179,642
Homestead and Rollback Taxes	146,678
Permissive Tax	71,301
Auto License Tax	50,906
Health Insurance Reimbursement	20,318
Estate and Lodging Taxes	10,633
Miscellaneous	9,211
Liquor Licenses	2,906
Total	\$1,094,631

Property Taxes

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

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

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

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

The full tax rate for all City operations for the year ended December 31, 2016, was \$13.29 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2016 property tax receipts were based are as follows:

City of Ashtabula, Ohio
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<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$116,921,770
Other Real Estate	53,063,410
Public Utility Property	28,006,210
Total Assessed Values	<u>\$197,991,390</u>

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

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 fifty 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 capital 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.

Note 10 – Tax Abatements

The City of Ashtabula provided tax incentives under two programs: The Community Reinvestment Area (CRA) and income tax abatements referred to as Grants to Aid Economic Development. The City has offered CRA and income tax abatements to various businesses based upon project investment into the City. The City considers all or any combination of project types; residential, commercial and industrial are eligible. The City has eleven active CRA agreements.

Real Estate tax abatements

Pursuant to Ohio Revised Code Chapter 3735, the City established a Community Reinvestment area in 2008 which included all land within the boundaries of the City of Ashtabula. The City authorizes incentives through passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the

City of Ashtabula, Ohio
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For the Year Ended December 31, 2016

improvements. The amount of the abatement is deducted from the recipient’s property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements.

Income tax abatement programs

The City of Ashtabula enacted Codified Ordinance Chapter 193; Grants to Aid Economic Development in 2010, the purpose being to maintain Ashtabula’s competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an income tax incentive to the company based upon, the amount of excess income tax generated annually and the number of jobs created by the business. The abatement is administered as a refund based upon the company’s payroll taxes. Also, the time period of the incentive in years, is determined by the company’s estimate of average annual payroll attributable to new jobs created during the first three (3) years. The cap on the incentive is at 75 percent of refund of excess income tax per year, and the incentive period is limited to no more than 15 years. As of December 31, 2016, the City did not have any taxes abated by this program.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2016.

Tax Abatement Program	Total Amount of Taxes Abated (Incentives Abated) for the year 2016 (In Actual Dollars)
<i>Community Reinvestment Area (CRA)</i>	
- Professional Buildings	\$4,959
- Restaurants	396
- Retail	1,026

Note 11 - Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantor or their representatives. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

City of Ashtabula, Ohio
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For the Year Ended December 31, 2016

Note 12 - 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 2016, the City contracted with Argonaut Insurance Company for various types of insurance as follows:

Type of Coverage	Coverage Amounts	Deductible
General Liability	\$1,000,000/\$3,000,000	N/A
Law Enforcement Liability	1,000,000/3,000,000	\$25,000
Business Auto - Comprehensive	1,000,000	1,000/2,500
Business Auto - Collision	1,000,000	1,000/2,500
Public Officials' Liability	1,000,000/3,000,000	25,000
Employment Practices Liability	1,000,000/3,000,000	25,000
Excess Liability (Umbrella)	6,000,000/6,000,000	N/A

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 the City 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 member. During 2016, a total of \$1,809,810 was expensed in benefits and administrative costs. The liability for unpaid claims cost of \$16,752 reported in the self-insurance internal service fund at December 31, 2016, is based on the requirements of Governmental Accounting Standards Board Statement 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims be reported. Incurred but not reported claims of \$16,752 have been accrued as a liability based on a review of January through February 2017 billings provided by the City Finance Director. Management's expectation is the claims liability will be paid within one year.

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. Incurred but not reported claims of \$177,990 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2016 based on an estimate by the City Finance Director.

The estimates for the internal services funds were not affected by incremental claim adjustment expenses and do not include other allocated claim adjustment expenses.

Changes in the internal services funds' claims liability amounts in the last two years is as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2015	\$250,691	\$1,475,603	(\$1,455,227)	\$271,067
2016	271,067	1,397,026	(1,473,351)	194,742

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Note 13 - Compensated Absences

All full-time employees of the City earn vacation and sick leave at varying rates depending on length of service. Two-weeks of vacation is awarded on the one-year anniversary date. Vacation is then awarded January 1 of each succeeding year. Vacation is paid as used by employees or paid upon separation from the City.

Sick leave is accrued at the rate of 10 hours per month for employees working an 8-hour work shift. Police employees working a 12-hour work day receive 12 hours of sick leave per month. Fire employees working a 24-hour work shift earn 14 hours of sick leave per month.

Part-time employees earn prorated sick and vacation time proportional to hours worked. A snapshot is taken the first 90-days of employment to determine the first year's accruals. The previous year is used as the snapshot for the succeeding year.

Employees with ten or more years of service and at least 960 hours of accumulated sick time are eligible for a cash payment or contribution to Deferred Compensation of up to 160 hours of their accumulated sick time. Effective for 2015, notice of participation must be given by September 1 of the prior year to be paid by March 1 of the subsequent year. The hours converted to cash are deducted from the amount of termination benefit due upon retirement.

Upon retirement employees may receive payment for unused sick leave according to years of service. Existing employees having at least 19 years of service as of May 1, 2012, are entitled to receive 100 percent payment of up to 960 hours and 50 percent of hours in excess of 960. Existing employees having at least 14 years of service with the City as of May 1, 2012, are entitled to receive up to 90 percent of 960 hours and 40 percent of hours in excess of 960. Existing employees with at least 9 years of service as of May 1, 2012 are entitled to receive payment of up to 60 percent of up to 960 hours and 40 percent of hours in excess of 960. Employees hired after May 1, 2012 are entitled to be paid 25 percent of up to 960 hours of their accumulated sick leave as of the effective retirement date.

Employees declaring their pending retirement by September 1 for the following year are entitled to receive an additional five percent sick leave payment, known as a Commitment Incentive Program (CIP). The five percent is based on the lump sum dollar amount of prorated sick leave payment upon retirement.

Note 14 - 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. During 2016, the City made \$12,725 in contributions to the Port Authority. The City of Ashtabula cosigns for debt that the Ashtabula Port Authority issues and also appoints the board of the Ashtabula Port Authority.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
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Note 15 - Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance 12/31/2015	Additions	Deductions	Balance 12/30/2016
Business-Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$86,863	\$0	\$0	\$86,863
Construction in Progress	1,418,917	3,614,045	(1,025,247)	4,007,715
<i>Total Capital Assets not being Depreciated:</i>	<u>1,505,780</u>	<u>3,614,045</u>	<u>(1,025,247)</u>	<u>4,094,578</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	8,142,250	1,025,247	0	9,167,497
Furniture, Fixtures and Equipment	2,989,172	16,415	(39,515)	2,966,072
Vehicles	1,348,249	6,900	(76,648)	1,278,501
Infrastructure:				
Sanitary Sewer System	15,458,818	53,673	0	15,512,491
<i>Total Capital Assets being Depreciated:</i>	<u>27,938,489</u>	<u>1,102,235</u>	<u>(116,163)</u>	<u>28,924,561</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(5,327,350)	(238,202)	0	(5,565,552)
Furniture, Fixtures and Equipment	(2,165,323)	(181,063)	39,515	(2,306,871)
Vehicles	(1,219,533)	(60,817)	76,648	(1,203,702)
Infrastructure:				
Sanitary Sewer System	(5,425,536)	(182,104)	0	(5,607,640)
<i>Total Accumulated Depreciation</i>	<u>(14,137,742)</u>	<u>(662,186)</u>	<u>116,163</u>	<u>(14,683,765)</u>
Total Capital Assets being Depreciated, Net	<u>13,800,747</u>	<u>440,049</u>	<u>0</u>	<u>14,240,796</u>
Business-type Activities Capital Assets, Net	<u><u>\$15,306,527</u></u>	<u><u>\$4,054,094</u></u>	<u><u>(\$1,025,247)</u></u>	<u><u>\$18,335,374</u></u>

Depreciation expense was charged to business-type activities as follows:

Sanitation	\$190,426
Wastewater Treatment	<u>471,760</u>
Total Depreciation Expense	<u><u>\$662,186</u></u>

City of Ashtabula, Ohio
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For the Year Ended December 31, 2016

	Balance 12/31/2015	Additions	Deductions	Balance 12/31/2016
Governmental Activities:				
<i>Capital Assets not being Depreciated</i>				
Land	\$1,977,331	\$0	\$0	\$1,977,331
Construction in Progress	2,692,107	874,210	(1,247,907)	2,318,410
<i>Total Capital Assets not being Depreciated</i>	<u>4,669,438</u>	<u>874,210</u>	<u>(1,247,907)</u>	<u>4,295,741</u>
<i>Capital Assets being Depreciated</i>				
Buildings and Improvements	11,316,218	392,511	0	11,708,729
Furniture, Fixtures and Equipment	3,123,751	159,873	(44,969)	3,238,655
Vehicles	4,252,725	178,173	(289,524)	4,141,374
Infrastructure:				
Bridges	15,069,086	0	0	15,069,086
Roads	15,391,323	18,000	0	15,409,323
Storm Sewers	2,543,996	42,935	0	2,586,931
Traffic Lights	572,958	947,171	0	1,520,129
<i>Total Capital Assets being Depreciated</i>	<u>52,270,057</u>	<u>1,738,663</u>	<u>(334,493)</u>	<u>53,674,227</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(7,126,407)	(268,997)	0	(7,395,404)
Furniture, Fixtures and Equipment	(2,509,227)	(194,254)	44,969	(2,658,512)
Vehicles	(2,834,974)	(216,942)	289,524	(2,762,392)
Infrastructure:				
Bridges	(2,051,899)	(152,213)	0	(2,204,112)
Roads	(8,629,116)	(1,048,132)	0	(9,677,248)
Storm Sewers	(1,307,570)	(26,707)	0	(1,334,277)
Traffic Lights	(115,821)	(5,555)	0	(121,376)
<i>Total Accumulated Depreciation</i>	<u>(24,575,014)</u>	<u>(1,912,800)</u>	<u>334,493</u>	<u>(26,153,321)</u>
Total Capital Assets being Depreciated, Net	<u>27,695,043</u>	<u>(174,137)</u>	<u>0</u>	<u>27,520,906</u>
Governmental Activities Capital Assets, Net	<u><u>\$32,364,481</u></u>	<u><u>\$700,073</u></u>	<u><u>(\$1,247,907)</u></u>	<u><u>\$31,816,647</u></u>

Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$135,705
Judicial	73,067
Security of Persons and Property	
Police	193,627
Fire	103,061
Public Health Services	1,756
Street Maintenance and Repair	1,351,748
Housing and Community Development	28,063
Leisure Time Activities	25,773
Total Depreciation Expense	<u><u>\$1,912,800</u></u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Note 16 – Short-Term Debt

A summary of note transactions for the year ended December 31, 2016, follows:

	Outstanding 12/31/2015	Additions	(Reductions)	Outstanding 12/31/2016
Governmental Activities				
<i>General Fund</i>				
Early Retirement Incentive 2015	\$266,091	\$0	(\$266,091)	\$0
Early Retirement Incentive 2016	0	194,091	0	194,091
Total Governmental Activities	266,091	194,091	(266,091)	194,091
Business-Type Activities				
<i>Sanitation</i>				
Early Retirement Incentive 2015	66,335	0	(66,335)	0
Early Retirement Incentive 2016	0	18,000	0	18,000
Total Sanitation	66,335	18,000	(66,335)	18,000
<i>Wastewater Treatment</i>				
Early Retirement Incentive 2015	227,574	0	(227,574)	0
Early Retirement Incentive 2016	0	60,000	0	60,000
Total Wastewater Treatment	227,574	60,000	(227,574)	60,000
Total Business-Type Activities	293,909	78,000	(293,909)	78,000
Total Notes Payable	\$560,000	\$272,091	(\$560,000)	\$272,091

In 2016, the City issued \$272,091 in early retirement incentive notes at a rate of 1.25 percent to help finance early retirement pension buyouts. The notes mature on May 11, 2017.

The notes are backed by the full faith and credit of the City and mature within one year. The note liabilities are reflected in the funds which received the proceeds.

Note 17 – Subsequent Event

On May 11, 2017, the City retired \$410,000 in early retirement incentive notes and issued \$260,000 in new notes. The new notes have a maturity date of May 10, 2018 and an interest rate of 2.54 percent.

Note 18 - Long-Term Debt

The original issue date, interest rate and original issuance amount for each of the City's debt issues follows:

Debt Issue	Original Issue Date	Interest Rate	Original Issue	Year of Maturity
Governmental Activities				
<i>State Infrastructure Bank</i>				
Bonds	2014	6.25 %	\$4,010,000	2030
Loans	2014	3.00	1,172,842	2030

(continued)

City of Ashtabula, Ohio
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For the Year Ended December 31, 2016

Debt Issue	Original Issue Date	Interest Rate	Original Issue	Year of Maturity
Governmental Activities (continued)				
<i>Special Assessment Loans:</i>				
OPWC Loan - Harbor Heights	2000	0.00 %	\$195,647	2020
<i>Ohio Public Works Commission:</i>				
West Avenue Bridge	2015	0.00	44,286	2035
Business-Type Activities				
<i>Ohio Water Development Authority:</i>				
Wastewater Plant Renovation	1999	4.35	1,964,178	2015
Final Settling Tanks Upgrade	2015	3.18	765,214	2045
Wastewater Plant Improvements	2015	1.50	767,638	2037
Wastewater Primary Tanks	2016	0.69	833,044	N/A
<i>Loans Payable:</i>				
Equalization Basin	2007	4.20	2,500,000	2015
<i>Ohio Public Works Commission:</i>				
Morton Drive Siphon Improvement	2008	0.00	183,659	2029
Michigan Avenue - EQ Basin	2008	0.00	500,000	2029
Chemical Feed Building	2012	0.00	42,961	2033
West Harbor Sewer Phase I	2014	0.00	111,724	2035
West Harbor Sewer Phase II	2015	0.00	47,180	2035

A schedule of changes in bonds and other long-term obligations of the City during 2016 follows:

	Restated Principal Outstanding 12/31/2015	Additions	Deletions	Principal Outstanding 12/31/2016	Amounts Due in One Year
Governmental Activities					
<i>State Infrastructure Bank:</i>					
Bonds	\$3,930,022	\$79,978	\$0	\$4,010,000	\$255,000
Loan	941,091	231,751	0	1,172,842	59,425
Total State Infrastructure Bank	4,871,113	311,729	0	5,182,842	314,425
<i>Special Assessment OPWC Loan:</i>					
Harbor Heights	44,021	0	9,782	34,239	9,782
<i>OPWC Loan:</i>					
West Avenue Bridge	44,286	0	0	44,286	0
<i>Other Long-term Obligations:</i>					
Claims Payable	172,971	79,242	74,223	177,990	77,990
Capital Leases	491,812	72,601	251,744	312,669	168,161
Compensated Absences	2,067,790	576,288	580,443	2,063,635	837,049
Total Other Long-term Obligations:	2,732,573	728,131	906,410	2,554,294	1,083,200
<i>Net Pension Liability:</i>					
OPERS	2,262,957	955,878	0	3,218,835	0
OPF	8,822,913	2,092,849	0	10,915,762	0
Total Net Pension Liability:	11,085,870	3,048,727	0	14,134,597	0
Total Governmental Activities	\$18,777,863	\$4,088,587	\$916,192	\$21,950,258	\$1,407,407

City of Ashtabula, Ohio
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For the Year Ended December 31, 2016

	Principal Outstanding 12/31/2015	Additions	Deletions	Principal Outstanding 12/31/2016	Amounts Due in One Year
Business-type Activities					
<i>OWDA Loans:</i>					
Wastewater Plant Renovation	\$79,025	\$0	\$79,025	\$0	\$0
Final Settling Tanks Upgrade	765,214	131,613	24,039	872,788	0
Wastewater Plant Improvements	767,638	2,206,400	0	2,974,038	0
Wastewater Primary Tanks	0	833,044	0	833,044	0
<i>Total OWDA Loans</i>	<u>1,611,877</u>	<u>3,171,057</u>	<u>103,064</u>	<u>4,679,870</u>	<u>0</u>
<i>Loans Payable:</i>					
Equalization Basin	298,757	0	298,757	0	0
<i>OPWC Loans:</i>					
Morton Drive Siphon Improvement	146,927	0	9,183	137,744	9,183
Michigan Avenue - EQ Basin	325,000	0	25,000	300,000	25,000
Chemical Feed Building	37,591	0	2,148	35,443	2,148
West Harbor Sewer - Phase I	108,930	0	5,586	103,344	5,586
West Harbor Sewer - Phase II	47,180	3,662	0	50,842	2,542
<i>Total OPWC Loans</i>	<u>665,628</u>	<u>3,662</u>	<u>41,917</u>	<u>627,373</u>	<u>44,459</u>
<i>Other Long-term Obligations:</i>					
Notes Payable	0	137,909	0	137,909	0
Capital Leases	59,920	0	43,493	16,427	6,011
Compensated Absences	346,254	191,731	171,860	366,125	145,542
<i>Total Other Long-term Obligations</i>	<u>406,174</u>	<u>329,640</u>	<u>215,353</u>	<u>520,461</u>	<u>151,553</u>
<i>Net Pension Liability:</i>					
OPERS	1,638,695	789,548	0	2,428,243	0
<i>Total Business-type Activities</i>	<u>\$4,621,131</u>	<u>\$4,293,907</u>	<u>\$659,091</u>	<u>\$8,255,947</u>	<u>\$196,012</u>

The bonds and loans from the State Infrastructure Bank are financed through the Department of Transportation. The bonds and loans will be repaid from the debt service fund.

The City has entered into contractual agreements for construction loans from the Ohio Public Works Commission (OPWC). Under the terms of these agreements, the OPWC will reimburse, advance or directly pay the construction costs of approved projects.

A line of credit has been established with the Ohio Public Works Commission in the amount of \$150,000 for the West Avenue Bridge project. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. The balance of this loan at December 31, 2016 is \$44,286. Until a final repayment schedule is available, the City is paying based on estimates.

The City has entered into contractual agreements for construction loans from the Ohio Water Development Authority (OWDA). Under the terms of these agreements, the OWDA will reimburse, advance or directly pay the construction costs of approved projects. The OWDA will capitalize administrative costs and construction interest and then add them to the total amount of the final loan.

Lines of credit have been established with the Ohio Water Development Authority in the amount of \$7,268,250 for various projects in the wastewater enterprise fund. Since the loan repayment schedules have not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of these loans is as follows:

City of Ashtabula, Ohio
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	December 31, 2016	Lines of Credit
Business-type Activities		
Final Settling Tanks Upgrade	\$872,788	\$1,182,449
Wastewater Plant Improvements	2,974,038	3,277,881
Wastewater Primary Tanks	833,044	2,807,920
Total	\$4,679,870	\$7,268,250

The Harbor Heights OPWC loan is secured by the future collection of special assessments. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City. The West Avenue bridge Ohio Public Works Commission loan will be paid from the permanent improvement capital projects fund. The amounts due to the Ohio Water Development Authority and Ohio Public Works Commission loans are payable solely from sewer revenues.

The City has pledged future wastewater treatment revenues to repay the OWDA, and OPWC loans. The loans are payable solely from net revenues and are payable through 2037. Annual principal and interest payments on the loans are expected to require 3.35 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$5,307,243. Principal and interest paid for the current year and total net revenues were \$531,836 and \$1,782,529 respectively.

The long-term notes will be paid from the general fund and the sanitation and wastewater treatment enterprise funds. Compensated absences will be paid from the general fund, the code enforcement, food service, street maintenance and repair, special revenue funds and the sanitation and wastewater treatment enterprise funds. Claims payable will be paid from the workers' compensation internal service fund (See Note 12). There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the following funds: the general fund, the policy levy, food service, street maintenance and repair, fire pension, police pension and community development block grant special revenue funds and the sanitation and wastewater treatment enterprise funds. For additional information related to the net pension liability see Note 21.

In 2016, the City issued \$137,909 in early retirement incentive notes at a rate of 1.25 percent to help finance early retirement pension buyouts. The notes mature on May 11, 2017.

The City's overall legal debt margin was \$15,606,254 at December 31, 2016. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2016, are as follows:

Governmental Activities

	State Infrastructure Bank				Special Assessment OPWC Loan Harbor Heights
	Bonds		Loans		
	Principal	Interest	Principal	Interest	
2017	\$255,000	\$109,417	\$59,425	\$28,742	\$9,782
2018	260,000	106,680	61,220	26,946	9,783
2019	260,000	102,942	63,071	25,096	9,783
2020	270,000	97,692	64,978	23,189	4,891
2021	270,000	91,618	66,941	21,227	0
2022 - 2026	1,495,000	327,787	366,309	74,525	0
2027 - 2031	1,200,000	80,758	490,898	17,711	0
Total	\$4,010,000	\$916,894	\$1,172,842	\$217,436	\$34,239

City of Ashtabula, Ohio
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Business-type Activities

	OPWC Loans
2017	\$44,459
2018	44,459
2019	44,459
2020	44,459
2021	44,459
2022-2026	222,295
2027-2031	147,294
2032-2035	35,489
Total	<u>\$627,373</u>

Note 19 - Leases

Capital Leases

During 2016, the City entered into capitalized leases for police cruisers, public works equipment and a sanitation truck. These leases meet the criteria for a capital lease and have been recorded on the governmental-wide and business-type statements. The original amount capitalized for the capital lease and the book value as of December 31, 2016 for governmental and business-type activities follows:

	Governmental Activities	Business-Type Activities
Vehicles	\$1,066,899	\$34,124
Less: Accumulated Depreciation	(163,216)	(15,166)
Leased property, net of depreciation	<u>\$903,683</u>	<u>\$18,958</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2016.

	Governmental Activities	Business-Type Activities
2017	\$175,176	\$6,464
2018	67,018	6,464
2019	67,839	4,412
2020	15,509	0
Total minimum lease payments	325,542	17,340
Less: amount representing interest	(12,873)	(913)
Present value of minimum lease payments	<u>\$312,669</u>	<u>\$16,427</u>

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Operating Leases

The City, as a lessor, has entered into an agreement to assume the former Dairy Queen Inc. lease by Czup Fowler Limited, dba Hoffman's Pharmacy. The building, owned by the City was razed. The land is being leased to Czup Fowler Ltd for 30 years with five 10-year options to extend the lease. The City is also a lessor of twelve percent of a building to Keybank National Corporation. The current lease with Keybank is for seven years with a two five-year extensions at Keybank's option. The following schedule provides an analysis of the leased property at December 31, 2016:

	Czup Fowler Limited, dba Hoffman's Pharmacy	Keybank National Corporation
Land	\$3,415	\$0
Buildings	0	88,179
Leased property, total value	3,415	88,179
Less: Accumulated Depreciation	0	(34,740)
Leased property, net of depreciation	<u>\$3,415</u>	<u>\$53,439</u>

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2016:

	Hoffman's Pharmacy	Keybank National
2017	\$8,400	\$120,000
2018	9,600	120,000
2019	9,600	120,000
2020	9,600	40,000
2021	9,600	0
2022-2026	52,800	0
2027-2031	58,800	0
2032-2036	64,800	0
2037	13,200	0
Total minimum lease payments	<u>\$236,400</u>	<u>\$400,000</u>

Note 20 – Construction and Other Significant Commitments

Contractual Commitments

At December 31, 2016, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining Contract
Wastewater Treatment Plant	\$4,651,440	\$2,894,595	\$1,756,845
Sanitary Sewer Overflow Engineering	300,400	34,490	265,910
Route 20 Engineering	302,000	200,025	101,975
Total	<u>\$5,253,840</u>	<u>\$3,129,110</u>	<u>\$2,124,730</u>

City of Ashtabula, Ohio
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Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Funds		Proprietary Funds	
General Fund	\$43,270	Sanitation	\$38,710
Community Development Block Grant	35,616	Wastewater Treatment	<u>159,514</u>
Street Maintenance and Repair Fund	24,729		
Permanent Improvement	194,470	Total Proprietary Funds	<u><u>\$198,224</u></u>
Other Governmental Funds	<u>15,500</u>		
Total Governmental Funds	<u><u>\$313,585</u></u>		

Note 21 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$487,065 for 2016. Of this amount, \$20,925 is reported as an intergovernmental payable.

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

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

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

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$798,447 for 2016. Of this amount, \$27,544 is reported as an intergovernmental payable.

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

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

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	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03260200%	0.16968200%	
Prior Measurement Date	<u>0.03234900%</u>	<u>0.17031280%</u>	
Change in Proportionate Share	<u>0.00025300%</u>	<u>-0.00063080%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$5,647,078	\$10,915,762	\$16,562,840
Pension Expense	\$801,078	\$1,483,681	\$2,284,759

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,659,888	\$1,776,668	\$3,436,556
Changes in proportion and differences between City contributions and proportionate share of contributions	34,400	0	34,400
City contributions subsequent to the measurement date	<u>487,065</u>	<u>798,447</u>	<u>1,285,512</u>
Total Deferred Outflows of Resources	<u>\$2,181,353</u>	<u>\$2,575,115</u>	<u>\$4,756,468</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$109,112	\$30,651	\$139,763
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>14,267</u>	<u>26,221</u>	<u>40,488</u>
Total Deferred Inflows of Resources	<u>\$123,379</u>	<u>\$56,872</u>	<u>\$180,251</u>

\$1,285,512 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$372,323	\$456,887	\$829,210
2018	398,863	456,887	855,750
2019	424,086	456,887	880,973
2020	375,637	355,148	730,785
2021	0	(5,052)	(5,052)
Thereafter	<u>0</u>	<u>(961)</u>	<u>(961)</u>
Total	<u>\$1,570,909</u>	<u>\$1,719,796</u>	<u>\$3,290,705</u>

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Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below.

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA:	4.25 to 10.05 percent including wage inflation
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

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

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

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$8,997,174	\$5,647,078	\$2,821,377

Changes between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2015, is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent, simple

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return**</u>	<u>30 Year Expected Real Rate of Return**</u>
Cash and Cash Equivalents	- %	0.00 %	0.00 %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected Securities*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$14,396,428	\$10,915,762	\$7,967,295

Social Security System

As of December 31, 2016, one council member was covered by social security rather than OPERS. The employees’ liability is 6.2 percent of wages paid.

Note 22 - Postemployment Benefits

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS’ CAFR referenced below for additional information.

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$81,178, \$81,154 and \$80,657, respectively. For 2016, 96.32 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Ohio Police and Fire Pension Fund

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

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

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

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

The City's contribution to OPF for the years ended December 31, 2016, 2015, and 2014 were \$27,544, \$17,588, and \$21,056 respectively, of which \$19,109, \$17,461 and \$16,904, respectively, was allocated to the healthcare plan. For 2016, 96.55 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Note 23 – Joint Economic Development Districts

Ashtabula Township

The Ashtabula Township-Ashtabula Joint Economic Development District (JEDD) was formed in 2013. It is entirely located in Ashtabula Township, and its primary purpose is to promote regional growth and economic development. In March 2013, the JEDD Board levied a municipal income tax of 1.8 percent in the JEDD effective May 1, 2014. The JEDD Board also contracted with the City of Ashtabula to administer this income tax. The JEDD has been amended five times to add properties; the most recent amendment occurring September 16, 2016.

The JEDD agreement requires the City of Ashtabula and Ashtabula Township share the income tax receipts 50/50 after income tax administration costs, a five percent deduction for the JEDD's Operating Expenditure Fund for long-term maintenance and twenty percent to the City's wastewater treatment fund for long-term capital improvements.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Saybrook Township

The City has two Joint Economic Development Districts (JEDD) with neighboring Saybrook Township. The Saybrook Township-Ashtabula JEDD I was formed in 2013 and the Saybrook Township-Ashtabula City JEDD II was formed in 2015. The JEDDs are entirely located in Ashtabula Township, and their primary purpose is to promote regional growth and economic development. In March, 2013 the JEDD I Board levied a municipal income tax of 1.8 percent in the JEDD effective May 1, 2014. In March, 2016 the JEDD II Board levied a municipal income tax of 1.8 percent in the JEDD effective March 31, 2016. Both Saybrook Township JEDD Boards also contract with the City of Ashtabula to administer this income tax.

The JEDD agreement requires the City of Ashtabula and Saybrook Township share the income tax receipts 50/50 after income tax administration costs, a five percent deduction for the JEDD's Operating Expenditure Fund for long-term maintenance and twenty percent to the City's wastewater treatment fund for long-term capital improvements.

Note 24 - Ashtabula City Port Authority

Description of Reporting Entity

The Ashtabula City 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 City Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City (See Note 1).

Summary of Significant Accounting Policies

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

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 financial statements.

Property, Plant, Equipment and Depreciation

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

Donated capital assets are recorded at their fair market values as of the date donated. The Ashtabula Port Authority has established a capitalization threshold for capital assets at \$1,000 with the exception of land, as all land is 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 capital assets. Depreciation for the Ashtabula Port Authority is computed over either ten or thirty nine years.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

Deposits and Investments

The Ashtabula Port Authority follows the same statutory requirements for deposits and investments as the primary government (See Note 8).

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$207,632. The entire balance was covered by federal depository insurance.

During 2016, investments for the Ashtabula Port Authority were limited to \$101,946 held in non-negotiable certificates of deposit at year-end.

Capital Assets

A summary of the Ashtabula City Port Authority's capital assets at December 31, 2016 follows:

	Balance 12/31/2015	Additions	Deductions	Balance 12/31/2016
Governmental Activities				
Capital Assets, Non-depreciable				
Land	\$1,749,505	\$28,407	(\$60,371)	\$1,717,541
Capital Assets, Depreciable				
Buildings and Improvements	591,151	60,666	0	651,817
Less: Accumulated Depreciation				
Buildings and Improvements	(417,017)	(22,593)	0	(439,610)
Total Assets, Depreciable, Net	174,134	38,073	0	212,207
Governmental Activities				
Capital Assets, Net	<u>\$1,923,639</u>	<u>\$66,480</u>	<u>(\$60,371)</u>	<u>\$1,929,748</u>

Long-term Debt

On August 30, 2008 Ohio Water Development Authority approved a loan that will enable the Ashtabula City Port Authority to install the waterlines at the City's Industrial Park. The loan is for \$284,000 with an interest rate of 3 percent and semi-annual payments of \$16,542 for ten years. In 2006 the Ashtabula City Port Authority received a State of Ohio Rural Industrial Park loan from the Ohio Department of Development for the City's Industrial Park, in the amount of \$375,000. This loan bears no interest for years one through five with no payments due. Years six through fifteen bear interest at three percent. The City has loaned the Ashtabula City Port Authority money in the amount of \$150,000. As of December 31, 2016, \$119,759 of the City's loan has been repaid leaving a balance of \$30,241.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2016

A schedule of changes in long-term obligations of the Port Authority during 2016 follows:

	Principal Outstanding 12/31/2015	Additions	Deletions	Principal Outstanding 12/31/2016	Amounts Due in One Year
Due to Primary Government:					
City of Ashtabula - Loan	\$40,028	\$0	\$9,787	\$30,241	\$10,236
Other Long-Term Debt:					
Industrial Park Loan	213,910	0	37,549	176,361	38,691
OWDA Rural Industrial Park	101,881	0	36,740	65,141	32,086
<i>Total Other Long-Term Debt</i>	<u>315,791</u>	<u>0</u>	<u>74,289</u>	<u>241,502</u>	<u>70,777</u>
<i>Total Component Unit Debt</i>	<u>\$355,819</u>	<u>\$0</u>	<u>\$84,076</u>	<u>\$271,743</u>	<u>\$81,013</u>

Principal and interest requirements to retire City of Ashtabula loan, Industrial Park loan and OWDA loan are as follows:

	City of Ashtabula - Loan		Industrial Park Loan		Ohio Water Development Authority Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$10,236	\$1,152	\$38,691	\$4,762	\$32,086	\$1,715
2018	10,706	681	39,867	3,585	33,055	746
2019	9,299	193	41,080	2,372	0	0
2020	0	0	42,330	1,123	0	0
2021	0	0	14,393	90	0	0
Total	<u>\$30,241</u>	<u>\$2,026</u>	<u>\$176,361</u>	<u>\$11,932</u>	<u>\$65,141</u>	<u>\$2,461</u>

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Required Supplementary Information

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City of Ashtabula, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
*Last Three Years (1) **

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.03260200%	0.03234900%	0.03234900%
City's Proportionate Share of the Net Pension Liability	\$5,647,078	\$3,901,652	\$3,813,526
City's Covered Payroll	\$4,057,708	\$3,965,950	\$3,952,112
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.17%	98.38%	96.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

City of Ashtabula, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
*Last Three Years (1)**

	<u>2016</u>	<u>2015 (2)</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.16968200%	0.17031280%	0.17031280%
City's Proportionate Share of the Net Pension Liability	\$10,915,762	\$8,822,913	\$8,294,768
City's Covered Payroll	\$3,492,208	\$3,394,120	\$3,377,143
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	312.57%	259.95%	245.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

(2) Restated during 2015.

* Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

City of Ashtabula, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Four Years (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$487,065	\$486,925	\$475,914	\$513,775
Contributions in Relation to the Contractually Required Contribution	<u>(487,065)</u>	<u>(486,925)</u>	<u>(475,914)</u>	<u>(513,775)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,058,875	\$4,057,708	\$3,965,950	\$3,952,112
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

City of Ashtabula, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$798,447	\$730,369	\$712,748	\$602,246
Contributions in Relation to the Contractually Required Contribution	<u>(798,447)</u>	<u>(730,369)</u>	<u>(712,748)</u>	<u>(602,246)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,821,838	\$3,492,208	\$3,394,120	\$3,377,143
Contributions as a Percentage of Covered Payroll:	20.89%	20.91%	21.00%	17.83%

2012	2011	2010	2009	2008	2007
\$429,316	\$491,755	\$482,102	\$751,227	\$748,345	\$733,666
(429,316)	(491,755)	(482,102)	(751,227)	(748,345)	(733,666)
\$0	\$0	\$0	\$0	\$0	\$0
\$2,915,647	\$3,335,715	\$3,270,716	\$5,117,409	\$5,094,563	\$4,989,290
14.72%	14.74%	14.74%	14.68%	14.69%	14.70%

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Following is a description of the City's nonmajor special revenue funds:

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

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

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

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

Law Enforcement Trust Fund - To account for and report the custody of restricted proceeds and property subject to seizure/receipt/expenditure from court ordered forfeiture of criminal assets and mandatory drug fines.

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

Municipal Probation Services Fund - To account for and report restricted fines received from municipal probation.

Municipal Court Security Fund - To account for and report municipal court fines restricted to update security in the municipal court.

Indigent Drivers Interlock and Alcohol Monitoring Fund - To account for and report municipal court fines restricted to interlock alcohol monitoring for indigent offenders.

Police Pension Fund - To account for and report restricted property tax levies for the payment of the current and accrued liability for police disability and pension benefits.

Public Health Nursing Fund - To account for and report committed fees 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 and report the portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance of State highways within the City.

Recycling Grant Fund - To account for and report restricted State monies to implement a curbside recycling program.

Police Grant Fund - To account for and report restricted Federal monies from the Department of Homeland Security to be used for drug use prevention.

Fire Grant Fund - To account for and report restricted State monies from the Ohio Department of Public Safety for the purpose of purchasing various equipment for the fire department.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Fund (continued)

Walnut Beach Fund - To account for and report restricted property tax levies and franchise fees received for park improvements and concession stand operations.

Street Lighting Fund – To account for and report restricted service assessment revenue to provide street lighting within the City.

Nonmajor Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal interest.

Debt Service Fund – The debt service fund is used to account for and report the restricted property and other taxes collected and special assessments for, and the payment of, general long-term debt principal, interest and related costs. There is only one debt service fund so no combining statements are provided.⁸¹

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

Municipal Court Computer Fund - To account for and report municipal court fines restricted for updating the court technology system.

Municipal Court Special Projects Fund - To account for and report restricted fines and forfeitures to be used for capital upgrades to the courts.

Construction Fund - To account for and report restricted bond proceeds used for the acquisition and construction of the new Municipal building.

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

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$537,414	\$55,483	\$83,556	\$676,453
Cash and Cash Equivalents:				
In Segregated Accounts	9,422	0	6,326	15,748
Receivables:				
Property Taxes	814,760	0	0	814,760
Accounts	349,960	0	0	349,960
Special Assessments	0	31,636	0	31,636
Intergovernmental Receivable	137,359	0	0	137,359
Materials and Supplies Inventory	3,587	0	0	3,587
Prepaid Items	0	0	5,000	5,000
<i>Total Assets</i>	<u>\$1,852,502</u>	<u>\$87,119</u>	<u>\$94,882</u>	<u>\$2,034,503</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$49,623	\$0	\$0	\$49,623
Accrued Wages	1,415	0	0	1,415
Intergovernmental Payable	28,472	0	0	28,472
Interfund Payable	18,701	0	0	18,701
<i>Total Liabilities</i>	<u>98,211</u>	<u>0</u>	<u>0</u>	<u>98,211</u>
Deferred Inflows of Resources				
Property Tax	698,574	0	0	698,574
Unavailable Revenue	544,090	31,636	0	575,726
<i>Total Deferred Inflows of Resources</i>	<u>1,242,664</u>	<u>31,636</u>	<u>0</u>	<u>1,274,300</u>
Fund Balances				
Nonspendable	3,587	0	5,000	8,587
Restricted	269,610	55,483	89,882	414,975
Committed	283,528	0	0	283,528
Unassigned (Deficit)	(45,098)	0	0	(45,098)
<i>Total Fund Balances</i>	<u>511,627</u>	<u>55,483</u>	<u>94,882</u>	<u>661,992</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,852,502</u>	<u>\$87,119</u>	<u>\$94,882</u>	<u>\$2,034,503</u>

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

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$453,990	\$0	\$0	\$453,990
Charges for Services	301,954	0	0	301,954
Licenses and Permits	275,903	0	0	275,903
Fines and Forfeitures	146,536	0	76,487	223,023
Intergovernmental	310,887	0	0	310,887
Special Assessments	0	10,755	0	10,755
Franchise Fees	7,753	0	0	7,753
Other	6,450	0	0	6,450
<i>Total Revenues</i>	<u>1,503,473</u>	<u>10,755</u>	<u>76,487</u>	<u>1,590,715</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	377	0	377
Judicial System	137,719	0	38,150	175,869
Security of Persons and Property:				
Police	397,421	0	0	397,421
Fire	427,814	0	0	427,814
Public Health Services	86,631	0	0	86,631
Street Maintenance and Repairs	574,863	0	0	574,863
Housing and Community Development	215,307	0	0	215,307
Leisure Time Activities	29,744	0	0	29,744
Debt Service:				
Principal Retirement	0	9,782	0	9,782
<i>Total Expenditures</i>	<u>1,869,499</u>	<u>10,159</u>	<u>38,150</u>	<u>1,917,808</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(366,026)	596	38,337	(327,093)
Other Financing Sources (Uses)				
Transfers In	403,859	0	0	403,859
<i>Net Change in Fund Balances</i>	37,833	596	38,337	76,766
<i>Fund Balances Beginning of Year</i>	<u>473,794</u>	<u>54,887</u>	<u>56,545</u>	<u>585,226</u>
<i>Fund Balances End of Year</i>	<u><u>\$511,627</u></u>	<u><u>\$55,483</u></u>	<u><u>\$94,882</u></u>	<u><u>\$661,992</u></u>

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

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Assets				
Equity in Pooled Cash and Cash Equivalents	\$213,912	\$2,795	\$7,491	\$36,051
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	0	438
Receivables:				
Property Taxes	0	278,040	0	0
Accounts	202,992	0	0	0
Intergovernmental Receivable	2,400	16,802	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$419,304</u>	<u>\$297,637</u>	<u>\$7,491</u>	<u>\$36,489</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$218	\$0	\$21	\$0
Accrued Wages	0	0	1,415	0
Intergovernmental Payable	0	13,465	269	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>218</u>	<u>13,465</u>	<u>1,705</u>	<u>0</u>
Deferred Inflows of Resources				
Property Tax	0	219,947	0	0
Unavailable Revenue	165,817	74,145	0	0
<i>Total Deferred Inflows of Resources</i>	<u>165,817</u>	<u>294,092</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	0	0	36,489
Committed	253,269	0	5,786	0
Unassigned (Deficit)	0	(9,920)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>253,269</u>	<u>(9,920)</u>	<u>5,786</u>	<u>36,489</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$419,304</u>	<u>\$297,637</u>	<u>\$7,491</u>	<u>\$36,489</u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Municipal Court Security	Indigent Drivers Interlock and Alcohol Monitoring
\$50,239	\$20,352	\$22,097	\$20,366	\$6,125
35	0	6,842	2,107	0
0	0	0	0	0
0	0	0	0	0
0	17,367	0	0	0
0	0	504	0	0
<u>\$50,274</u>	<u>\$37,719</u>	<u>\$29,443</u>	<u>\$22,473</u>	<u>\$6,125</u>
\$0	\$5,000	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	5,000	0	0	0
0	0	0	0	0
0	11,578	0	0	0
0	11,578	0	0	0
0	0	504	0	0
50,274	21,141	28,939	22,473	6,125
0	0	0	0	0
0	0	0	0	0
<u>50,274</u>	<u>21,141</u>	<u>29,443</u>	<u>22,473</u>	<u>6,125</u>
<u>\$50,274</u>	<u>\$37,719</u>	<u>\$29,443</u>	<u>\$22,473</u>	<u>\$6,125</u>

(continued)

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2016

	Police Pension	Public Health Nursing	State Highway	Recycling Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$13,048	\$19,987	\$27,947	\$60,935
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	0	0
Receivables:				
Property Taxes	278,040	0	0	0
Accounts	0	0	0	0
Intergovernmental Receivable	16,802	9,189	24,193	0
Materials and Supplies Inventory	0	3,083	0	0
<i>Total Assets</i>	<u>\$307,890</u>	<u>\$32,259</u>	<u>\$52,140</u>	<u>\$60,935</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$8,367	\$0
Accrued Wages	0	0	0	0
Intergovernmental Payable	14,738	0	0	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>14,738</u>	<u>0</u>	<u>8,367</u>	<u>0</u>
Deferred Inflows of Resources				
Property Tax	219,947	0	0	0
Unavailable Revenue	74,145	4,703	16,128	0
<i>Total Deferred Inflows of Resources</i>	<u>294,092</u>	<u>4,703</u>	<u>16,128</u>	<u>0</u>
Fund Balances				
Nonspendable	0	3,083	0	0
Restricted	0	0	27,645	60,935
Committed	0	24,473	0	0
Unassigned (Deficit)	(940)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(940)</u>	<u>27,556</u>	<u>27,645</u>	<u>60,935</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$307,890</u>	<u>\$32,259</u>	<u>\$52,140</u>	<u>\$60,935</u>

Police Grant	Fire Grant	Walnut Beach	Street Lighting	Total Nonmajor Special Revenue Funds
\$9,409	\$2,967	\$12,622	\$11,071	\$537,414
0	0	0	0	9,422
0	0	258,680	0	814,760
0	0	19,122	127,846	349,960
32,627	0	17,979	0	137,359
0	0	0	0	3,587
<u>\$42,036</u>	<u>\$2,967</u>	<u>\$308,403</u>	<u>\$138,917</u>	<u>\$1,852,502</u>
\$0	\$0	\$0	\$36,017	\$49,623
0	0	0	0	1,415
0	0	0	0	28,472
18,701	0	0	0	18,701
<u>18,701</u>	<u>0</u>	<u>0</u>	<u>36,017</u>	<u>98,211</u>
0	0	258,680	0	698,574
32,627	0	37,101	127,846	544,090
<u>32,627</u>	<u>0</u>	<u>295,781</u>	<u>127,846</u>	<u>1,242,664</u>
0	0	0	0	3,587
0	2,967	12,622	0	269,610
0	0	0	0	283,528
(9,292)	0	0	(24,946)	(45,098)
<u>(9,292)</u>	<u>2,967</u>	<u>12,622</u>	<u>(24,946)</u>	<u>511,627</u>
<u>\$42,036</u>	<u>\$2,967</u>	<u>\$308,403</u>	<u>\$138,917</u>	<u>\$1,852,502</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	Code			
	Enforcement	Fire Pension	Food Service	Indigent Alcohol
Revenues				
Property Taxes	\$0	\$226,995	\$0	\$0
Charges for Services	6,759	0	0	0
Licenses and Permits	233,671	0	42,232	0
Fines and Forfeitures	2,445	0	0	6,116
Intergovernmental	38,927	32,855	0	0
Franchise Fees	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>281,802</u>	<u>259,850</u>	<u>42,232</u>	<u>6,116</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	10,000
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	368,821	0	0
Public Health Services	0	0	55,938	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	215,307	0	0	0
Sanitation Services	0	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>215,307</u>	<u>368,821</u>	<u>55,938</u>	<u>10,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>66,495</u>	<u>(108,971)</u>	<u>(13,706)</u>	<u>(3,884)</u>
Other Financing Sources (Uses)				
Transfers In	0	107,383	15,000	0
<i>Net Change in Fund Balances</i>	66,495	(1,588)	1,294	(3,884)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>186,774</u>	<u>(8,332)</u>	<u>4,492</u>	<u>40,373</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$253,269</u>	<u>(\$9,920)</u>	<u>\$5,786</u>	<u>\$36,489</u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Municipal Court Security	Indigent Drivers Interlock and Alcohol Monitoring
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
48,835	0	60,542	22,473	6,125
0	38,332	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>48,835</u>	<u>38,332</u>	<u>60,542</u>	<u>22,473</u>	<u>6,125</u>
0	0	127,719	0	0
22,385	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	40,000	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>22,385</u>	<u>40,000</u>	<u>127,719</u>	<u>0</u>	<u>0</u>
<u>26,450</u>	<u>(1,668)</u>	<u>(67,177)</u>	<u>22,473</u>	<u>6,125</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
26,450	(1,668)	(67,177)	22,473	6,125
<u>23,824</u>	<u>22,809</u>	<u>96,620</u>	<u>0</u>	<u>0</u>
<u>\$50,274</u>	<u>\$21,141</u>	<u>\$29,443</u>	<u>\$22,473</u>	<u>\$6,125</u>

(continued)

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2016

	Police Pension	Public Health Nursing	State Highway	Recycling Grant
Revenues				
Property Taxes	\$226,995	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	32,855	35,003	49,894	0
Franchise Fees	0	0	0	0
Other	0	0	0	900
<i>Total Revenues</i>	<u>259,850</u>	<u>35,003</u>	<u>49,894</u>	<u>900</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	359,108	0	0	0
Fire	0	0	0	0
Public Health Services	0	30,693	0	0
Street Maintenance and Repairs	0	0	49,695	0
Housing and Community Development	0	0	0	0
Sanitation Services	0	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>359,108</u>	<u>30,693</u>	<u>49,695</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(99,258)</u>	<u>4,310</u>	<u>199</u>	<u>900</u>
Other Financing Sources (Uses)				
Transfers In	106,200	7,000	0	0
<i>Net Change in Fund Balances</i>	6,942	11,310	199	900
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(7,882)</u>	<u>16,246</u>	<u>27,446</u>	<u>60,035</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$940)</u>	<u>\$27,556</u>	<u>\$27,645</u>	<u>\$60,935</u>

Police Grant	Fire Grant	Walnut Beach	Street Lighting	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$453,990
0	0	0	295,195	301,954
0	0	0	0	275,903
0	0	0	0	146,536
25,337	57,684	0	0	310,887
0	0	7,753	0	7,753
0	1,000	4,550	0	6,450
<u>25,337</u>	<u>58,684</u>	<u>12,303</u>	<u>295,195</u>	<u>1,503,473</u>
0	0	0	0	137,719
15,928	0	0	0	397,421
0	58,993	0	0	427,814
0	0	0	0	86,631
0	0	0	485,168	574,863
0	0	0	0	215,307
0	0	0	0	0
0	0	29,744	0	29,744
<u>15,928</u>	<u>58,993</u>	<u>29,744</u>	<u>485,168</u>	<u>1,869,499</u>
<u>9,409</u>	<u>(309)</u>	<u>(17,441)</u>	<u>(189,973)</u>	<u>(366,026)</u>
<u>0</u>	<u>3,276</u>	<u>0</u>	<u>165,000</u>	<u>403,859</u>
9,409	2,967	(17,441)	(24,973)	37,833
(18,701)	0	30,063	27	473,794
<u>(\$9,292)</u>	<u>\$2,967</u>	<u>\$12,622</u>	<u>(\$24,946)</u>	<u>\$511,627</u>

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

	Municipal Court Computer Fund	Municipal Court Special Projects Fund	Construction Fund	Total Nonmajor Capital Projects Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$19,104	\$61,141	\$3,311	\$83,556
Cash and Cash Equivalents In Segregated Accounts	1,850	4,476	0	6,326
Prepaid Items	0	5,000	0	5,000
<i>Total Assets</i>	<u>\$20,954</u>	<u>\$70,617</u>	<u>\$3,311</u>	<u>\$94,882</u>
Fund Balances				
Nonspendable	\$0	\$5,000	\$0	\$5,000
Restricted	20,954	65,617	3,311	89,882
<i>Total Fund Balances</i>	<u>\$20,954</u>	<u>\$70,617</u>	<u>\$3,311</u>	<u>\$94,882</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016

	Municipal Court Computer Fund	Municipal Court Special Projects Fund	Construction Fund	Total Nonmajor Capital Projects Funds
Revenues				
Fines and Forfeitures	\$20,954	\$55,533	\$0	\$76,487
Expenditures				
Current:				
General Government:				
Judicial System	0	38,150	0	38,150
<i>Net Change in Fund Balances</i>	20,954	17,383	0	38,337
<i>Fund Balances Beginning of Year</i>	0	53,234	3,311	56,545
<i>Fund Balances End of Year</i>	\$20,954	\$70,617	\$3,311	\$94,882

Combining Statements – Internal Service Funds

Internal service funds are established 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 Fund Net Position
Internal Service Funds
December 31, 2016

	Self Insurance	Workers' Compensation	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$29,137	\$271,994	\$301,131
Interfund Receivable	0	150,000	150,000
Intergovernmental Receivable	15,053	0	15,053
<i>Total Assets</i>	44,190	421,994	466,184
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	0	675	675
Intergovernmental Payable	0	17,483	17,483
Claims Payable	16,752	77,990	94,742
<i>Total Current Liabilities</i>	16,752	96,148	112,900
<i>Long-Term Liabilities (net of current portion)</i>			
Claims Payable	0	100,000	100,000
<i>Total Liabilities</i>	16,752	196,148	212,900
Net Position			
Unrestricted	\$27,438	\$225,846	\$253,284

City of Ashtabula, Ohio
*Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2016*

	Self Insurance	Workers' Compensation	Total
Revenues			
Charges for Services	\$1,809,218	\$39,075	\$1,848,293
Operating Expenses			
Personal Services	0	4,595	4,595
Contractual Services	388,884	18,158	407,042
Claims	1,317,784	79,242	1,397,026
<i>Total Operating Expenses</i>	1,706,668	101,995	1,808,663
<i>Operating Income (Loss)</i>	102,550	(62,920)	39,630
<i>Net Position (Deficit) Beginning of Year</i>	(75,112)	288,766	213,654
<i>Net Position End of Year</i>	\$27,438	\$225,846	\$253,284

City of Ashtabula, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016

	Self Insurance	Workers' Compensation	Total
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Other Funds	\$1,809,810	\$39,075	\$1,848,885
Cash Payments for Employee Services and Benefits	0	(4,945)	(4,945)
Cash Payments to Suppliers for Goods and Services	(388,884)	(99,409)	(488,293)
Cash Payments for Claims	(1,399,128)	(74,223)	(1,473,351)
<i>Net Cash Provided by (Used for) Operating Activities</i>	21,798	(139,502)	(117,704)
<i>Cash and Cash Equivalents Beginning of Year</i>	7,339	411,496	418,835
<i>Cash and Cash Equivalents End of Year</i>	\$29,137	\$271,994	\$301,131
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	\$102,550	(\$62,920)	\$39,630
Increase in Assets:			
Intergovernmental Receivable	592	0	592
Increase (Decrease) in Liabilities:			
Accounts Payable	0	(179)	(179)
Accrued Wages	0	(294)	(294)
Intergovernmental Payable	0	(81,128)	(81,128)
Claims Payable	(81,344)	5,019	(76,325)
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$21,798	(\$139,502)	(\$117,704)

Combining Statements – Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City does not have any trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Fire Deposits Fund - To account for deposits made by property owners or insurance companies to ensure that fire damaged buildings are restored or razed in compliance with the City building code.

Law Library - To accumulate monies collected from State patrol fines that are then distributed to the County law library.

Marina Fund – To account for monies received from permits and licenses issued in connection with the operation of marinas that are then distributed to the City Port Authority.

Street Deposits Fund - To account for deposits from contractors or vendors held by the City to ensure compliance with various City ordinances regarding development within the City.

Joint Economic Development – Ashtabula Township Fund - To account for income tax revenue collected by the City to be distributed to Ashtabula Township and the City of Ashtabula.

Joint Economic Development – Saybrook Township Fund - To account for income tax revenue collected by the City to be distributed to Saybrook Township and the City of Ashtabula.

Ashtabula Municipal Court Fund - To account for assets received and disbursed by the Ashtabula Municipal Court to the participating cities pursuant to the laws of the State of Ohio.

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

	Balance 12/31/2015	Additions	Reductions	Balance 12/31/2016
<i>Fire Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$88,497	\$83,078	\$50,500	\$121,075
Liabilities				
Deposits Held and Due to Others	\$88,497	\$83,078	\$50,500	\$121,075
<i>Law Library</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$25,112	\$22,887	\$2,225
Cash and Cash Equivalents in Segregated Accounts	2,126	1,771	2,126	1,771
Total Assets	\$2,126	\$26,883	\$25,013	\$3,996
Liabilities				
Intergovernmental Payable	\$2,126	\$26,883	\$25,013	\$3,996
<i>Marina</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,429	\$12,725	\$12,725	\$6,429
Liabilities				
Intergovernmental Payable	\$6,429	\$12,725	\$12,725	\$6,429
<i>Street Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$555	\$0	\$555	\$0
Liabilities				
Deposits Held and Due to Others	\$555	\$0	\$555	\$0
<i>Joint Economic Development - Ashtabula Township</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$23,240	\$18,761	\$20,766	\$21,235
Liabilities				
Intergovernmental Payable	\$23,240	\$18,761	\$20,766	\$21,235
<i>Joint Economic Development - Saybrook Township</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$29,327	\$21,439	\$27,510	\$23,256
Liabilities				
Intergovernmental Payable	\$29,327	\$21,439	\$27,510	\$23,256

(continued)

City of Ashtabula, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2016

	Balance 12/31/2015	Additions	Reductions	Balance 12/31/2016
<i>Ashtabula Municipal Court</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$79,288	\$1,392,514	\$1,416,697	\$55,105
Liabilities				
Deposits Held and Due to Others	\$79,288	\$1,392,514	\$1,416,697	\$55,105
 <i>Total Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$148,048	\$161,115	\$134,943	\$174,220
Cash and Cash Equivalents in Segregated Accounts	81,414	1,394,285	1,418,823	56,876
Total Assets	\$229,462	\$1,555,400	\$1,553,766	\$231,096
Liabilities				
Intergovernmental Payable	\$61,122	\$79,808	\$86,014	\$54,916
Deposits Held and Due to Others	168,340	1,475,592	1,467,752	176,180
Total Liabilities	\$229,462	\$1,555,400	\$1,553,766	\$231,096

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

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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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$819,458	\$819,458	\$828,513	\$9,055
Municipal Income Tax	5,675,974	5,895,345	5,975,929	80,584
Charges for Services	349,300	349,300	375,016	25,716
Licenses and Permits	60,692	60,692	79,205	18,513
Fines and Forfeitures	460,000	460,000	495,423	35,423
Intergovernmental	843,200	843,200	839,010	(4,190)
Interest	0	0	538	538
Rentals	133,000	133,000	144,767	11,767
Franchise Fees	205,000	205,000	194,699	(10,301)
Other	95,797	95,797	24,716	(71,081)
<i>Total Revenues</i>	<u>8,642,421</u>	<u>8,861,792</u>	<u>8,957,816</u>	<u>96,024</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	116,350	116,332	116,104	228
Materials and Supplies	1,440	1,821	1,572	249
Contractual Services	3,575	6,194	4,733	1,461
Total Council	<u>121,365</u>	<u>124,347</u>	<u>122,409</u>	<u>1,938</u>
Administration:				
Personal Services	102,193	124,349	123,566	783
Materials and Supplies	900	900	255	645
Contractual Services	900	900	201	699
Total Administration	<u>103,993</u>	<u>126,149</u>	<u>124,022</u>	<u>2,127</u>
Auditor:				
Personal Services	229,884	174,489	174,186	303
Materials and Supplies	4,467	2,846	2,269	577
Contractual Services	21,000	24,921	23,620	1,301
Total Auditor	<u>255,351</u>	<u>202,256</u>	<u>200,075</u>	<u>2,181</u>
City Income Tax:				
Personal Services	95,424	116,455	115,256	1,199
Materials and Supplies	1,800	1,800	789	1,011
Contractual Services	13,834	11,834	10,556	1,278
Total City Income Tax	<u>\$111,058</u>	<u>\$130,089</u>	<u>\$126,601</u>	<u>\$3,488</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Solicitor:				
Personal Services	\$256,283	\$256,135	\$255,558	\$577
Materials and Supplies	3,222	3,022	2,869	153
Contractual Services	1,350	1,550	1,190	360
Total Solicitor	260,855	260,707	259,617	1,090
Motor Maintenance:				
Personal Services	136,274	144,008	143,997	11
Materials and Supplies	4,778	5,278	4,354	924
Contractual Services	1,000	500	0	500
Total Motor Maintenance	142,052	149,786	148,351	1,435
Engineering & PCD:				
Personal Services	143,749	144,778	142,673	2,105
Materials and Supplies	2,350	1,155	1,132	23
Contractual Services	5,000	2,499	2,499	0
Total Engineering & PCD	151,099	148,432	146,304	2,128
County Auditor Deductions:				
Contractual Services	127,500	114,071	114,022	49
General Services:				
Professional & Contractual	184,850	147,295	147,295	0
Dues and Fees	23,000	23,000	23,000	0
Total General Services	207,850	170,295	170,295	0
Civil Service:				
Contractual Services	530	6,200	6,200	0
Lands and Buildings:				
Personal Services	131,117	151,063	150,986	77
Materials and Supplies	20,407	24,896	24,245	651
Contractual Services	318,677	313,677	310,610	3,067
Total Lands and Buildings	470,201	489,636	485,841	3,795
Systems Analyst:				
Materials and Supplies	2,702	302	254	48
Contractual Services	35,000	34,115	34,113	2
Total Systems Analyst	37,702	34,417	34,367	50
Total Legislative and Executive	\$1,989,556	\$1,956,385	\$1,938,104	\$18,281

(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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Judicial System:				
Municipal Court/Probation:				
Personal Services	\$702,403	\$781,405	\$780,248	\$1,157
Materials and Supplies	25,297	16,847	13,712	3,135
Contractual Services	48,236	56,036	52,359	3,677
Total Judicial System	775,936	854,288	846,319	7,969
Total General Government	2,765,492	2,810,673	2,784,423	26,250
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,641,362	2,607,600	2,546,908	60,692
Materials and Supplies	181,172	155,533	147,162	8,371
Contractual Services	132,490	130,129	124,553	5,576
Total Police	2,955,024	2,893,262	2,818,623	74,639
Fire:				
Fire Prevention:				
Personal Services	2,043,825	1,991,953	1,989,714	2,239
Materials and Supplies	49,341	46,841	44,935	1,906
Contractual Services	83,585	72,935	70,297	2,638
Total Fire	2,176,751	2,111,729	2,104,946	6,783
Total Security of Persons and Property	5,131,775	5,004,991	4,923,569	81,422
Public Health Services:				
Health:				
Personal Services	214,180	212,032	210,464	1,568
Materials and Supplies	2,924	17,423	17,146	277
Contractual Services	52,000	55,002	54,987	15
Total Public Health Services	269,104	284,457	282,597	1,860
Street Maintenance and Repairs:				
Street:				
Personal Services	79,361	78,591	78,443	148
Sanitation Services:				
Sanitation:				
Personal Services	\$6,509	\$5,007	\$4,409	\$598

(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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Wastewater				
Personal Services	\$2,203	\$2,131	\$2,094	\$37
Total Sanitation Services	8,712	7,138	6,503	635
Debt Service:				
Principal Retirement	268,800	268,800	266,091	2,709
Interest and Fiscal Charges	4,320	4,320	3,341	979
<i>Total Expenditures</i>	<u>8,527,564</u>	<u>8,458,970</u>	<u>8,344,967</u>	<u>114,003</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>114,857</u>	<u>402,822</u>	<u>612,849</u>	<u>210,027</u>
Other Financing Sources (Uses)				
Proceeds of Notes	196,800	196,800	194,091	(2,709)
Transfers Out	(505,003)	(530,854)	(528,583)	2,271
<i>Total Other Financing Sources (Uses)</i>	<u>(308,203)</u>	<u>(334,054)</u>	<u>(334,492)</u>	<u>(438)</u>
<i>Net Change in Fund Balance</i>	(193,346)	68,768	278,357	209,589
<i>Fund Balance Beginning of Year</i>	197,741	197,741	197,741	0
Prior Year Encumbrances Appropriated	78,585	78,585	78,585	0
<i>Fund Balance End of Year</i>	<u><u>\$82,980</u></u>	<u><u>\$345,094</u></u>	<u><u>\$554,683</u></u>	<u><u>\$209,589</u></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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$22,433	\$668,000	\$453,107	(\$214,893)
Other	7,567	0	39,504	39,504
<i>Total Revenues</i>	<u>30,000</u>	<u>668,000</u>	<u>492,611</u>	<u>(175,389)</u>
Expenditures				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Materials and Supplies	107	3,341	2,725	616
Contractual Services	21,247	666,013	578,753	87,260
<i>Total Expenditures</i>	<u>21,354</u>	<u>669,354</u>	<u>581,478</u>	<u>87,876</u>
<i>Net Change in Fund Balance</i>	8,646	(1,354)	(88,867)	(87,513)
<i>Fund Balance Beginning of Year</i>	85,651	85,651	85,651	0
Prior Year Encumbrances Appropriated	21,354	21,354	21,354	0
<i>Fund Balance End of Year</i>	<u>\$115,651</u>	<u>\$105,651</u>	<u>\$18,138</u>	<u>(\$87,513)</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,000	\$2,000	\$270	(\$1,730)
Intergovernmental	690,000	690,000	694,214	4,214
Other	0	0	1,712	1,712
<i>Total Revenues</i>	<u>692,000</u>	<u>692,000</u>	<u>696,196</u>	<u>4,196</u>
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	539,803	550,303	543,157	7,146
Materials and Supplies	232,517	247,517	219,407	28,110
Contractual Services	69,583	59,083	44,526	14,557
<i>Total Expenditures</i>	<u>841,903</u>	<u>856,903</u>	<u>807,090</u>	<u>49,813</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(149,903)	(164,903)	(110,894)	54,009
Other Financing Sources (Uses)				
Transfers In	128,000	128,000	128,000	0
<i>Net Change in Fund Balance</i>	(21,903)	(36,903)	17,106	54,009
<i>Fund Balance Beginning of Year</i>	56,036	56,036	56,036	0
Prior Year Encumbrances Appropriated	18,100	18,100	18,100	0
<i>Fund Balance End of Year</i>	<u>\$52,233</u>	<u>\$37,233</u>	<u>\$91,242</u>	<u>\$54,009</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Levy Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$486,303	\$486,303	\$466,690	(\$19,613)
Intergovernmental	0	0	29,155	29,155
<i>Total Revenues</i>	<u>486,303</u>	<u>486,303</u>	<u>495,845</u>	<u>9,542</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	473,978	577,177	573,781	3,396
Contractual Services	15,000	9,899	9,898	1
<i>Total Expenditures</i>	<u>488,978</u>	<u>587,076</u>	<u>583,679</u>	<u>3,397</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,675)	(100,773)	(87,834)	12,939
Other Financing Sources (Uses)				
Transfers Out	(43,099)	0	0	0
<i>Net Change in Fund Balance</i>	(45,774)	(100,773)	(87,834)	12,939
<i>Fund Balance Beginning of Year</i>	221,183	221,183	221,183	0
Prior Year Encumbrances Appropriated	21,132	21,132	21,132	0
<i>Fund Balance End of Year</i>	<u>\$196,541</u>	<u>\$141,542</u>	<u>\$154,481</u>	<u>\$12,939</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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$370,000	\$370,000	\$349,223	(\$20,777)
Municipal Income Tax	627,331	619,831	659,428	39,597
Intergovernmental	41,000	41,000	285,312	244,312
Other	0	0	14,900	14,900
<i>Total Revenues</i>	<u>1,038,331</u>	<u>1,030,831</u>	<u>1,308,863</u>	<u>278,032</u>
Expenditures				
Capital Outlay:				
Contractual Services	25,422	28,437	16,723	11,714
Capital Outlay	1,349,593	1,575,578	1,353,812	221,766
Total Capital Outlay	<u>1,375,015</u>	<u>1,604,015</u>	<u>1,370,535</u>	<u>233,480</u>
Debt Service:				
Principal Retirement	305,129	305,129	295,237	9,892
Interest and Fiscal Charges	14,875	14,875	13,051	1,824
Total Debt Service	<u>320,004</u>	<u>320,004</u>	<u>308,288</u>	<u>11,716</u>
<i>Total Expenditures</i>	<u>1,695,019</u>	<u>1,924,019</u>	<u>1,678,823</u>	<u>245,196</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(656,688)</u>	<u>(893,188)</u>	<u>(369,960)</u>	<u>523,228</u>
Other Financing Sources (Uses)				
Proceeds of Loan	227,399	227,399	311,729	84,330
Proceeds of Capital Lease	72,601	72,601	72,601	0
Transfers Out	0	(3,276)	(3,276)	0
<i>Total Other Financing Sources (Uses)</i>	<u>300,000</u>	<u>296,724</u>	<u>381,054</u>	<u>84,330</u>
<i>Net Change in Fund Balance</i>	(356,688)	(596,464)	11,094	607,558
<i>Fund Balance Beginning of Year</i>	944,126	944,126	944,126	0
Prior Year Encumbrances Appropriated	498,569	498,569	498,569	0
<i>Fund Balance End of Year</i>	<u>\$1,086,007</u>	<u>\$846,231</u>	<u>\$1,453,789</u>	<u>\$607,558</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitation Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,896,000	\$1,896,000	\$1,819,949	(\$76,051)
Intergovernmental	18,000	18,000	26,265	8,265
Other	580	180	33	(147)
<i>Total Revenues</i>	<u>1,914,580</u>	<u>1,914,180</u>	<u>1,846,247</u>	<u>(67,933)</u>
Expenses				
Personal Services	1,077,586	1,122,718	1,118,218	4,500
Contractual Services	676,579	675,594	661,106	14,488
Materials and Supplies	153,190	154,175	92,317	61,858
Debt Service:				
Principal Retirement	66,335	66,335	66,335	0
Interest and Fiscal Charges	1,945	1,945	835	1,110
<i>Total Expenses</i>	<u>1,975,635</u>	<u>2,020,767</u>	<u>1,938,811</u>	<u>81,956</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(61,055)	(106,587)	(92,564)	14,023
Other Financing Sources (Uses)				
Proceeds of Note	49,200	49,200	48,335	(865)
<i>Net Change in Fund Balance</i>	(11,855)	(57,387)	(44,229)	13,158
<i>Fund Balance Beginning of Year</i>	150,312	150,312	150,312	0
Prior Year Encumbrances Appropriated	36,909	36,909	36,909	0
<i>Fund Balance End of Year</i>	<u>\$175,366</u>	<u>\$129,834</u>	<u>\$142,992</u>	<u>\$13,158</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$3,617,000	\$3,555,660	\$3,572,917	\$17,257
Tap-In Fees	5,000	5,000	8,500	3,500
Intergovernmental	26,418	26,418	27,763	1,345
Other	0	0	5,246	5,246
<i>Total Revenues</i>	<u>3,648,418</u>	<u>3,587,078</u>	<u>3,614,426</u>	<u>27,348</u>
Expenses				
Personal Services	1,656,726	1,600,344	1,587,216	13,128
Contractual Services	760,033	826,303	790,502	35,801
Materials and Supplies	379,645	326,674	289,924	36,750
Capital Outlay	241,321	6,965,353	3,445,921	3,519,432
Debt Service:				
Principal Retirement	711,311	702,877	671,312	31,565
Interest and Fiscal Charges	83,334	91,768	90,885	883
<i>Total Expenses</i>	<u>3,832,370</u>	<u>10,513,319</u>	<u>6,875,760</u>	<u>3,637,559</u>
<i>Excess of Revenues Over (Under) Expenses</i>	<u>(183,952)</u>	<u>(6,926,241)</u>	<u>(3,261,334)</u>	<u>3,664,907</u>
Other Financing Sources (Uses)				
Proceeds of Loan	6,785,488	6,785,488	3,174,719	(3,610,769)
Proceeds of Note	164,800	164,800	167,574	2,774
Transfers Out	(10,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>6,940,288</u>	<u>6,950,288</u>	<u>3,342,293</u>	<u>(3,607,995)</u>
<i>Net Change in Fund Balance</i>	6,756,336	24,047	80,959	56,912
<i>Fund Balance Beginning of Year</i>	152,461	152,461	152,461	0
Prior Year Encumbrances Appropriated	37,898	37,898	37,898	0
<i>Fund Balance End of Year</i>	<u><u>\$6,946,695</u></u>	<u><u>\$214,406</u></u>	<u><u>\$271,318</u></u>	<u><u>\$56,912</u></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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$0	\$6,759	\$6,759
Licenses and Permits	200,000	200,000	229,911	29,911
Fines and Forfeitures	0	0	2,445	2,445
Intergovernmental	30,000	30,000	40,511	10,511
<i>Total Revenues</i>	230,000	230,000	279,626	49,626
Expenditures				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	217,491	222,495	205,017	17,478
Materials and Supplies	13,747	13,747	6,859	6,888
Contractual Services	34,000	25,300	4,461	20,839
<i>Total Expenditures</i>	265,238	261,542	216,337	45,205
<i>Net Change in Fund Balance</i>	(35,238)	(31,542)	63,289	94,831
<i>Fund Balance Beginning of Year</i>	149,128	149,128	149,128	0
Prior Year Encumbrances Appropriated	247	247	247	0
<i>Fund Balance End of Year</i>	\$114,137	\$117,833	\$212,664	\$94,831

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$232,000	\$232,000	\$226,995	(\$5,005)
Intergovernmental	36,980	36,980	32,840	(4,140)
<i>Total Revenues</i>	<u>268,980</u>	<u>268,980</u>	<u>259,835</u>	<u>(9,145)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	361,306	360,056	359,320	736
Contractual Services	3,500	5,350	5,340	10
<i>Total Expenditures</i>	<u>364,806</u>	<u>365,406</u>	<u>364,660</u>	<u>746</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(95,826)	(96,426)	(104,825)	(8,399)
Other Financing Sources (Uses)				
Transfers In	99,883	114,883	107,383	(7,500)
<i>Net Change in Fund Balance</i>	4,057	18,457	2,558	(15,899)
<i>Fund Balance Beginning of Year</i>	<u>237</u>	<u>237</u>	<u>237</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,294</u></u>	<u><u>\$18,694</u></u>	<u><u>\$2,795</u></u>	<u><u>(\$15,899)</u></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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Permits	\$40,400	\$40,400	\$42,232	\$1,832
Expenditures				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	48,864	48,864	48,371	493
Materials and Supplies	2,700	2,700	2,327	373
Contractual Services	6,000	6,000	5,033	967
<i>Total Expenditures</i>	<u>57,564</u>	<u>57,564</u>	<u>55,731</u>	<u>1,833</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(17,164)	(17,164)	(13,499)	3,665
Other Financing Sources (Uses)				
Transfers In	14,600	14,600	15,000	400
<i>Net Change in Fund Balance</i>	(2,564)	(2,564)	1,501	4,065
<i>Fund Balance Beginning of Year</i>	<u>5,658</u>	<u>5,658</u>	<u>5,658</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,094</u></u>	<u><u>\$3,094</u></u>	<u><u>\$7,159</u></u>	<u><u>\$4,065</u></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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$10,000	\$1,000	\$6,257	\$5,257
Intergovernmental	5,000	5,000	0	(5,000)
Total Revenues	15,000	6,000	6,257	257
Expenditures				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	10,000	10,000	10,000	0
<i>Net Change in Fund Balance</i>	5,000	(4,000)	(3,743)	257
<i>Fund Balance Beginning of Year</i>	39,794	39,794	39,794	0
<i>Fund Balance End of Year</i>	<u>\$44,794</u>	<u>\$35,794</u>	<u>\$36,051</u>	<u>\$257</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$12,000	\$48,000	\$48,875	\$875
Expenditures				
Current:				
Security of Persons and Property				
Police:				
Law Enforcement Trust:				
Materials and Supplies	<u>20,358</u>	<u>58,358</u>	<u>26,180</u>	<u>32,178</u>
<i>Net Change in Fund Balance</i>	(8,358)	(10,358)	22,695	33,053
<i>Fund Balance Beginning of Year</i>	19,186	19,186	19,186	0
Prior Year Encumbrances Appropriated	<u>8,358</u>	<u>8,358</u>	<u>8,358</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$19,186</u></u>	<u><u>\$17,186</u></u>	<u><u>\$50,239</u></u>	<u><u>\$33,053</u></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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$37,500	\$37,500	\$38,422	\$922
Expenditures				
Current:				
Street Maintenance and Repairs				
Contractual Services	35,000	40,000	40,000	0
<i>Net Change in Fund Balance</i>	2,500	(2,500)	(1,578)	922
<i>Fund Balance Beginning of Year</i>	16,930	16,930	16,930	0
<i>Fund Balance End of Year</i>	<u>\$19,430</u>	<u>\$14,430</u>	<u>\$15,352</u>	<u>\$922</u>

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$63,000	\$63,000	\$56,613	(\$6,387)
Expenditures				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Materials and Supplies	<u>130,400</u>	<u>130,400</u>	<u>128,223</u>	<u>2,177</u>
<i>Net Change in Fund Balance</i>	(67,400)	(67,400)	(71,610)	(4,210)
<i>Fund Balance Beginning of Year</i>	<u>93,707</u>	<u>93,707</u>	<u>93,707</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,307</u></u>	<u><u>\$26,307</u></u>	<u><u>\$22,097</u></u>	<u><u>(\$4,210)</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Security Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$20,366	\$5,366
Expenditures				
Current:				
General Government				
Judicial - Security				
Materials and Supplies	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	0	0	20,366	20,366
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$20,366</u></u>	<u><u>\$20,366</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Interlock and Alcohol Monitoring Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$0	\$0	\$6,125	\$6,125
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	6,125	6,125
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$6,125	\$6,125

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$230,000	\$232,000	\$226,995	(\$5,005)
Intergovernmental	36,980	36,980	32,840	(4,140)
<i>Total Revenues</i>	266,980	268,980	259,835	(9,145)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	385,178	348,079	347,731	348
Contractual Services	5,500	5,500	5,340	160
<i>Total Expenditures</i>	390,678	353,579	353,071	508
<i>Excess of Revenues Over (Under) Expenditures</i>	(123,698)	(84,599)	(93,236)	(8,637)
Other Financing Sources (Uses)				
Transfers In	131,799	146,799	106,200	(40,599)
<i>Net Change in Fund Balance</i>	8,101	62,200	12,964	(49,236)
<i>Fund Balance Beginning of Year</i>	84	84	84	0
<i>Fund Balance End of Year</i>	\$8,185	\$62,284	\$13,048	(\$49,236)

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$22,000	\$22,000	\$34,202	\$12,202
Expenditures				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	8,523	8,523	3,487	5,036
Materials and Supplies	21,471	21,471	21,446	25
Contractual Services	8,000	8,000	5,885	2,115
<i>Total Expenditures</i>	<u>37,994</u>	<u>37,994</u>	<u>30,818</u>	<u>7,176</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,994)	(15,994)	3,384	19,378
Other Financing Sources (Uses)				
Transfers In	7,000	7,000	7,000	0
<i>Net Change in Fund Balance</i>	(8,994)	(8,994)	10,384	19,378
<i>Fund Balance Beginning of Year</i>	9,582	9,582	9,582	0
Prior Year Encumbrances Appropriated	21	21	21	0
<i>Fund Balance End of Year</i>	<u>\$609</u>	<u>\$609</u>	<u>\$19,987</u>	<u>\$19,378</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$52,400	\$52,400	\$49,977	(\$2,423)
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Materials and Supplies	41,753	46,755	45,427	1,328
Contractual Services	9,750	5,148	5,148	0
Total Expenditures	51,503	51,903	50,575	1,328
<i>Net Change in Fund Balance</i>	897	497	(598)	(1,095)
<i>Fund Balance Beginning of Year</i>	17,972	17,972	17,972	0
Prior Year Encumbrances Appropriated	1,753	1,753	1,753	0
<i>Fund Balance End of Year</i>	<u>\$20,622</u>	<u>\$20,222</u>	<u>\$19,127</u>	<u>(\$1,095)</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling Grant Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$0	\$0	\$900	\$900
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	900	900
<i>Fund Balance Beginning of Year</i>	<u>60,035</u>	<u>60,035</u>	<u>60,035</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$60,035</u></u>	<u><u>\$60,035</u></u>	<u><u>\$60,935</u></u>	<u><u>\$900</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Grant Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$68,700	\$68,700	\$25,337	(\$43,363)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	35,000	30,000	0	30,000
Materials and Supplies	15,000	20,000	15,928	4,072
<i>Total Expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>15,928</u>	<u>34,072</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	18,700	18,700	9,409	(9,291)
Other Financing Sources (Uses)				
Transfers Out	0	(18,700)	0	18,700
<i>Net Change in Fund Balance</i>	18,700	0	9,409	9,409
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$18,700</u>	<u>\$0</u>	<u>\$9,409</u>	<u>\$9,409</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Grant Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$15,000	\$60,000	\$56,184	(\$3,816)
Other	0	0	1,000	1,000
<i>Total Revenues</i>	15,000	60,000	57,184	(2,816)
Expenditures				
Current:				
Security of Persons and Property				
Fire:				
Materials and Supplies	1,000	1,000	998	2
Capital Outlay	14,000	58,000	57,995	5
<i>Total Expenditures</i>	15,000	59,000	58,993	7
<i>Excess of Revenues Over (Under) Expenditures</i>	0	1,000	(1,809)	(2,809)
Other Financing Sources (Uses)				
Transfers In	0	0	3,276	3,276
<i>Net Change in Fund Balance</i>	0	1,000	1,467	467
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$1,000	\$1,467	\$467

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Franchise Fees	\$25,000	\$25,000	\$26,396	\$1,396
Other	3,500	3,500	4,550	1,050
<i>Total Revenues</i>	<u>28,500</u>	<u>28,500</u>	<u>30,946</u>	<u>2,446</u>
Expenditures				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Materials and Supplies	6,000	6,000	2,750	3,250
Contractual Services	30,000	30,000	26,994	3,006
<i>Total Expenditures</i>	<u>36,000</u>	<u>36,000</u>	<u>29,744</u>	<u>6,256</u>
<i>Net Change in Fund Balance</i>	(7,500)	(7,500)	1,202	8,702
<i>Fund Balance Beginning of Year</i>	<u>11,420</u>	<u>11,420</u>	<u>11,420</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,920</u></u>	<u><u>\$3,920</u></u>	<u><u>\$12,622</u></u>	<u><u>\$8,702</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$300,000	\$300,000	\$295,195	(\$4,805)
Expenditures				
Current:				
Street Maintenance and Repairs				
Street Lighting				
Contractual Services	440,000	465,000	449,151	15,849
<i>Excess of Revenues Over (Under) Expenditures</i>	(140,000)	(165,000)	(153,956)	11,044
Other Financing Sources (Uses)				
Transfers In	165,000	165,000	165,000	0
<i>Net Change in Fund Balance</i>	25,000	0	11,044	11,044
<i>Fund Balance Beginning of Year</i>	27	27	27	0
<i>Fund Balance End of Year</i>	<u>\$25,027</u>	<u>\$27</u>	<u>\$11,071</u>	<u>\$11,044</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Special Assessments	<u>\$10,200</u>	<u>\$10,200</u>	<u>\$10,755</u>	<u>\$555</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Contractual Services	400	400	377	23
Debt Service:				
Principal Retirement	<u>9,800</u>	<u>9,800</u>	<u>9,782</u>	<u>18</u>
<i>Total Expenditures</i>	<u>10,200</u>	<u>10,200</u>	<u>10,159</u>	<u>41</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	596	596
Other Financing Sources (Uses)				
Transfers In	<u>18,573</u>	<u>18,573</u>	<u>0</u>	<u>(18,573)</u>
<i>Net Change in Fund Balance</i>	18,573	18,573	596	(17,977)
<i>Fund Balance Beginning of Year</i>	<u>54,887</u>	<u>54,887</u>	<u>54,887</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$73,460</u></u>	<u><u>\$73,460</u></u>	<u><u>\$55,483</u></u>	<u><u>(\$17,977)</u></u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$19,104	\$4,104
Expenses				
Current:				
General Government				
Judicial Technology				
Materials and Supplies	15,000	15,000	0	15,000
<i>Net Change in Fund Balance</i>	0	0	19,104	19,104
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$19,104	\$19,104

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$40,000	\$40,000	\$53,410	\$13,410
Expenditures				
Capital Outlay:				
Materials and Supplies	30,600	40,600	40,150	450
<i>Net Change in Fund Balance</i>	9,400	(600)	13,260	13,860
<i>Fund Balance Beginning of Year</i>	47,881	47,881	47,881	0
<i>Fund Balance End of Year</i>	<u>\$57,281</u>	<u>\$47,281</u>	<u>\$61,141</u>	<u>\$13,860</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0	0
Other Financing Sources (Uses)				
Transfers Out	(3,311)	(3,311)	0	3,311
<i>Net Change in Fund Balance</i>	(3,311)	(3,311)	0	3,311
<i>Fund Balance Beginning of Year</i>	3,311	3,311	3,311	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,311</u>	<u>\$3,311</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,817,548	\$1,835,006	\$1,809,810	(\$25,196)
Expenses				
Contractual Services	388,884	388,884	388,884	0
Claims	1,388,116	1,445,574	1,399,128	46,446
<i>Total Expenses</i>	<u>1,777,000</u>	<u>1,834,458</u>	<u>1,788,012</u>	<u>46,446</u>
<i>Net Change in Fund Equity</i>	40,548	548	21,798	21,250
<i>Fund Equity Beginning of Year</i>	<u>7,339</u>	<u>7,339</u>	<u>7,339</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$47,887</u></u>	<u><u>\$7,887</u></u>	<u><u>\$29,137</u></u>	<u><u>\$21,250</u></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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$25,307	\$25,307	\$36,485	\$11,178
Expenses				
Current:				
Personal Services	6,644	5,584	4,945	639
Contractual Services	29,564	99,409	99,409	0
Claims	0	100,071	74,323	25,748
<i>Total Expenses</i>	36,208	205,064	178,677	26,387
<i>Net Change in Fund Equity</i>	(10,901)	(179,757)	(142,192)	37,565
<i>Fund Equity Beginning of Year</i>	410,939	410,939	410,939	0
Prior Year Encumbrances Appropriated	557	557	557	0
<i>Fund Equity End of Year</i>	\$400,595	\$231,739	\$269,304	\$37,565

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STATISTICAL SECTION

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Statistical Section

This part of the City of Ashtabula, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S13</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S14 – S21</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	<i>S22 – S29</i>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S30 – S32</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S34 – S45</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

City of Ashtabula, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2016	2015 (1)	2014	2013
Governmental Activities				
Net Investment in Capital Assets	\$26,242,611	\$26,578,704	\$29,432,989	\$26,927,369
Restricted:				
Capital Projects	2,064,719	2,093,617	651,142	1,578,684
Debt Service	49,326	48,482	115,047	114,585
Community Development	158,477	153,062	1,017,387	280,633
Sanitation	0	0	0	0
Street Maintenance and Repair	574,691	635,571	438,034	442,393
Public Safety	489,315	653,281	356,913	289,776
Municipal Court	58,041	96,620	96,474	112,153
Other Purposes	168,231	120,536	137,960	22,458
Unrestricted	(9,430,563)	(8,593,534)	(8,262,094)	1,069,855
<i>Total Governmental Activities Net Position</i>	<u>20,374,848</u>	<u>21,786,339</u>	<u>23,983,852</u>	<u>30,837,906</u>
Business Type - Activities				
Net Investment in Capital Assets	12,825,905	11,965,565	11,929,668	11,960,613
Unrestricted	986,086	827,852	1,334,345	2,474,402
<i>Total Business-Type Activities Net Position</i>	<u>13,811,991</u>	<u>12,793,417</u>	<u>13,264,013</u>	<u>14,435,015</u>
Primary Government				
Net Investment in Capital Assets	39,068,516	38,544,269	41,362,657	38,887,982
Restricted	3,562,800	3,801,169	2,812,957	2,840,682
Unrestricted	(8,444,477)	(7,765,682)	(6,927,749)	3,544,257
<i>Total Primary Government Net Position</i>	<u>\$34,186,839</u>	<u>\$34,579,756</u>	<u>\$37,247,865</u>	<u>\$45,272,921</u>

(1) The City reported the impact of GASB Statement No. 68 in 2015 and 2014.

2012	2011	2010	2009	2008	2007
\$26,144,204	\$27,040,775	\$18,695,971	\$19,304,462	\$19,022,629	\$17,985,793
1,038,535	996,559	519,091	616,317	917,675	992,414
103,521	108,509	125,280	212,116	141,267	927,528
768,002	546,108	1,330,094	2,266,481	1,073,682	1,466,762
0	0	0	883,394	719,258	648,455
180,727	154,647	151,130	140,771	97,528	138,087
230,784	389,697	436,726	N/A	N/A	N/A
84,473	102,650	134,952	N/A	N/A	N/A
19,915	102,874	369,503	791,656	797,701	880,874
391,808	962,152	160,862	841,775	1,312,330	1,871,948
28,961,969	30,403,971	21,923,609	25,056,972	24,082,070	24,911,861
11,545,705	11,224,236	10,615,079	10,339,668	10,343,268	8,637,769
2,530,937	2,084,496	3,249,898	1,701,294	2,143,693	3,632,203
14,076,642	13,308,732	13,864,977	12,040,962	12,486,961	12,269,972
37,689,909	38,265,011	29,311,050	29,644,130	29,365,897	26,623,562
2,425,957	2,401,044	3,066,776	4,910,735	3,747,111	5,054,120
2,922,745	3,046,648	3,410,760	2,543,069	3,456,023	5,504,151
\$43,038,611	\$43,712,703	\$35,788,586	\$37,097,934	\$36,569,031	\$37,181,833

City of Ashtabula, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2016	2015 (2)	2014	2013
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$246,670	\$236,366	\$388,450	\$411,518
Judicial System	282,346	200,982	267,805	265,461
Security of Persons and Property:				
Police	414,081	390,843	507,597	552,112
Fire	278,732	250,345	323,428	339,718
Public Health Services	79,261	73,122	77,984	118,555
Street Maintenance and Repairs	302,625	413,226	259	63,763
Housing and Community Development	208,883	302,075	259,122	295,579
Sanitation Services	849	293	264	0
Leisure Time Activities	0	0	0	0
Subtotal - Charges for Services	<u>1,813,447</u>	<u>1,867,252</u>	<u>1,824,909</u>	<u>2,046,706</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	0	0	100,000	0
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	132,037	114,477	83,866	35,112
Fire	57,684	0	68,835	35,112
Public Health Services	28,092	25,606	14,403	11,073
Street Maintenance and Repairs	805,132	769,401	767,828	849,842
Housing and Community Development	546,572	131,203	1,333,052	219,343
Sanitation Services	0	73,115	0	0
Leisure Time Activities	17,979	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,587,496</u>	<u>1,113,802</u>	<u>2,367,984</u>	<u>1,150,482</u>
Capital Grants and Contributions:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Street Maintenance and Repairs	87,304	686,611	983,641	1,668,993
Housing and Community Development	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>87,304</u>	<u>686,611</u>	<u>983,641</u>	<u>1,668,993</u>
<i>Total Governmental Activities Program Revenues</i>	<u>\$3,488,247</u>	<u>\$3,667,665</u>	<u>\$5,176,534</u>	<u>\$4,866,181</u>

2012	2011	2010	2009	2008	2007
\$414,538	\$236,006	\$299,400	\$265,773	\$175,970	\$209,086
258,606	645,600	210,280	759,859	804,117	773,601
468,505	387,791	404,073	44,108	88,807	60,398
358,161	76,175	277,242	51,658	55,518	53,790
102,777	168,489	117,408	174,062	187,267	201,688
27,539	12,176	59,080	40,554	15,694	25,485
243,585	137,636	280,833	295,469	221,622	252,889
0	28,372	2,734	1,801,553	1,799,928	1,656,815
1,562	3,005	15,794	13,830	14,280	14,455
<u>1,875,273</u>	<u>1,695,250</u>	<u>1,666,844</u>	<u>3,446,866</u>	<u>3,363,203</u>	<u>3,248,207</u>
0	0	0	0	15,251	0
0	15,708	15,708	87,818	15,687	15,189
206,181	187,228	100,718	381,438	49,140	4,110
30,367	42,961	77,269	36,438	35,966	0
12,508	9,522	111,983	207,053	25,483	34,604
817,848	868,021	779,720	94,120	317,571	97,960
962,920	0	108,985	233,330	59,900	86,300
0	0	0	40,000	46,536	43,513
0	0	0	0	0	0
<u>2,029,824</u>	<u>1,123,440</u>	<u>1,194,383</u>	<u>1,080,197</u>	<u>565,534</u>	<u>281,676</u>
13,250	1,956,961	184,138	97,318	139,058	0
0	0	0	0	34,295	36,140
0	0	0	0	0	0
0	0	0	0	0	0
0	1,802,011	0	407,687	0	875,500
0	0	0	173,444	453,831	840,080
<u>13,250</u>	<u>3,758,972</u>	<u>184,138</u>	<u>678,449</u>	<u>627,184</u>	<u>1,751,720</u>
<u>\$3,918,347</u>	<u>\$6,577,662</u>	<u>\$3,045,365</u>	<u>\$5,205,512</u>	<u>\$4,555,921</u>	<u>\$5,281,603</u>

(continued)

City of Ashtabula, Ohio
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2016	2015 (2)	2014	2013
Business-Type Activities:				
Charges for Services:				
Sanitation	\$1,777,296	\$1,846,883	\$1,799,424	\$1,833,371
Wastewater Treatment	3,641,035	3,516,906	3,085,997	3,089,877
Capital Grants and Contributions				
Sanitation	26,265	19,980	31,280	3,945
Wastewater Treatment	27,763	5,710	635,540	455,232
<i>Total Business-Type Activities Program Revenues</i>	<u>5,472,359</u>	<u>5,389,479</u>	<u>5,552,241</u>	<u>5,382,425</u>
<i>Total Primary Government Program Revenues</i>	<u>8,960,606</u>	<u>9,057,144</u>	<u>10,728,775</u>	<u>10,248,606</u>
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	2,073,507	2,258,619	2,634,808	2,503,864
Judicial System	1,133,813	1,006,688	1,126,553	977,180
Security of Persons and Property:				
Police	4,630,686	4,244,476	3,645,947	3,799,246
Fire	2,678,611	2,845,390	2,519,128	2,515,373
Public Health Services	380,260	388,432	329,426	338,346
Street Maintenance and Repairs	2,376,580	2,989,848	1,121,229	1,678,580
Housing and Community Development	772,464	1,288,296	792,050	902,972
Sanitation Services	6,485	334,856	1,730	1,853
Leisure Time Activities	55,362	95,965	39,713	75,701
Interest and Fiscal Charges	3,650	70,338	17,330	3,118
<i>Total Governmental Activities Expenses</i>	<u>14,111,418</u>	<u>15,522,908</u>	<u>12,227,914</u>	<u>12,796,233</u>
Business-Type Activities				
Sanitation	2,088,252	1,672,859	1,900,604	2,001,720
Wastewater Treatment	2,416,530	4,253,305	3,453,195	3,068,420
<i>Total Primary Government Program Expenses</i>	<u>18,616,200</u>	<u>21,449,072</u>	<u>17,581,713</u>	<u>17,866,373</u>
Net (Expense)/Revenue				
Governmental Activities	(10,623,171)	(11,855,243)	(7,051,380)	(7,930,052)
Business-Type Activities	967,577	(536,685)	198,442	312,285
<i>Total Primary Government Net Expense</i>	<u>(\$9,655,594)</u>	<u>(\$12,391,928)</u>	<u>(\$6,852,938)</u>	<u>(\$7,617,767)</u>

2012	2011	2010	2009	2008	2007
\$1,950,321	\$1,576,051	\$1,863,359	\$0	\$0	\$0
3,142,336	3,280,585	3,645,979	3,601,213	3,871,973	3,770,834
5,000	40,000	40,000	0	0	0
625,308	0	147,860	231,298	950,371	470,322
5,722,965	4,896,636	5,697,198	3,832,511	4,822,344	4,241,156
9,641,312	11,474,298	8,742,563	9,038,023	9,378,265	9,522,759
2,821,885	2,792,923	2,721,988	3,227,472	3,586,747	4,135,051
995,974	1,084,083	1,149,058	1,183,400	1,151,790	1,090,892
3,372,417	3,548,942	3,704,992	3,686,839	3,887,527	3,882,495
2,687,460	2,874,864	2,776,175	3,021,851	3,047,444	2,987,810
334,693	328,577	404,670	365,246	370,326	357,245
2,529,822	4,237,406	1,612,921	1,922,571	2,231,818	1,986,728
1,012,690	1,002,021	1,312,203	601,846	983,231	486,457
38,831	116,525	160,453	1,928,179	2,004,214	1,839,276
68,873	24,655	75,811	79,793	106,271	86,083
5,972	23,355	14,669	31,026	39,292	56,083
13,868,617	16,033,351	13,932,940	16,048,223	17,408,660	16,908,120
1,943,508	1,788,036	1,776,030	0	0	0
3,060,797	3,664,845	3,641,968	4,230,206	4,596,123	3,160,731
18,872,922	21,486,232	19,350,938	20,278,429	22,004,783	20,068,851
(9,950,270)	(9,455,689)	(10,887,575)	(10,842,711)	(12,852,739)	(11,626,517)
718,660	(556,245)	279,200	(397,695)	226,221	1,080,425
(\$9,231,610)	(\$10,011,934)	(\$10,608,375)	(\$11,240,406)	(\$12,626,518)	(\$10,546,092)

(continued)

City of Ashtabula, Ohio
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2016	2015 (2)	2014	2013
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$698,451	\$658,161	\$1,052,932	\$964,733
Debt Service	0	0	0	0
Capital Outlay	293,845	275,061	448,033	411,018
Other Purposes	773,281	1,046,981	599,810	551,687
Income Taxes Levied for:				
General Purposes	5,737,015	5,802,538	5,861,891	6,006,298
Capital Outlay	632,880	641,178	647,014	663,396
Grants and Entitlements not Restricted to				
Specific Programs	808,303	877,128	780,305	863,451
Investment Earnings	538	175	112	60
Franchise Taxes	225,803	244,176	235,233	221,520
Gain on Sale of Capital Assets	0	0	0	0
Other	87,282	167,832	119,304	164,581
Special Item - Capital Contribution (1)	0	0	0	0
Transfers	(45,718)	(55,500)	(29,473)	(40,755)
<i>Total Governmental Activities</i>	<u>9,211,680</u>	<u>9,657,730</u>	<u>9,715,161</u>	<u>9,805,989</u>
Business-Type Activities				
Investment Earnings	0	0	0	0
Other	5,279	10,589	2,880	5,333
Transfers	45,718	55,500	29,473	40,755
<i>Total Business-Type Activities</i>	<u>50,997</u>	<u>66,089</u>	<u>32,353</u>	<u>46,088</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>9,262,677</u>	<u>9,723,819</u>	<u>9,747,514</u>	<u>9,852,077</u>
Change in Net Position				
Governmental Activities	(1,411,491)	(2,197,513)	2,663,781	1,875,937
Business-Type Activities	1,018,574	(470,596)	230,795	358,373
<i>Total Primary Government Change in Net Position</i>	<u>(\$392,917)</u>	<u>(\$2,668,109)</u>	<u>\$2,894,576</u>	<u>\$2,234,310</u>

(1) During 2011, the Ohio Department of Transportation completed construction of the City's West Avenue bridge.

(2) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

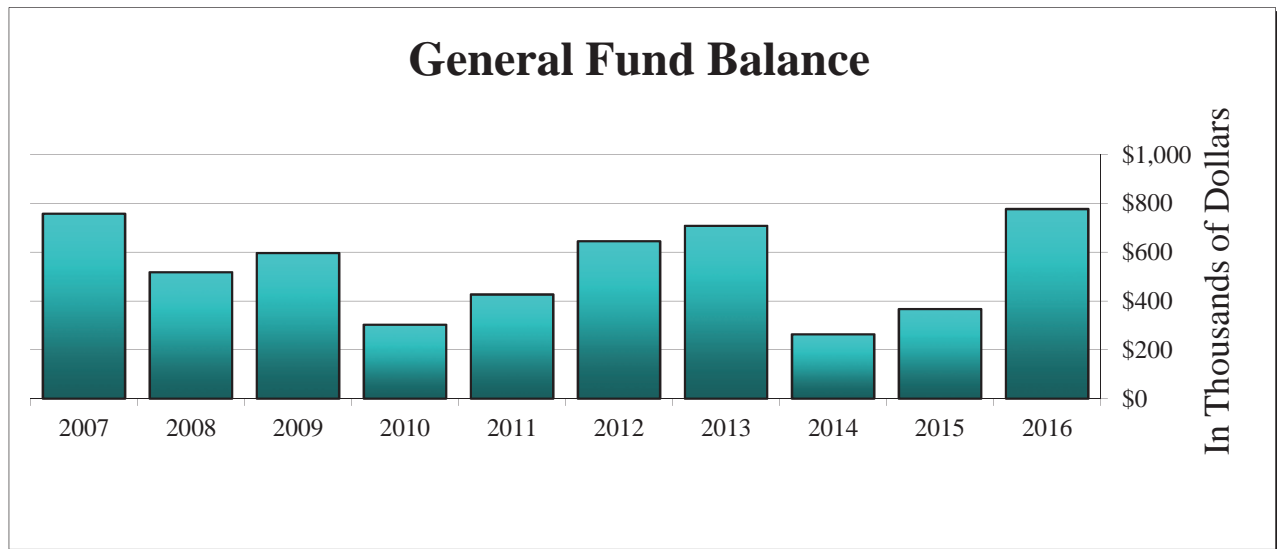
2012	2011	2010	2009	2008	2007
\$825,015	\$967,282	\$1,020,451	\$1,116,701	\$1,064,331	\$1,062,359
0	0	0	0	1,421	346,265
350,201	412,653	438,820	476,191	452,535	486,482
489,993	579,508	571,202	618,918	588,302	631,644
5,137,126	5,902,284	4,814,382	5,508,718	6,105,678	6,191,921
566,893	665,177	548,618	622,236	667,685	684,045
811,927	1,127,596	1,628,612	3,135,994	2,217,714	2,484,064
190	144	5,450	11,572	152,306	325,184
252,342	273,773	242,362	0	0	0
0	22,500	15,415	0	0	0
113,856	62,855	7,345	250,783	404,117	214,713
0	7,922,279	0	0	0	0
(39,275)	0	0	76,500	162,820	50,000
<u>8,508,268</u>	<u>17,936,051</u>	<u>9,292,657</u>	<u>11,817,613</u>	<u>11,816,909</u>	<u>12,476,677</u>
0	0	0	0	0	84,352
9,975	0	12,600	28,196	0	0
<u>39,275</u>	<u>0</u>	<u>0</u>	<u>(76,500)</u>	<u>(162,820)</u>	<u>(50,000)</u>
<u>49,250</u>	<u>0</u>	<u>12,600</u>	<u>(48,304)</u>	<u>(162,820)</u>	<u>34,352</u>
<u>8,557,518</u>	<u>17,936,051</u>	<u>9,305,257</u>	<u>11,769,309</u>	<u>11,654,089</u>	<u>12,511,029</u>
(1,442,002)	8,480,362	(1,594,918)	974,902	(1,035,830)	850,160
<u>767,910</u>	<u>(556,245)</u>	<u>291,800</u>	<u>(445,999)</u>	<u>63,401</u>	<u>1,114,777</u>
<u>(\$674,092)</u>	<u>\$7,924,117</u>	<u>(\$1,303,118)</u>	<u>\$528,903</u>	<u>(\$972,429)</u>	<u>\$1,964,937</u>

City of Ashtabula, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2016	2015	2014	2013
General Fund				
Nonspendable	\$65,930	\$75,492	\$66,706	\$42,245
Restricted	194,091	266,091	333,291	357,291
Committed	0	0	0	0
Assigned	263,424	124,172	0	74,561
Unassigned (Deficit)	253,197	(98,903)	(136,282)	234,067
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	776,642	366,852	263,715	708,164
All Other Governmental Funds				
Nonspendable	\$46,161	\$104,784	\$74,489	\$52,438
Restricted	2,547,068	2,227,539	719,855	2,287,051
Committed	283,528	234,492	186,060	220,690
Unassigned (Deficit)	(45,098)	(34,915)	(278,456)	(9,363)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Designated	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	2,831,659	2,531,900	701,948	2,550,816
Total Governmental Funds	\$3,608,301	\$2,898,752	\$965,663	\$3,258,980

Note: This City implemented GASB 54 during 2011.

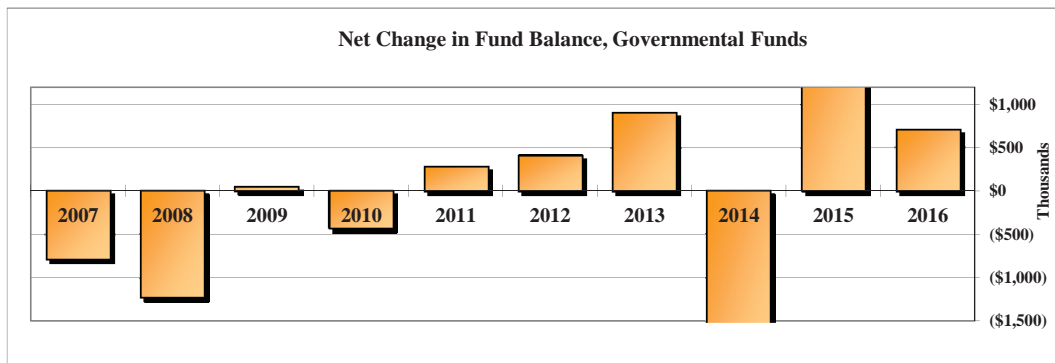
N/A - Information not available.



2012	2011	2010	2009	2008	2007
\$82,872	\$107,285	\$106,906	N/A	N/A	N/A
0	0	0	N/A	N/A	N/A
0	0	0	N/A	N/A	N/A
70,852	40,815	31,608	N/A	N/A	N/A
491,066	278,805	164,368	N/A	N/A	N/A
N/A	N/A	N/A	25,373	55,255	66,842
N/A	N/A	N/A	571,410	462,844	690,776
<u>644,790</u>	<u>426,905</u>	<u>302,882</u>	<u>596,783</u>	<u>518,099</u>	<u>757,618</u>
\$43,985	\$44,391	\$55,179	N/A	N/A	N/A
1,475,482	1,233,854	1,075,408	N/A	N/A	N/A
188,096	238,162	224,464	N/A	N/A	N/A
(282)	(77)	(962)	N/A	N/A	N/A
N/A	N/A	N/A	978,996	1,015,236	615,157
N/A	N/A	N/A	136,120	251,888	412,000
N/A	N/A	N/A	592,875	537,689	681,268
N/A	N/A	N/A	122,947	36,696	785,817
N/A	N/A	N/A	3,311	3,311	345,375
<u>1,707,281</u>	<u>1,516,330</u>	<u>1,354,089</u>	<u>1,834,249</u>	<u>1,844,820</u>	<u>2,839,617</u>
<u>\$2,352,071</u>	<u>\$1,943,235</u>	<u>\$1,656,971</u>	<u>\$2,431,032</u>	<u>\$2,362,919</u>	<u>\$3,597,235</u>

City of Ashtabula, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2016	2015	2014	2013
Revenues				
Property Taxes	\$2,098,416	\$2,131,803	\$1,724,033	\$1,788,847
Municipal Income Tax	6,752,323	6,502,818	6,188,837	6,603,322
Charges for Services	698,519	675,889	680,609	750,560
Licenses and Permits	358,858	314,797	316,089	291,403
Fines and Forfeitures	710,049	609,535	579,395	642,937
Intergovernmental	2,395,130	3,859,188	2,983,575	3,992,017
Special Assessments	10,755	12,369	9,652	10,901
Interest	538	175	112	60
Rentals	144,767	126,720	137,740	164,069
Franchise Taxes	136,561	244,176	235,233	221,520
Other	87,282	167,832	119,304	164,581
<i>Total Revenues</i>	<u>13,393,198</u>	<u>14,645,302</u>	<u>12,974,579</u>	<u>14,630,217</u>
Expenditures				
Current:				
General Government				
Legislative and Executive	1,896,454	1,973,362	2,613,649	2,538,405
Judicial System	1,013,169	907,484	1,061,785	972,965
Security of Persons and Property:				
Police	3,793,441	3,753,944	3,503,212	3,729,018
Fire	2,535,606	2,486,759	2,634,535	2,446,715
Public Health Services	368,941	352,770	331,273	332,026
Street Maintenance and Repairs	1,507,789	1,380,569	876,214	1,040,537
Housing and Community Development	760,473	1,174,548	817,751	910,001
Sanitation Services	6,503	315,558	1,728	0
Leisure Time Activities	29,744	54,574	28,040	35,057
Capital Outlay	834,385	3,581,189	4,346,012	2,069,647
Debt Service:				
Principal Retirement	261,526	237,029	188,758	299,785
Interest and Fiscal Charges	14,230	21,965	17,941	9,421
<i>Total Expenditures</i>	<u>13,022,261</u>	<u>16,239,751</u>	<u>16,420,898</u>	<u>14,383,577</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>370,937</u>	<u>(1,594,449)</u>	<u>(3,446,319)</u>	<u>246,640</u>
Other Financing Sources (Uses)				
State Infrastructure Bank Bonds Issued	79,978	2,563,015	1,011,562	0
State Infrastructure Bank Loan Issued	231,751	856,691	49,583	0
OPWC Loan Issued	0	44,286	0	0
Notes Issued	0	0	0	0
Inception of Capital Lease	72,601	119,046	121,330	699,524
Sale of Capital Assets	0	0	0	0
Proceeds of Loan	0	0	0	0
Transfers In	531,859	739,597	411,624	587,421
Transfers Out	(577,577)	(795,097)	(441,097)	(626,676)
<i>Total Other Financing Sources (Uses)</i>	<u>338,612</u>	<u>3,527,538</u>	<u>1,153,002</u>	<u>660,269</u>
<i>Net Change in Fund Balances</i>	<u>\$709,549</u>	<u>\$1,933,089</u>	<u>(\$2,293,317)</u>	<u>\$906,909</u>
Debt Service as a Percentage of Noncapital Expenditures	2.4%	1.9%	1.9%	2.5%



2012	2011	2010	2009	2008	2007
\$1,747,271	\$1,934,311	\$1,819,144	\$2,151,450	\$2,109,613	\$2,480,053
6,050,045	6,029,632	5,640,581	6,254,545	6,757,873	6,775,495
631,480	264,357	2,153,776	2,013,439	1,886,125	1,810,849
274,644	251,638	316,038	295,278	328,673	282,135
738,446	1,063,308	765,130	838,037	883,633	818,035
3,403,671	4,988,304	4,119,247	3,344,447	3,870,165	3,684,953
9,843	10,151	10,334	35,975	37,417	36,476
190	144	5,450	11,572	152,306	325,184
169,002	161,372	161,196	152,434	130,090	139,462
302,884	271,836	245,454	0	0	0
109,492	60,690	6,888	245,540	459,464	239,657
<u>13,436,968</u>	<u>15,035,743</u>	<u>15,243,238</u>	<u>15,342,717</u>	<u>16,615,359</u>	<u>16,592,299</u>
2,576,120	2,516,841	2,401,156	2,610,914	3,015,334	3,047,990
961,805	1,111,726	1,105,350	1,021,185	1,036,477	967,152
3,301,408	3,357,299	3,482,742	3,338,973	3,628,559	3,622,601
2,572,934	2,844,417	2,750,100	2,626,619	2,823,288	2,739,876
323,401	312,972	401,284	347,872	383,486	369,150
1,266,996	1,034,253	1,067,277	1,172,826	1,553,013	1,424,511
1,013,371	1,002,686	1,318,340	556,125	1,179,875	483,606
12,000	21,122	1,740,323	1,690,724	1,846,737	1,638,743
28,895	24,655	36,108	38,838	44,637	36,076
735,005	2,474,089	1,482,536	1,953,177	1,557,584	2,547,869
187,772	165,525	210,308	234,736	861,691	503,837
9,150	13,263	14,669	27,440	78,797	43,237
<u>12,988,857</u>	<u>14,878,848</u>	<u>16,010,193</u>	<u>15,619,429</u>	<u>18,009,478</u>	<u>17,424,648</u>
<u>448,111</u>	<u>156,895</u>	<u>(766,955)</u>	<u>(276,712)</u>	<u>(1,394,119)</u>	<u>(832,349)</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	325,000	250,000	0	0
0	106,869	0	0	0	0
0	22,500	15,415	3,975	5,400	4,500
0	0	0	699	0	0
601,000	487,400	430,800	724,200	1,706,720	720,829
<u>(640,275)</u>	<u>(487,400)</u>	<u>(430,800)</u>	<u>(647,700)</u>	<u>(1,543,900)</u>	<u>(670,829)</u>
<u>(39,275)</u>	<u>129,369</u>	<u>340,415</u>	<u>331,174</u>	<u>168,220</u>	<u>54,500</u>
<u>\$408,836</u>	<u>\$286,264</u>	<u>(\$426,540)</u>	<u>\$54,462</u>	<u>(\$1,225,899)</u>	<u>(\$777,849)</u>
1.6%	1.4%	1.9%	5.8%	5.8%	3.4%

City of Ashtabula, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial		Assessed Value	Estimated Actual Value
2016	\$116,921,770	\$53,063,410	\$485,671,943	\$28,006,210	\$31,825,239
2015	117,166,590	53,523,250	487,685,257	26,588,520	30,214,227
2014	117,928,540	53,687,520	490,331,600	26,936,300	30,609,432
2013	132,014,600	67,840,860	571,015,600	23,144,090	26,300,102
2012	132,789,880	66,360,130	569,000,029	22,006,640	25,007,545
2011	131,582,310	61,439,920	551,492,086	18,236,510	20,723,307
2010	147,859,010	60,686,260	595,843,629	18,910,200	21,488,864
2009	147,855,920	60,329,050	594,814,200	18,409,090	20,919,420
2008	145,229,490	57,272,280	578,576,486	19,626,430	22,302,761
2007	145,005,660	55,991,290	574,277,000	20,032,840	22,764,591

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

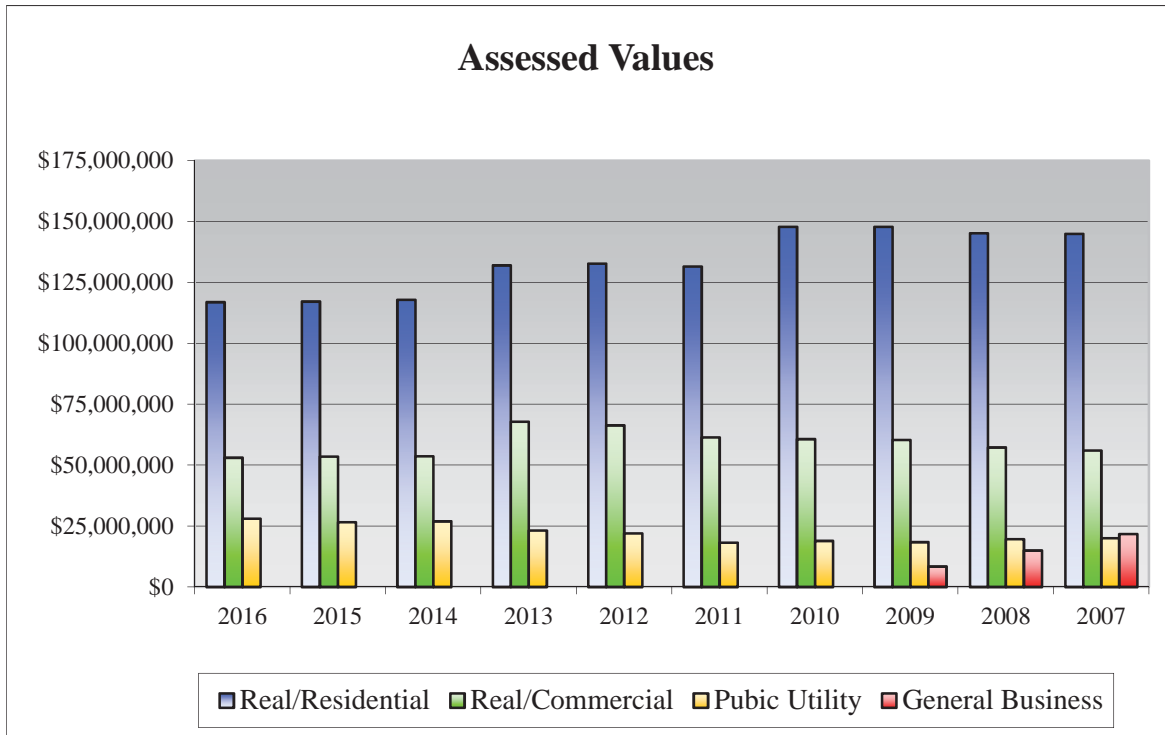
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property was 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property

General Business		Total			Ratio	Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
\$0	\$0	\$197,991,390	\$517,497,181	38.26 %	\$13.29	
0	0	197,278,360	517,899,484	38.09	11.76	
0	0	198,552,360	520,941,032	38.11	9.27	
0	0	222,999,550	597,315,702	37.33	9.31	
0	0	221,156,650	594,007,574	37.23	9.31	
0	0	211,258,740	572,215,393	36.92	9.31	
0	0	227,455,470	617,332,492	36.84	9.31	
8,407,070	67,256,560	235,001,130	682,990,180	34.41	9.31	
14,967,220	119,737,760	237,095,420	720,617,007	32.90	9.31	
21,710,950	173,687,600	242,740,740	770,729,191	31.49	9.31	



City of Ashtabula, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2016	2015	2014	2013
Unvoted Millage				
Operating	\$0.2700	\$0.2700	\$0.2700	\$0.2700
Fire Pension	1.3000	1.3000	1.3000	1.3000
Police Pension	1.3000	1.3000	1.3000	1.3000
<i>Total Unvoted Millage</i>	2.8700	2.8700	2.8700	2.8700
Charter Millage				
General Fund	4.1400	4.1400	4.1400	4.1400
Permanent Improvement Fund	2.0000	2.0000	2.0000	2.0000
Justice Center (Debt Service)	0.0000	0.0000	0.0000	0.0000
Senior Citizens	0.2899	0.2566	0.2566	0.3000
Police Levy	1.5000	0.0000	0.0000	0.0000
Police Levy	2.5000	2.5000	0.0000	0.0000
<i>Total Charter Millage</i>	10.4299	8.8966	6.3966	6.4400
Total Millage	\$13.2999	\$11.7666	\$9.2666	\$9.3100
Overlapping Rates by Taxing District				
Ashtabula Area City Schools				
Residential/Agricultural Real	\$33.3887	\$33.7287	\$32.2700	\$32.2706
Commerical/Industrial and Public Utility Real	40.2538	40.1112	35.9439	35.9439
General Business and Public Utility Personal	50.8500	50.8500	50.8500	50.8500
Ashtabula County Distric Library				
Residential/Agricultural Real	1.2500	1.2500	1.2500	1.2500
Harbor Topky Library				
Residential/Agricultural Real	3.5635	3.3737	3.4762	3.4762
Ashtabula County Commissioner				
Residential/Agricultural Real	10.3056	10.0135	10.8876	9.0012
Commerical/Industrial and Public Utility Real	11.2176	11.1687	9.4306	9.9622
General Business and Public Utility Personal	11.5200	11.5200	11.0200	11.0200
Ashtabula Township Park				
Residential/Agricultural Real	1.1800	1.1800	1.1800	1.1800
Commerical/Industrial and Public Utility Real	1.1800	1.1800	1.1800	1.1730
General Business and Public Utility Personal	1.1800	1.1800	1.1800	1.1800
Ashtabula County Metroparks				
Residential/Agricultural Real	0.5000	0.5000	0.0000	0.0000
Commerical/Industrial and Public Utility Real	0.5000	0.5000	0.0000	0.0000
General Business and Public Utility Personal	0.5000	0.5000	0.0000	0.0000

Source: Ashtabula County, Ohio; County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

Overlapping rates are those of local and county governments that apply to property owners within the City.

2012	2011	2010	2009	2008	2007
\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700
1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
2.8700	2.8700	2.8700	2.8700	2.8700	2.8700
4.1400	4.1400	4.1400	4.1400	4.1400	4.1400
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6.4400	6.4400	6.4400	6.4400	6.4400	6.4400
\$9.3100	\$9.3100	\$9.3100	\$9.3100	\$9.3100	\$9.3100
\$32.2056	\$33.3330	\$31.1325	\$31.4467	\$31.4015	\$32.4762
35.8310	37.7939	36.8580	37.0858	36.9317	37.8697
50.8500	52.0000	52.0000	52.5000	52.5000	52.5000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3.4762	3.4762	3.4762	3.4762	1.1720	1.1720
8.9962	8.9922	8.5409	8.5336	8.5375	8.9779
9.9304	9.9223	9.4041	9.2995	9.2656	9.0000
11.0200	11.0200	11.0200	11.0200	11.0300	11.0300
1.1800	1.1800	1.1697	1.1073	1.1063	1.0790
1.1704	1.1800	1.1799	1.1151	1.1126	1.1229
1.1800	1.1800	1.1800	1.1800	1.1800	1.1800
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

City of Ashtabula, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2016	\$2,395,264	\$2,233,110	93.23 %	\$110,614	\$2,343,724
2015	2,414,738	1,966,527	81.44	117,106	2,083,633
2014	2,117,275	1,662,044	78.50	85,294	1,747,338
2013	2,095,080	1,637,734	78.17	380,713	2,018,447
2012	1,860,753	1,659,952	89.21	118,655	1,778,607
2011	2,144,612	1,823,971	85.05	107,520	1,931,491
2010	2,182,331	1,974,489	90.48	100,370	2,074,859
2009	2,122,541	1,998,790	94.17	123,751	2,122,541
2008	2,081,658	1,962,658	94.28	118,999	2,081,657
2007	2,479,512	2,340,288	94.38	131,671	2,471,959

Source: Ashtabula County, Ohio; County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
97.85 %	\$373,048	15.57 %
86.29	536,936	22.24
82.53	564,410	26.66
96.34	166,031	7.92
95.59	303,506	16.31
90.06	265,728	12.39
95.08	415,173	19.02
100.00	164,557	7.75
100.00	132,806	6.38
99.69	270,956	10.92

City of Ashtabula, Ohio
Principal Real Property Taxpayers
2016 and 2007

<i>2016</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
First Energy	\$7,828,960	3.95 %
Pinney Dock	4,180,750	2.11
Aqua Ohio Water	1,671,580	0.84
Chromaflo Technologies	1,355,390	0.69
American Transmission System	1,116,930	0.56
Molded Fiber Glass	1,055,840	0.53
Ashtabula Towers	965,590	0.49
Country Club Center III	880,920	0.45
SOO OHPA Rad Fund LLC	781,770	0.40
Dominion East Ohio Gas	766,760	0.39
Total	\$20,604,490	10.41 %
Total Assessed Valuation	\$197,991,390	
<i>2007</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Ohio American Water	\$10,547,400	4.35 %
Cleveland Electric Illuminating Company	5,300,010	2.18
Western Reserve Telephone	3,577,550	1.47
Pinney Dock	2,529,840	1.04
Molded Fiber Glass	1,673,410	0.69
Ashtabula Care Center	1,429,580	0.59
Ashtabula Homes II LLC	1,402,810	0.58
Ash-L Associates	1,264,380	0.52
Ashtabula Towers	1,098,800	0.45
Hupco Inc	989,980	0.41
Total	\$29,813,760	12.28 %
Total Assessed Valuation	\$242,740,740	

Source: Ashtabula County, Ohio; County Auditor

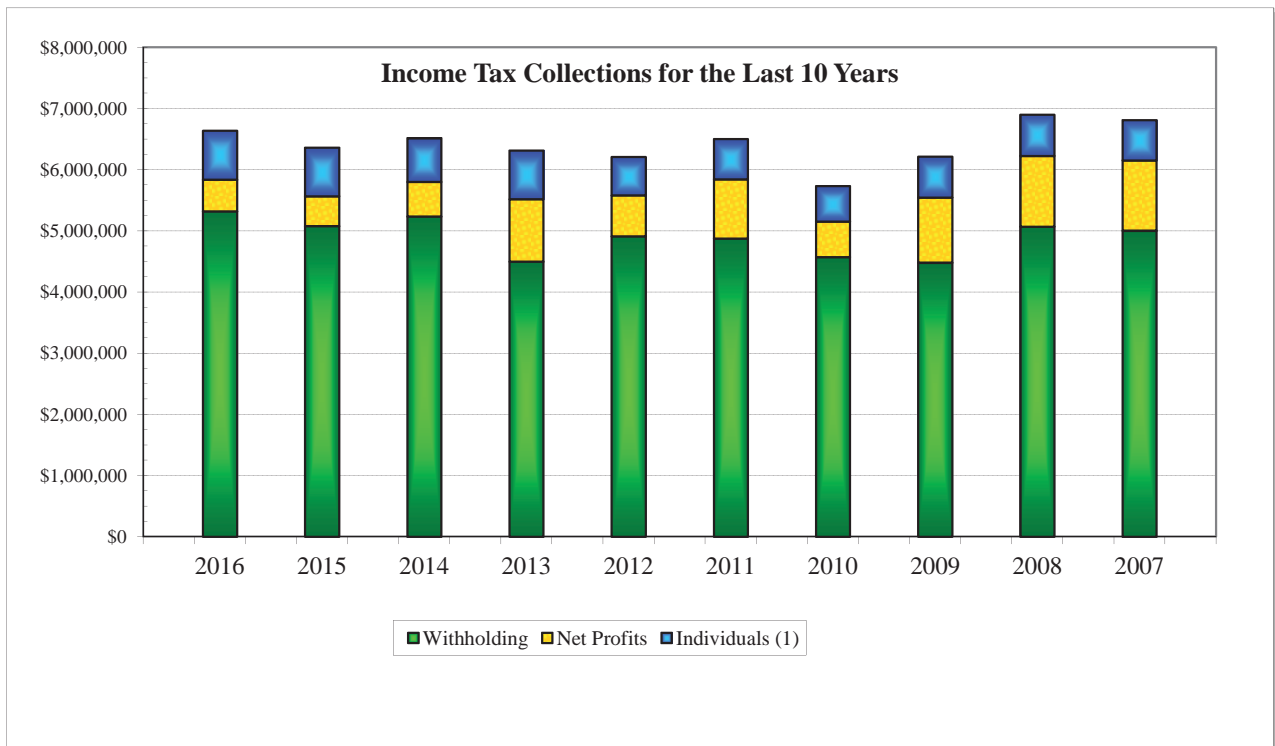
(1) Amounts represent assessed values upon which 2016 and 2007 collections were based.

City of Ashtabula, Ohio
Income Tax Revenue Base and Collections
Last Ten Years (cash basis)

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals (1)	Percentage of Taxes from Individuals
2016	1.80 %	\$6,635,357	\$5,317,286	80.14%	\$517,533	7.80%	\$800,538	12.06%
2015	1.80	6,361,273	5,077,129	79.81	488,607	7.68	795,537	12.51
2014	1.80	6,513,601	5,234,169	80.36	565,194	8.68	714,238	10.97
2013	1.80	6,314,037	4,496,535	71.21	1,020,147	16.16	797,355	12.63
2012	1.80	6,206,237	4,909,193	79.10	669,093	10.78	627,951	10.12
2011	1.80	6,498,912	4,873,631	74.99	968,156	14.90	657,125	10.11
2010	1.80	5,729,893	4,570,158	79.76	580,899	10.14	578,836	10.10
2009	1.80	6,211,306	4,478,610	72.10	1,065,081	17.15	667,615	10.75
2008	1.80	6,896,798	5,068,292	73.49	1,155,334	16.75	673,172	9.76
2007	1.80	6,809,681	5,001,739	73.45	1,148,864	16.87	659,078	9.68

Source: City of Ashtabula Income Tax Department

(1) The City is statutorily prohibited from presenting individual taxpayer information.



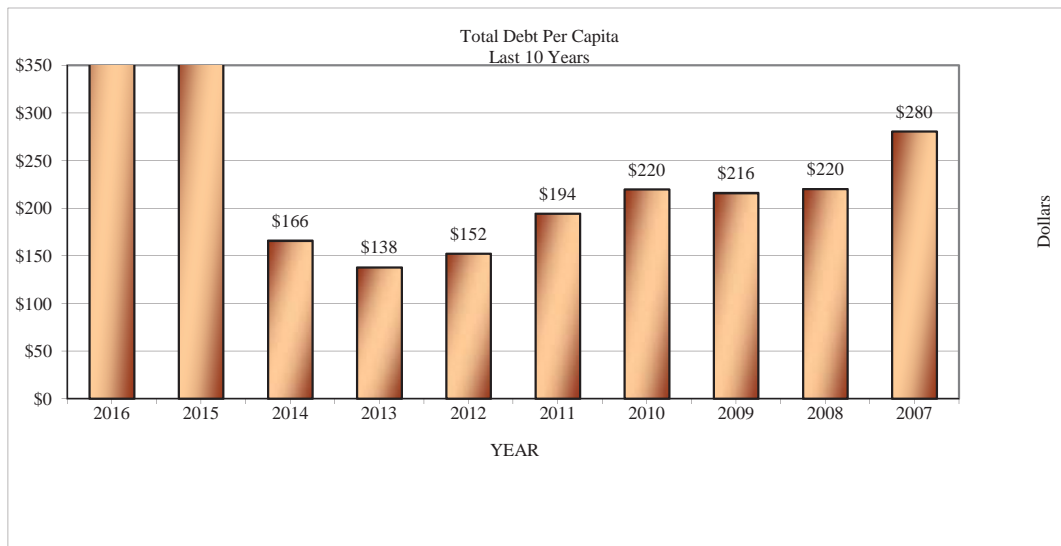
City of Ashtabula, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						
	State Infrastructure Bank Bonds	General Obligation Bonds	Special Assessment Bonds	State Infrastructure Bank Loan	OPWC Loans	Police & Fire Loan	Capital Leases
2016	\$4,010,000	\$0	\$0	\$1,172,842	\$78,525	\$0	\$312,669
2015	3,574,577	0	0	906,274	88,307	0	491,812
2014	1,011,562	0	0	49,583	53,803	0	600,013
2013	0	0	0	63,586	63,586	0	657,658
2012	160,944	160,944	0	73,369	73,369	0	87,192
2011	319,257	319,257	0	83,151	83,151	0	106,869
2010	475,000	475,000	0	92,933	92,933	0	0
2009	349,827	349,827	0	103,414	103,414	0	0
2008	300,796	300,796	23,984	112,498	112,498	0	0
2007	1,027,399	1,027,399	47,061	122,281	122,281	102,228	0

(1) Personal Income and Population Data are located on S30

Business Type Activities

Equalization Basin Loan	OWDA Loans	OPWC Loans	KeyCorp Bonds	Capital Leases	Total Debt	Percentage of Personal Income(1)	Per Capita(1)
\$0	\$4,679,870	\$627,373	\$0	\$16,427	\$10,897,706	3.64 %	\$593
298,757	1,611,877	665,628	0	59,920	7,697,152	2.33	412
585,471	232,064	657,573	0	73,690	3,263,759	0.99	166
860,628	378,657	582,180	0	108,258	2,714,553	0.82	138
1,124,695	519,076	605,304	50,000	141,391	2,996,284	0.91	152
1,378,117	653,580	608,659	100,000	173,149	3,825,190	1.16	194
1,621,325	782,419	633,659	150,000	0	4,323,269	1.47	220
1,854,730	905,831	658,659	200,000	0	4,525,702	1.54	216
2,078,727	1,024,045	661,989	0	0	4,615,333	1.57	220
2,293,696	1,137,279	0	0	0	5,879,624	2.00	280



City of Ashtabula, Ohio

Legal Debt Margin

Last Ten Years

	2016	2015	2014	2013
Total Assessed Property Value	<u>\$197,991,390</u>	<u>\$197,278,360</u>	<u>\$198,552,360</u>	<u>\$222,999,550</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$0	\$0	\$0	\$0
State Infrastructure Bonds	4,010,000	3,930,022	1,011,562	0
State Infrastructure Loan	1,172,842	941,091	49,583	0
Equalization Basin Loan	0	298,757	585,471	860,628
OWDA Loans	4,679,870	1,611,877	232,064	378,657
OPWC Loans	705,898	753,935	711,376	582,180
KeyCorp Loan	0	0	0	0
Special Assessment Bonds	0	0	0	0
Total Gross Indebtedness	10,568,610	7,535,682	2,590,056	1,821,465
Less:				
State Infrastructure Bonds	0	0	(1,011,562)	0
State Infrastructure Loan	0	0	(49,583)	0
Equalization Basin Loan	0	(298,757)	(585,471)	(860,628)
OWDA Loans	(4,679,870)	(1,611,877)	(232,064)	(378,657)
OPWC Loans	(705,898)	(753,935)	(711,376)	(582,180)
KeyCorp Loan	0	0	0	0
Special Assessment Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	0	0	0	0
Total Net Debt Applicable to Debt Limit	<u>5,182,842</u>	<u>4,871,113</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>20,789,096</u>	<u>20,714,228</u>	<u>20,847,998</u>	<u>23,414,953</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$15,606,254</u>	<u>\$15,843,115</u>	<u>\$20,847,998</u>	<u>\$23,414,953</u>
Legal Debt Margin as a Percentage of the Debt Limit	75.07%	76.48%	100.00%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$10,889,526</u>	<u>\$10,850,310</u>	<u>\$10,920,380</u>	<u>\$12,264,975</u>
Total Gross Indebtedness	10,568,610	7,535,682	2,590,056	1,821,465
Less:				
State Infrastructure Bonds	0	0	(1,011,562)	0
State Infrastructure Loan	0	0	(49,583)	0
Equalization Basin Loan	0	(298,757)	(585,471)	(860,628)
OWDA Loans	(4,679,870)	(1,611,877)	(232,064)	(378,657)
OPWC Loans	(705,898)	(753,935)	(711,376)	(582,180)
KeyCorp Loan	0	0	0	0
Special Assessment Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	0	0	0	0
Net Debt Within 5 ½ % Limitations	<u>5,182,842</u>	<u>4,871,113</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$5,706,684</u>	<u>\$5,979,197</u>	<u>\$10,920,380</u>	<u>\$12,264,975</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	52.41%	55.11%	100.00%	100.00%

Source: City Financial Records

* These numbers are based on the Net Debt. This reflects only debt that is supported through real estate value.

2012	2011	2010	2009	2008	2007
<u>\$221,156,650</u>	<u>\$211,258,740</u>	<u>\$227,455,470</u>	<u>\$235,001,130</u>	<u>\$237,095,420</u>	<u>\$242,740,740</u>
\$160,944	\$319,257	\$475,000	\$349,827	\$300,796	\$1,027,399
0	0	0	0	0	0
0	0	0	0	0	0
1,124,695	1,378,117	1,621,325	1,854,730	2,078,727	2,293,696
519,076	653,580	782,419	905,831	1,024,045	1,137,279
678,673	691,810	726,592	762,073	774,487	122,281
50,000	100,000	150,000	200,000	0	0
0	0	0	0	23,984	47,061
<u>2,533,388</u>	<u>3,142,764</u>	<u>3,755,336</u>	<u>4,072,461</u>	<u>4,202,039</u>	<u>4,627,716</u>
0	0	0	0	0	0
0	0	0	0	0	0
(1,124,695)	(1,378,117)	(1,621,325)	(1,854,730)	(2,078,727)	(2,293,696)
(519,076)	(653,580)	(782,419)	(905,831)	(1,024,045)	(1,137,279)
(678,673)	(691,810)	(726,592)	(762,073)	(774,487)	(122,281)
(50,000)	(100,000)	(150,000)	(200,000)	0	0
0	0	0	0	(23,984)	(47,061)
<u>(50,285)</u>	<u>(48,328)</u>	<u>(45,861)</u>	<u>(122,947)</u>	<u>(36,696)</u>	<u>(785,817)</u>
<u>110,659</u>	<u>270,929</u>	<u>429,139</u>	<u>226,880</u>	<u>264,100</u>	<u>241,582</u>
<u>23,221,448</u>	<u>22,182,168</u>	<u>23,882,824</u>	<u>24,675,119</u>	<u>24,895,019</u>	<u>25,487,778</u>
<u>\$23,110,789</u>	<u>\$21,911,239</u>	<u>\$23,453,685</u>	<u>\$24,448,239</u>	<u>\$24,630,919</u>	<u>\$25,246,196</u>
99.52%	98.78%	98.20%	99.08%	98.94%	99.05%
<u>\$12,163,616</u>	<u>\$11,619,231</u>	<u>\$12,510,051</u>	<u>\$12,925,062</u>	<u>\$13,040,248</u>	<u>\$13,350,741</u>
2,533,388	3,142,764	3,755,336	4,072,461	4,202,039	4,627,716
0	0	0	0	0	0
0	0	0	0	0	0
(1,124,695)	(1,378,117)	(1,621,325)	(1,854,730)	(2,078,727)	(2,293,696)
(519,076)	(653,580)	(782,419)	(905,831)	(1,024,045)	(1,137,279)
(678,673)	(691,810)	(726,592)	(762,073)	(774,487)	(122,281)
(50,000)	(100,000)	(150,000)	(200,000)	0	0
0	0	0	0	(23,984)	(47,061)
<u>(50,285)</u>	<u>(48,328)</u>	<u>(45,861)</u>	<u>(122,947)</u>	<u>(36,696)</u>	<u>(785,817)</u>
<u>110,659</u>	<u>270,929</u>	<u>429,139</u>	<u>226,880</u>	<u>264,100</u>	<u>241,582</u>
<u>\$12,052,957</u>	<u>\$11,348,302</u>	<u>\$12,080,912</u>	<u>\$12,698,182</u>	<u>\$12,776,148</u>	<u>\$13,109,159</u>
99.09%	97.67%	96.57%	98.24%	97.97%	98.19%

City of Ashtabula, Ohio
*Ratio of General Obligation Bonded Debt to Estimated Actual
Value of Taxable Property and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capital
2016	18,371	a	\$517,497,181	\$0	0.00 %	\$0.00
2015	18,371	a	517,899,484	0	0.00	0.00
2014	18,673	a	520,941,032	0	0.00	0.00
2013	19,680	b	597,315,702	0	0.00	0.00
2012	19,680	b	594,007,574	160,944	0.03	8.18
2011	19,680	b	572,215,393	319,257	0.06	16.22
2010	19,680	b	617,332,492	475,000	0.08	24.14
2009	20,962	c	682,990,180	349,827	0.05	16.69
2008	20,962	c	720,617,007	300,796	0.04	14.35
2007	20,962	c	770,729,191	1,027,399	0.13	49.01

Sources:

- (1) U. S. Bureau of Census, Census of Population.
(a) Year 2014-2016 Federal Census Estimate
(b) Year 2010-2013 The 2010 Federal Census
(c) Years 2007-2009 The 2000 Federal Census

- (2) Ashtabula County, Ohio; County Auditor

City of Ashtabula, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2016

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashtabula
Direct - City of Ashtabula			
State Infrastructure Bonds	\$4,010,000	100.00 %	\$4,010,000
State Infrastructure Loan	1,172,842	100.00	1,172,842
OPWC Loans	78,525	100.00	78,525
Capital Leases	<u>312,669</u>	100.00	<u>312,669</u>
<i>Total Direct Debt</i>	<u>5,574,036</u> *		<u>5,574,036</u>
Overlapping			
Ashtabula Area City School District			
General Obligation Bonds	28,798,353	45.53	13,111,890
Ashtabula County			
General Obligation Bonds	17,391,546	11.26	1,958,288
OPWC Loans	108,214	11.26	12,185
Capital Leases	<u>50,303</u>	11.26	<u>5,664</u>
<i>Total Overlapping Debt</i>	<u>46,348,416</u>		<u>15,088,027</u>
Total	<u><u>\$51,922,452</u></u>		<u><u>\$20,662,063</u></u>

Source: Ashtabula County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation. The debt outstanding includes general obligation bonds.

* All direct debt is backed by the 1.8 percent income tax and all real estate tax collected.

City of Ashtabula, Ohio
Pledged Revenue Coverage
Revenue Debt - Wastewater Treatment Fund
Last Ten Years

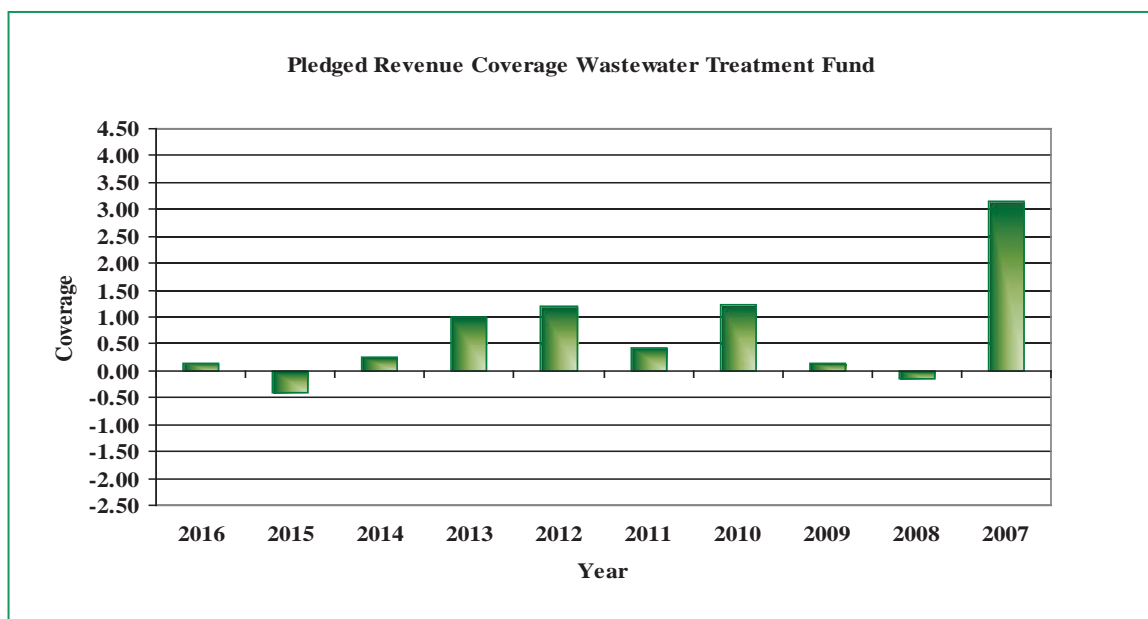
	2016	2015	2014	2013
Wastewater Treatment Fund				
Operating Revenues (1)	\$3,646,281	\$3,527,467	\$3,085,997	\$3,089,877
Less: Operating Expenses (2)	1,863,752	3,742,036	2,964,547	2,527,194
Net Available Revenue	1,782,529	(214,569)	121,450	562,683
Debt Service *				
Principal	443,738	478,878	458,081	489,743
Interest	88,098	38,232	54,350	70,131
Total Debt Service	531,836	517,110	512,431	559,874
Coverage	3.35	(0.41)	0.24	1.01

(1) Revenues include interest, in accordance with the debt agreements.

(2) Operating expenses do not include depreciation.

* Revenue debt includes OWDA, EQ Basin and OPWC loans payable solely from net revenues in the wastewater treatment enterprise fund.

Source: Ashtabula City Auditor's office



2012	2011	2010	2009	2008	2007
\$3,148,190	\$3,280,585	\$3,658,579	\$3,629,409	\$3,871,973	\$3,855,186
2,479,050	3,039,182	2,975,385	3,559,397	3,935,680	2,527,057
669,140	241,403	683,194	70,012	(63,707)	1,328,129
472,109	447,047	431,817	417,211	328,203	314,769
88,526	106,220	123,973	139,706	143,422	106,981
560,635	553,267	555,790	556,917	471,625	421,750
1.19	0.44	1.23	0.13	(0.14)	3.15

City of Ashtabula, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)		Total Personal Income (2)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2016	18,663	a	\$299,074,575	\$16,025	\$28,265	38.4
2015	18,371	a	299,098,251	16,281	28,682	38.3
2014	18,673	a	305,415,588	16,356	27,876	37.5
2013	19,680	b	330,801,120	16,809	29,605	41.8
2012	19,680	b	330,801,120	16,809	29,605	41.8
2011	19,680	b	330,801,120	16,809	29,605	41.8
2010	19,680	b	330,801,120	16,809	29,545	37.3
2009	20,962	c	294,180,708	14,034	27,354	34.9
2008	20,962	c	294,180,708	14,034	27,354	34.9
2007	20,962	c	294,180,708	14,034	27,354	34.9

(1) Source: U. S. Census

(a) Year 2014-2016 Federal Census Estimate

(b) Year 2010-2013 The 2010 Federal Census

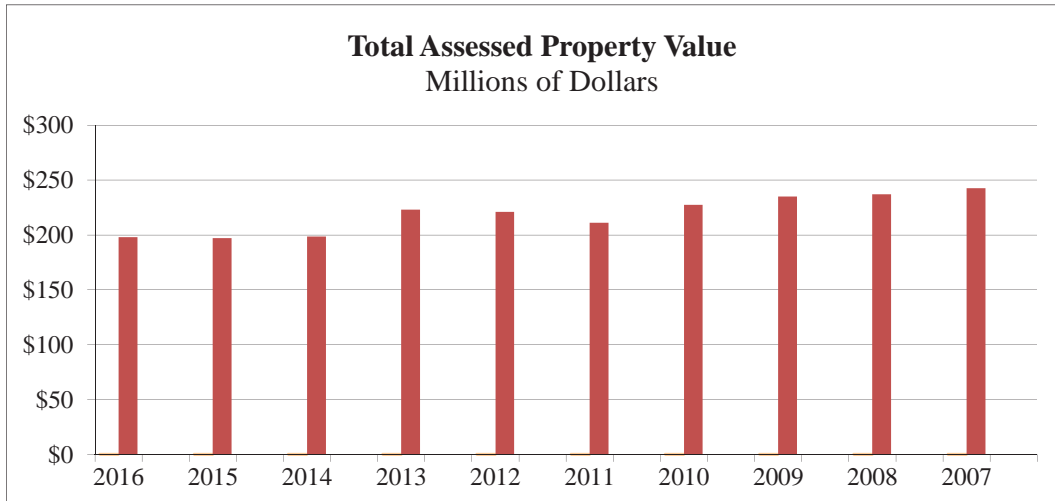
(c) Years 2007-2009 The 2000 Federal Census

(2) Computation of per capita personal income multiplied by population

(3) The unemployment rate for the City is unavailable. County rate obtained from Ohio Labor Market information.

(4) Northeast Ohio Multiple Listing Service for Zipcode 44004 (which includes portions of surrounding townships).

(5) Source: Ashtabula County, Ohio; County Auditor



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment	Ashtabula County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
8.4	3,193	6.1%	\$45,000	\$197,991,390
9.0	4,090	6.2	50,000	197,278,360
8.9	4,625	5.9	64,080	198,552,360
10.4	4,300	9.0	42,720	222,999,550
10.4	4,373	9.0	38,185	221,156,650
10.4	4,375	11.9	30,657	211,258,740
10.4	4,277	11.9	46,920	227,455,470
10.4	4,463	14.2	35,630	235,001,130
10.4	4,701	10.4	40,484	237,095,420
10.4	4,662	6.4	54,772	242,740,740



City of Ashtabula, Ohio
Principal Employers
Current Year and Nine Years Ago

2016		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,173
Ashtabula Area City Schools	Public Education	646
Kent State University - Ashtabula Campus	Public Education/College	253
Iten Industries	Manufacturing - plastic parts	180
Molded Fiberglass	Manufacturing - composites	153
Chromoflo (formerly Plasticolors)	Manufacturing - pigments	152
City of Ashtabula	Municipal Government	152
Ashtabula Rubber Company	Manufacturing - rubber components	152
Zehrco - Giangola	Manufacturing - composites	127
Signature Health	Mental Health Services	120
Total		<u>3,108</u>
Total Employment within the City		<u>n/a</u>

2007		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	995
Ashtabula Area City Schools	Public Education	865
Molded Fiber Glass	Manufacturing - composites	676
CHS - Lake Erie	Nursing Home	288
Kent State University - Ashtabula Campus	Public Education/College	245
Ashtabula Rubber Company	Manufacturing - rubber components	230
Iten Industries	Manufacturing - plastic parts	225
City of Ashtabula, Ohio	Municipal Government	213
Country Club Retirement Center	Nursing Home	196
Plasticolors	Manufacturing - pigments	175
Total		<u>4,108</u>
Total Employment within the City		<u>n/a</u>

Source: Number of employees obtained from the W2's filed with our Tax Department

n/a - Information not available

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City of Ashtabula, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2016	2015	2014	2013	2012
General Government					
Legislative and Executive					
Council	8	8	8	8	8
Administration	2	2	2	2	2
Auditor	7	6	6	6	6
Treasurer	0	0	0	1	1
Income Tax	2	2	2	2	2
Solicitor	4	4	4	4	3
Motor Maintenance	2	2	2	2	2
Engineering	0	0	0	0	0
Civil Service	0	0	1	1	1
Lands and Buildings	2	2	2	2	3
Systems Analyst	0	0	0	0	0
Judicial System					
Municipal Court	13	14	15	10	12
Probation	4	4	4	3	3
Security of Persons and Property					
Police	30	31	26	26	27
Police - Civilian	8	11	11	8	6
Fire	23	23	23	23	22
Fire - Civilian	0	0	0	0	0
Public Health Services					
Administration	1	1	1	1	1
Food Service	1	1	1	1	1
Nursing	3	3	2	3	3
Street Maintenance and Repair					
Public Works	11	11	11	13	19
Housing and Community Development					
Code Enforcement	4	4	4	3	1
CDBG	2	1	2	2	3
Leisure Time Activities					
Walnut Beach	0	0	0	0	0
Business Type Activity					
Sanitation	13	15	14	14	13
Wastewater Treatment	12	12	12	11	10
Totals:	<u>152</u>	<u>157</u>	<u>153</u>	<u>146</u>	<u>149</u>

Source: City of Ashtabula, Ohio Payroll

Method: Using 1.0 for each employee. All numbers are based on an average for the year, rounded to the nearest whole number.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
8	8	8	8	8
3	2	2	4	3
5	6	6	7	7
1	1	1	1	1
2	2	2	3	3
3	4	4	4	4
2	2	2	3	3
1	2	2	3	3
1	1	1	1	1
3	2	2	3	3
0	1	1	1	1
11	12	14	13	13
3	4	5	4	4
29	31	29	32	32
2	4	5	9	9
23	25	25	26	27
0	1	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	5	6	4
17	17	20	22	22
2	2	2	2	2
1	2	2	1	2
0	0	0	0	0
14	15	15	16	15
9	12	13	14	14
<u>145</u>	<u>161</u>	<u>169</u>	<u>186</u>	<u>184</u>

City of Ashtabula, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2016	2015	2014	2013
General Government				
Legislative and Executive				
<i>Council & Clerk</i>				
Number of Ordinances Passed	136	152	175	166
Number of Resolutions Passed	27	45	18	29
<i>Finance</i>				
Number of checks/ vouchers issued	1,786	2,414	2,573	2,839
Number of Electronic Payments	133	881	824	na
Amount of checks and electronic payments	\$8,791,467	\$14,095,703	\$13,784,331	\$9,266,296
Number of Budget Adjustments issued	na	12	15	na
Agency Ratings - Standard & Poors	A-/Stable	A/Stable	A/Stable	A/Stable
Agency Ratings - Moody's Financial Services	WR	WR	WR	WR
Health Insurance Costs vs General Fund Expenditures %	21.00%	21.00%	20.00%	19.61%
General Fund Receipts	\$9,446,383	\$9,171,140	\$9,487,225	\$9,490,337
General Fund Expenditures	\$9,125,069	\$9,223,573	\$9,557,487	\$9,374,066
General Fund Cash Balances	\$566,294	\$244,986	\$297,418	\$367,681
Number of Pay-Ins issued	2,018	1,943	1,819	1,763
Interest earnings for fiscal year (cash basis)	\$538	\$122	\$112	\$60
<i>Income Tax Department</i>				
Number of Individual Returns	4,236	4,002	4,153	4,369
Number of Business Returns	1,078	1,120	1,223	1,162
Number of business withholding accounts	1,253	912	873	848
Amount of Penalties and Interest Collected	\$31,631	\$31,695	\$30,043	\$34,443
Annual number of Corporate withholding forms processed	9,329	7,782	4,792	6,203
Annual number of balance due statements forms processed	972	707	771	867
Annual number of estimated payment forms processed	880	745	524	795
Annual number of reconciliations of withholdings processed	0	40	112	202
<i>Planning & Community Development (4)</i>				
Zoning Permits Issued	151	162	134	298
Estimated Value of Construction	\$2,604,055	\$5,145,415	\$2,518,576	\$5,066,330
Number of Street Cut Permits Issued	195	449	486	25
Number of Sewer Tap-In permits issued	11	3	2	5
Amount of Revenue generated from permits	\$71,271	\$61,926	\$327,919	\$60,423
Number of Planning Commission meetings	5	7	5	7
Number of Administrative/Zoning Board meetings	2	5	2	4
<i>Civil Service</i>				
Number of police entry tests administered	0	1	1	0
Number of fire entry tests administered	0	0	1	0
Number of police promotional tests administered	1	0	0	0
Number of fire promotional tests administered	0	4	0	0
Number of hires of Police Officers from certified lists	0	5	3	0
Number of hires of Fire/Medics from certified lists	0	2	2	0
Number of promotions from police certified lists	0	0	0	0
Number of promotions from fire certified lists	0	6	0	0
Judicial System				
<i>Municipal Court</i>				
Number of Civil Cases	1,063	841	835	966
Number of Criminal cases	7,195	6,316	5,692	6,512
<i>Probation</i>				
Community Diversion participants	203	56	47	147
Community Diversion service hours	4,852	1,499	1,255	3,520

2012	2011	2010	2009	2008	2007
182	184	161	153	150	161
28	27	32	29	47	18
2,794	2,640	2,861	2,998	3,445	5,248
na	na	na	na	na	na
\$8,891,361	\$8,497,466	\$9,401,527	\$9,167,900	\$12,843,481	\$15,497,472
na	na	na	na	na	269
BBB+	BBB+	BBB+	A-	A-	A-
BBA	BBA	BBA	BBA	BBA	BBA
24.10%	24.10%	16.74%	11.40%	14.50%	13.60%
\$9,436,569	\$10,014,548	\$9,471,911	\$9,564,894	\$10,304,586	\$10,239,837
\$9,528,679	\$9,726,456	\$9,439,112	\$9,350,341	\$10,057,413	\$10,015,243
\$251,409	\$343,520	\$55,428	\$251,607	\$373,660	\$627,580
1,719	1,768	1,767	1,733	1,679	1,441
\$191	\$144	\$5,450	\$10,888	\$146,010	\$394,355
4,785	5,083	5,356	5,830	6,663	7,528
1,311	1,202	1,217	1,214	1,414	1,352
680	604	861	876	900	926
\$42,189	\$44,378	\$30,326	\$33,760	\$44,068	\$35,513
6,530	6,581	6,390	6,819	9,120	9,371
713	779	655	795	676	749
952	927	788	848	844	905
19	37	36	51	19	57
	239	214	263	291	385
\$2,500,000	\$2,789,923	\$2,429,018	\$3,150,828	\$14,004,261	\$3,372,076
656	966	964	968	702	817
\$202,704	\$298,506	\$298,863	\$298,149	\$144,385	\$325,886
8	8	9	7	7	2
2	2	2	2	3	1
1	0	0	0	0	1
0	1	0	1	1	1
0	0	1	0	0	2
0	0	3	0	0	0
0	0	0	2	0	7
2	0	1	0	0	1
0	0	2	9	0	2
0	8	0	2	0	0
1,172	1,225	1,215	1,336	1,502	1,588
6,867	6,004	6,826	7,410	9,265	10,062
215	188	285	263	402	143
5,645	3,486	6,937	4,447	5,732	5,815

(continued)

City of Ashtabula, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years

Function/Program	2016	2015	2014	2013
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	15,641	13,511	13,155	13,062
Number of traffic citations issued	1,232	1,027	854	989
Number of parking citations issued	80	141	79	69
Number of criminal arrests	1,010	1,348	1,236	681
Operating Motor Vehicle Under the Influence (OMVI) Arrests	87	89	55	50
Adult Driving Under Suspension (DUS) Arrests	233	255	218	229
Prisoners	585	751	505	472
Prisoner meal costs	\$27,068	\$27,557	\$23,446	\$23,010
Motor Vehicle Accidents	453	432	335	389
Fatalities from Motor Vehicle Accidents	1	2	0	0
Gasoline costs of fleet	\$47,061	\$54,329	\$98,326	\$87,728
<i>Fire</i>				
EMS/Medical Calls (Mutual Aid, Non Transport)	1,233	1,019	813	821
Fire Calls	693	1,003	1,091	881
Fire Fatalities	0	0	0	0
Fires with Loss	40	26	n/a	n/a
Fires with Losses exceeding \$10K	22	12	n/a	n/a
Fire Losses \$	1,438,950	951,750	n/a	n/a
Fire Investigations	34	32	27	28
Number of times Mutual Aid given to Fire and EMS	17	28	11	17
Ambulance Runs / Number of Transports	1601/824	1019/732	797/645	
Departmental Training Hours (2)	2,481	2,527	n/a	n/a
Public Health & Welfare				
Health Department				
Certificates Filed				
Number of Births	356	377	397	426
Number of Deaths	260	290	251	281
Certificates Issued				
Number of Births	2,117	2,076	2,056	2,187
Number of Deaths	787	993	921	991
Burial Permits Issued	519	471	442	459
Receipts from Certificates Issued	\$72,600	\$76,725	\$74,425	\$79,450
Number of Health Inspections				
Food Service Operations, Licensed/Number of Inspections	81/207	88/212	77/208	80/224
Food Establishments, Licensed/Number of Inspections	41/67	43/69	38/51	38/60
Vending Operations, Licensed/Number of Inspections	19/19	19/18	16/16	15/11
Marinas, Licensed/Number of Inspections	11/13	11/13	11/12	11/11
Manufactured Home Parks, Licensed/Number of Inspections	3/3	3/3	3/3	3/3
Campgrounds, Licensed/Number of Inspections	4/8	4/9	4/9	4/5
Swimming Pools and Spas, Licensed/Number of Inspections	6/12	6/17	6/16	6/11
Mobile Food Operations Licensed/Number of Inspections	10/10	n/a	n/a	n/a

2012	2011	2010	2009	2008	2007
13,272	14,193	18,484	20,229	22,485	24,593
1,330	1,450	2,366	2,053	2,213	2,875
71	84	126	163	209	836
1,268	1,095	1,172	1,146	1,454	1,718
102	73	119	131	121	120
285	261	444	375	405	549
563	479	620	735	1,002	972
\$14,317	\$16,130	\$10,609	\$22,998	\$49,696	\$41,066
358	356	399	426	640	668
1	1	0	3	1	5
\$84,150	\$91,476	\$65,000	\$61,353	\$91,813	\$67,932
1,000	811	770	868	925	875
744	636	664	668	916	800
1	0	0	0	2	1
38	26	26	28	43	35
n/a	n/a	12	13	14	11
n/a	\$1,114,210	\$758,700	\$421,530	\$3,539,727	\$451,670
40	26	28	27	20	34
35	18	20	23	44	26
n/a	1,436	3,992	4,310	4,676	4,552
428	441	495	518	526	602
284	284	289	274	274	281
2,265	2,156	2,192	2,451	2,642	3,203
960	1,042	988	1,049	1,118	1,235
490	456	437	407	381	399
\$80,625	\$79,950	\$79,500	\$73,898	\$71,440	\$84,321
80/235	83/211	81/238	91/207	97/247	86/182
39/65	40/57	44/78	47/66	43/81	44/68
16/16	15/15	13/12	14/13	14/14	15/12
11/12	10/10	10/10	10/10	10/10	16/10
3/6	3/4	3/6	3/6	3/6	3/3
4/5	4/5	4/4	4/4	4/4	4/4
6/13	6/11	6/17	6/10	6/11	6/12
n/a	n/a	n/a	n/a	n/a	n/a

(continued)

City of Ashtabula, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years

Function/Program	2016	2015	2014	2013
Street Maintenance and Repair				
Guardrail Repair (hours)	16	192	106	16
Paint Striping (hours)	376	408	425	450
Street Sweeper (hours)	597	530	370	234
Cold Patch (hours)	1,558	1,838	2,689	1,748
Snow & Ice Removal regular hours	1,877	2,015	2,078	2,175
Snow & Ice Removal overtime hours	499	673	385	185
Sewer and Sanitary calls for service	571	820	998	802
After hours Sewer Calls (hours)	185	273	186	142
Sewer Crew (hours)	1,365	1,733	1,500	1,200
Sewer jet, Vac-all, other services (hours)	2,266	2,711	2,537	3,399
Landscaping Stump-Chipper service (hours)	140	108	18	8
Leaf collection (hours)	1,548	1,656	2,035	2,599
Holiday lights setup (hours)	80	80	80	80
Equipment repair/body shop (hours)	4,160	4,160	4,160	3,280
Sign department (hours)	800	800	800	800
Tons of snow melting salt purchased (Jan-Dec)	3,045	993	3,428	2,612
Cost of salt purchased	\$176,175	\$68,490	\$126,324	\$104,471
Planning & and Community Development (4)				
Community Development Block Grant				
Grant amounts received	\$501,580	\$1,019,168	\$606,988	\$468,397
Demolitions (5)	39	26	27	15
Code Enforcement				
Number of rental inspections performed	1,859	1,115	1,649	1,349
Number of inspections for code enforcement	504	504	351	422
Code Enforcement fees collected	\$287,871	\$217,047	\$221,765	\$212,190
Sanitation (3)				
Residential trash pickup rate (billed every 2 months)	\$15.00	\$15.00	\$15.00	\$15.00
Refuse disposal per year (in tons)	11,310	11,775	11,775	16,750
Refuse disposal costs per year	\$519,150	\$549,663	\$453,000	\$679,000
Annual recycling tonnage (excluding leaf, and compost items)	550	420	420	600
Percentage of waste recycled	8.00%	5.00%	5.00%	4.00%
Revenue generated from sale of recyclables	\$8,935	\$9,672	\$10,520	\$13,500
Wastewater Treatment				
Sewer Rates per unit of water used (1 unit equals 750 gallons)	\$3.22	\$2.73	\$2.67	\$2.62
Total flow of wastewater treatment plant (Billions of Gallons)	1.42	1.53	1.90	2.103
Average daily flow (Millions of gallons per day)	3.89	4.19	5.24	5.778
Tons of dry sludge removed	592.52	521.16	522.50	551.93

- (1) No response from department (N/S)
- (2) The way training recorded changed in 2010
- (3) Fuel charge added to rate in 2009
- (4) Engineering & Housing & Community Development combined to create Planning & Community Development in 2012
- (5) Information prior to 2013 is not available

Source: City Financial Records and Departments

2012	2011	2010	2009	2008	2007
58	25	36	53	68	129
480	476	505	513	508	510
976	80	447	2,047	2,018	2,313
2,225	2,750	2,781	4,026	4,208	4,085
928	8,650	8,194	12,231	12,562	11,768
140	350	471	703	987	823
730	687	772	1,151	1,063	949
133	125	254	387	433	413
2,400	1,891	1,808	2,695	2,800	2,908
558	513	695	1,437	1,700	1,483
546	416	245	359	480	410
4,142	4,657	4,413	4,227	4,833	4,819
80	80	80	80	80	80
4,300	4,300	4,300	4,300	5,200	5,200
1,200	1,200	1,200	1,200	1,400	1,500
1,549	1,457	1,875	1,112	3,549	3,792
\$72,707	\$80,755	\$105,768	\$70,960	\$125,698	\$134,588
\$979,295	\$916,000	\$987,000	\$1,154,000	N/S	\$45,834
15	6				
2,464	2,631	2,072	903	1,345	2,178
513	200	200	1,550	258	1,403
\$160,712	\$158,109	\$155,720	\$150,418	\$171,554	\$158,144
\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
14,494	13,802	12,475	13,060	13,610	13,937
\$594,271	\$546,376	\$500,000	\$546,000	\$516,000	\$540,000
520	530	524	482	480	480
5.00%	3.80%	4.02%	3.60%	3.80%	3.80%
\$16,888	\$10,586	\$8,350	\$5,874	\$9,000	\$15,595
\$2.30	\$2.95	\$2.66	\$2.61	\$2.61	\$2.45
1.669	2.463	1.552	1.644	1.977	1.713
4.559	6.750	4.254	4.530	5.420	4.693
523.61	505.99	489.10	504.84	493.95	510.56

City of Ashtabula, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2016	2015	2014	2013
General Government				
Square Footage Occupied	95,943	95,943	95,943	95,943
Administrative Vehicles	2	1	2	2
Inspection Vehicles	3	3	1	1
Municipal Court Vehicles	1	2	2	1
Lands & Buildings Vehicles	2	4	4	3
Police				
Stations	1	1	1	1
Square Footage of Building	14,491	14,491	14,491	14,491
Vehicles	40	37	36	33
Fire				
Stations	1	1	1	1
Square Footage of Building	11,560	11,560	11,560	11,560
Vehicles	11	11	10	9
Street Maintenance and Repairs				
Square Footage of Building	25,050	25,050	25,050	25,050
Streets (miles)	97	97	97	97
Bridges	7	7	7	7
Traffic Signals	54	54	54	52
Service Vehicles	25	31	31	26
Sanitation Services				
Square Footage of Building	9,100	9,100	9,100	9,100
Vehicles	8	9	9	9
Leisure Time Activities				
Number of Parks	8	8	8	8
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	1	1	1	1
Square Footage of Walnut Beach Building	6,420	6,420	6,420	6,420
Square Footage of Smith Field Building	336	336	336	336
Square Footage of Massucci Building	1,944	1,944	1,944	1,944
Wastewater Treatment				
Square Footage of Building	22,344	22,344	22,344	22,344
Sanitary Sewers (miles)	92	92	92	92
Storm Sewers (miles)	76	76	76	76
Vehicles	7	8	7	9

Source: City of Ashtabula Auditor's Office

2012	2011	2010	2009	2008	2007
95,943	95,943	95,943	95,943	95,943	95,943
3	3	3	3	2	4
1	1	0	0	2	6
2	2	2	2	2	2
3	4	3	3	4	4
1	1	1	1	1	1
14,491	14,491	14,491	14,491	14,491	14,491
33	29	34	32	40	33
1	1	1	1	1	1
11,560	11,560	11,560	11,560	11,560	11,560
11	10	9	10	8	8
25,050	25,050	25,050	25,050	25,050	25,050
97	97	97	97	97	97
7	7	6	6	6	6
53	53	53	53	54	54
29	30	29	29	29	28
9,100	9,100	9,100	9,100	9,100	9,100
9	10	9	9	10	10
8	8	8	8	8	8
2	2	2	2	2	2
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
6,420	6,420	6,420	6,420	6,420	6,420
336	336	336	336	336	336
1,944	1,944	1,944	1,944	1,944	1,944
22,344	22,344	22,344	22,344	22,344	22,344
92	92	92	92	92	92
76	76	76	76	76	76
9	5	6	5	5	6

City of Ashtabula, Ohio
Sewer and Trash Statistics
Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Sewer Billings (1)	\$2,603,834	\$2,630,279	\$2,771,974	\$2,538,450	\$2,961,690
Residential Trash Billings	<u>1,228,118</u>	<u>1,218,982</u>	<u>1,254,840</u>	<u>1,326,562</u>	<u>1,363,150</u>
Total Utility Billing	<u><u>\$3,831,952</u></u>	<u><u>\$3,849,261</u></u>	<u><u>\$4,026,814</u></u>	<u><u>\$3,865,012</u></u>	<u><u>\$4,324,840</u></u>
Sewer Collections (1)(2)	\$2,370,135	\$2,255,805	\$2,352,662	\$1,902,077	\$2,178,292
Residential Trash Collections(2)	<u>1,034,071</u>	<u>1,035,812</u>	<u>1,062,116</u>	<u>1,131,789</u>	<u>1,190,305</u>
Total Utility Billing Collections	<u><u>\$3,404,206</u></u>	<u><u>\$3,291,617</u></u>	<u><u>\$3,414,778</u></u>	<u><u>\$3,033,866</u></u>	<u><u>\$3,368,597</u></u>
Percentage Collected from Billings Before Outstanding Balances are Certified to Property Taxes	88.84%	85.51%	84.80%	78.50%	77.89%
Delinquent Sewer Collections(2)	\$393,970	\$445,625	\$457,055	\$468,186	\$459,392
Delinquent Residential Trash Collections(2)	<u>233,624</u>	<u>272,883</u>	<u>280,141</u>	<u>290,326</u>	<u>264,266</u>
Total Delinquent Collections	<u><u>\$627,594</u></u>	<u><u>\$718,508</u></u>	<u><u>\$737,196</u></u>	<u><u>\$758,512</u></u>	<u><u>\$723,658</u></u>

Source: City of Ashtabula Auditor's Office

(1) Amount billed does not include \$2.45 per month service charge or any other special project fees assessed.

(2) Delinquent collections are one year behind, ie: delinquent amounts collected in 2016 were for the amounts certified in 2015.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$2,346,108	\$2,499,499	\$2,480,146	\$2,556,295	\$2,668,957
<u>1,244,580</u>	<u>1,268,641</u>	<u>1,260,253</u>	<u>1,221,559</u>	<u>1,303,059</u>
<u>\$3,590,688</u>	<u>\$3,768,140</u>	<u>\$3,740,399</u>	<u>\$3,777,854</u>	<u>\$3,972,016</u>
\$1,734,485	\$1,931,758	\$1,929,394	\$2,215,775	\$2,119,014
<u>968,297</u>	<u>1,085,080</u>	<u>1,043,043</u>	<u>995,106</u>	<u>980,335</u>
<u>\$2,702,782</u>	<u>\$3,016,838</u>	<u>\$2,972,437</u>	<u>\$3,210,881</u>	<u>\$3,099,349</u>
75.27%	80.06%	79.47%	84.99%	78.03%
\$501,466	\$492,898	\$520,624	\$469,732	\$498,674
<u>290,460</u>	<u>306,864</u>	<u>314,738</u>	<u>261,030</u>	<u>257,230</u>
<u>\$791,926</u>	<u>\$799,762</u>	<u>\$835,362</u>	<u>\$730,762</u>	<u>\$755,904</u>

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Dave Yost • Auditor of State

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 26, 2017