

CITY OF ASHTABULA
ASHTABULA COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

Members of Council
City of Ashtabula
4717 Main Avenue
Ashtabula, Ohio 44004-9762

We have reviewed the Independent Auditor's Report of the City of Ashtabula, Ashtabula County, prepared by S. R. Snodgrass, AC, for the audit period January 1, 2003 to December 31, 2003. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 11, 2004

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City of Ashtabula, Ohio

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City of Ashtabula, Ohio
 Schedule of Expenditures of Federal Awards
 For The Year Ended December 31, 2003

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Disbursements
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
HOME Investment Partnership Program	14.239	A-C-02-085-2	<u>125,830</u>
<i>Passed through Ohio Department of Development:</i>			
<i>Community Development Block Grant/States Program</i>			
Community Housing Improvement Program	14.228	A-C-02-085-1	129,139
Formula Allocation Program	14.228	A-F-02-085-1	131,742
Community Distress Program	14.228	A-X-01-085-1	300,000
Rehab Revolving Loan Funds	14.228	N/A	7,331
Formula Allocation Program	14.228	A-F-01-085-1	<u>3,952</u>
			<u>572,164</u>
<i>Community Development Block Grant/Small Cities Program:</i>			
Revolving Loan Funds	14.219	N/A	<u>63,697</u>
Total passed through Ohio Department of Development			<u>635,861</u>
Total U.S. Department of Housing and Urban Development			<u>761,691</u>
<u>U. S. DEPARTMENT OF JUSTICE</u>			
Public Safety Partnerships and Community Policing Grants- Community Oriented Policing Services (COPS): More	16.710	97-CM-WX-0866	<u>40,764</u>
Total U.S. Department of Justice			<u>40,764</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Assistance To Firefighters Grant Program	83.554	EMW-2002-FG- 06345	<u>41,348</u>
Total Expenditures of Federal Awards			<u><u>843,803</u></u>

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

City of Ashtabula
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

These loans are collateralized by personal guarantees, assigned insurance and/or mortgages on the property. At December 31, 2003, the gross amount of loans outstanding under these programs was \$283,561. This amount was included as part of the federal disbursements by the City in determining the audit requirements for major and nonmajor programs in accordance with the OMB Circular A-133.



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

Members of Council
City of Ashtabula
Ashtabula, Ohio

We have audited the financial statements of the City of Ashtabula, Ohio, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 19, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Ashtabula's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Ashtabula in a separate letter dated May 19, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Ashtabula's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City of Ashtabula in a separate letter dated May 19, 2004.

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

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

S. R. Snodgrass, A.C

May 19, 2004



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

Members of Council
City of Ashtabula
Ashtabula, Ohio

Compliance

We have audited the compliance of the City of Ashtabula, Ohio, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The City of Ashtabula's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Ashtabula's management. Our responsibility is to express an opinion on the City of Ashtabula's compliance based on our audit.

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

In our opinion, the City of Ashtabula complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregated remaining fund information of the City of Ashtabula as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 19, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

S. R. Snodgrass, A.C.

May 19, 2004

City of Ashtabula
SCHEDULE OF FINDINGS
For the Year Ended December 31, 2003

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Reportable condition(s) identified that are not considered to be material weakness(es)? _____yes X none reported

Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____yes X no
- Reportable condition(s) identified that are not considered to be material weakness(es)? _____yes X none reported

Type of auditor’s report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____yes X no

Identification of major programs:

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>
14.228	Community Development Block Grant/ States Program
14.219	Community Development Block Grant/ Small Cities Program

Dollar threshold used to distinguish between type A and B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes _____no

City of Ashtabula
SCHEDULE OF FINDINGS (Continued)
For the Year Ended December 31, 2003

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

None

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CITY OF ASHTABULA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2003

ISSUED BY
AUDITOR'S OFFICE

Michael A. Zullo, CPA
City Auditor

CITY OF ASHTABULA
OFFICE OF CITY MANAGER

MUNICIPAL BUILDING
4717 MAIN AVENUE
ASHTABULA, OHIO 44004



AUGUST PUGLIESE
CITY MANAGER

(440) 992-7103
Fax: (440) 992-4515

June 2, 2004

Citizens of Ashtabula:

As we moved forward in the year 2003, the City of Ashtabula continued to improve the sewer system with the assistance of the Ohio Public Works Commission, Issue II funding. The Issue II, Round 15 total project cost was \$295,657.65, and the City's share was \$91,653.87. This project's main focus was the West 52nd Street Tributary Area Sanitary Sewer Rehabilitation.

Another Issue II project, Round 16, West Avenue Trunk Line Tributary Sanitary Sewer Improvement was completed with a total project cost of \$327,394.42, the City's share was \$98,218.32. This project improved the sanitary sewer lines in this area that were nearly 100 years old.

Our 2003 paving project encompassed 18 streets that were resurfaced through a recycling process at a cost of \$179,598.50. This fairly new process of recycling the old asphalt proved to be economical as well as time saving to the City.

The City Sidewalk program was again a success to the residents of Ashtabula. The total amount of funds utilized by residents was approximately \$40,000. Resident's are reimbursed at \$2.50 a square foot for concrete used to replace their sidewalks.

Recently, 38 acres were annexed into the City from Saybrook Township to create the Mareddy Estates Allotment. This was split into 28 lots of one acre or more. Homes presently being constructed are in the price range of \$300,000 to \$500,000.

The 50 plus acres at the end of State Route 11 and State Route 531 for the Industrial Park should begin to see progress shortly. The environmental and wetlands issues are being addressed, and plans could be forth coming later this year. The Port Authority has been working continually over the last few years to get this project started and have submitted an application to the Ohio Department of Development from the Rural and Industrial Park Loan & Grant program. Once this is received we should see some activity in this area.

The City of Ashtabula is continuously moving forward in the pursuit of economic development within our city.


August A. Pugliese

City Council



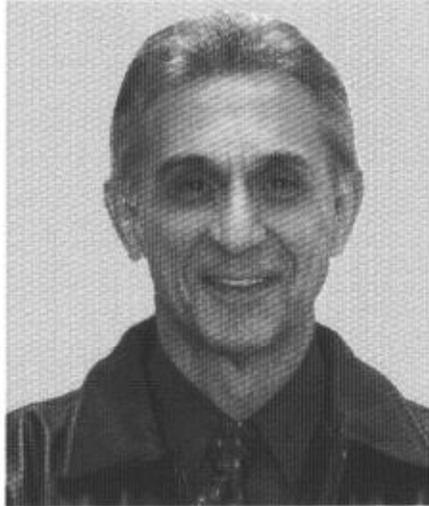
Robert E. Beacom
President



Josephine Misener
Vice President



Matthew J. Perry
Ward I



James P. Paulchel
Ward II



Betty S. Kist
Ward III



Clifford D. McClure
Ward IV

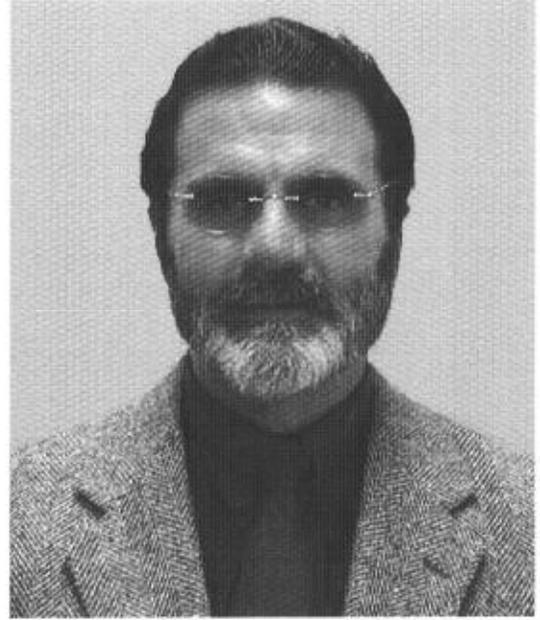


Sue Zaebst-Beacon
Ward V

City Officials



August A. Pugliese
City Manager



Thomas J. Simon
City Solicitor



Michael A. Zullo, CPA
City Auditor



Lori G. Mackey
City Treasurer

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For the Year Ended December 31, 2003
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CITY OF ASHTABULA
OFFICE OF THE CITY AUDITOR

4717 MAIN AVENUE
ASHTABULA, OHIO 44004

MICHAEL A. ZULLO, CPA
CITY AUDITOR



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May 19, 2004

Citizens of Ashtabula
City Manager, August Pugliese
and Members of City Council
City of Ashtabula, Ohio

I am pleased to present the seventeenth Comprehensive Annual Financial Report (CAFR) for the City of Ashtabula. This GASB 34 compliant report, for the year ended December 31, 2003, reflects our intent to provide an organized, comprehensive, and informative presentation of the financial statements and other financial and statistical data that represent a complete and full disclosure of the City's financial activities. This is the fifth CAFR prepared by the City of Ashtabula using the new GASB standards.

The responsibility for the report's completeness and fairness of presentation rests with the City, specifically the City Auditor's and City Treasurer's Office.

In preparing this report, the City Auditor, Deputy City Auditor, and the City Treasurer stress 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.

The CAFR is divided into three sections:

1. The introductory section contains the table of contents, letter of transmittal, the GFOA Certificate of Achievement, identifies a list of elected and principal officials of the City, and the organizational chart of the City.
2. The Financial Section, which begins with the Report of Independent Accountants, includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The statistical section presents various tables reflecting social and economic information, financial trends, and fiscal capacity of the City.

REPORTING ENTITY

The City has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement 14 "The Financial Reporting Entity." In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Ashtabula (the primary government) and its potential component units. The Ashtabula Port Authority has been determined to be a component unit of the City.

The Ashtabula City School District has not been included in the accompanying financial statements because it is not fiscally dependent on the City, nor is the Ashtabula County Medical Center, which is privately owned and operated.

The Ashtabula Municipal Court has been included in the City's financial statements as an agency fund. The clerk of courts is an appointed City official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

THE CITY OF ASHTABULA

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. According to the 2000 census, the City's population was 20,962. The Ashtabula County area population is now estimated at approximately 102,728.

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.

Ashtabula was named by the Indians. The word was originally pronounced "Hash - Ta La," and its name, meaning in English "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 of Ashtabula 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 has also become a fisherman's paradise. The walleye-fishing boom out of Ashtabula has exceeded all expectations. In addition to private boating, the area's charter boat fleet has increased from four boats in 1984 to well over one hundred sport fishing charters running out of the Port of Ashtabula in 2003. The Port of Ashtabula is one of the area's most valuable assets.

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 make fiberglass hoods for the big eighteen-wheelers trucks and many fiberglass parts for the Chevrolet Corvettes, is now expanding into many other car parts as many of these parts are going from steel to fiberglass. Another big industry in Ashtabula is the paint pigment business of Plasticolors. These pigments are used in the coloring of paints used not only in the interior and exterior of your home, but also in paints for automobiles.

Within its boundaries, the City of Ashtabula has twenty public and private elementary and secondary schools, including eight public elementary schools; two junior high schools, one of which is a parochial school; two public and one private high schools. Approximately 4,663 students are enrolled in public schools and 363 in parochial and private schools.

The Ashtabula Campus of Kent State University is a three-building, one hundred twenty-acre facility, located on State Route 531 at the western border of the City. In most cases, pre-baccalaureate students are able to complete two full years of a four-year degree available in the four colleges of the University: Arts and Sciences, Business Administration, Education, and Fine and Professional Arts. The Nursing Program is the most noted of the four colleges' specialties.

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.

City residents purchase water service from the Ohio American Water Company, located in the City. The daily average water pumpage is 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. ALLTEL provides local telephone service, and Adelphia Cable Company provides cable television services.

CITY 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. A council of seven members, five ward and two at-large representatives, is 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. The City Manager and the City Solicitor are elected by a vote of the people and also serve for four-year terms. The Counsel selects the City Auditor and City Treasurer. Good government is reflected in the City's low property tax rate of \$12.61 per \$1,000 of assessed valuation.

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, garbage and rubbish disposal, street maintenance, construction and repair, cultural, parks and recreational facilities, a municipal court, and a staff to provide support (i.e., payroll processing and accounts payable) to the service providers. The operation and control of these activities are provided by the City Council through the budgetary process and by the City Manager through administrative and managerial requirements and procedures. All are responsible to the citizens of Ashtabula and are included as part of the reporting entity. All elected officials, with the exception of the City Manager, serve on a part-time basis.

EMPLOYEE RELATIONS

The City has one hundred and ninety three employees, including part time workers. Full time employees may join one of the bargaining units for their group as determined by the State Employee Relations Board (SERB). The three unions in the City are:

Name	Contract Expires	Membership
AFSCME Local #1197	April 30, 2006	71
Fraternal Order of Police, Lodge #26	April 30, 2006	38
International Association of Firefighters, Local #165	April 30, 2006	26

The remaining full time employees are either not authorized to join a bargaining unit or have elected not to do so. The City of Ashtabula and AFSCME Local #1197, Fraternal Order of Police, and the International Association of Firefighters have come to terms on three-year contracts. All nonunion employees including department heads will receive the same pay increases and follow the same contract changes.

In the judgment of the City Management, the City's employee relations have been stable and are expected to remain so.

ECONOMIC CONDITION 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. An enterprise zone has been established by the City of Ashtabula. City Council will execute agreements with certain businesses for the purpose of establishing, expanding, renovating or occupying facilities, hiring new employees and preserving jobs within the zone, in exchange for specified local tax incentives granted by the County. The City's first enterprise zone has grown very rapidly as every piece of property within this zone has either been purchased or has a purchase option on it. The City port authority has finished the purchasing of land for our next enterprise zone which is fifty acres of land at the end of State Route 11, within the City boundaries. The Ashtabula City Port Authority is dealing with the Ohio EPA and a wetland issue at the site. Although the wetland issue will delay the opening of the industrial park, the City is confident the issue will be resolved in the near future. The City is very optimistic about future growth of businesses and employment in this industrial park.

Using federal funds, the City of Ashtabula has established a revolving loan program. The program provides direct, low-interest construction loans to small businesses and industries to encourage their success and future growth and to create and retain permanent jobs for low and moderate income City residents. The City Department of Housing 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, twenty-three viable inquiries have been made, eleven full applications have been received and six applicants were approved for funding. One major accomplishment of the Revolving Loan Committee during 2003 was the loan for \$50,000 dollars to the Harbor Market. The Harbor Market is a medium size grocery store serving the residents in the City and especially those in the harbor or ward 1 and ward 2 areas. The store had closed a few years back and left the entire area to travel several miles to purchase grocery items.

Adelphia Cable Company is continuing to improve service to the area by installing state-of-the-art equipment and expanding the options provided to its customers. Adelphia continues to broadcast City Council meetings live on the local government access channel, bringing the workings of City government to all citizens. Among the programs Adelphia makes available to citizens are Pay-Per-View Sports Events. New choices including digital service make available Sports and Comedy channels, Court TV and many other new premium channels including a Spanish-speaking channel. Adelphia is also offering powerlink to our residents. The internet service provided is an alternative to dial-up service or local DSL services.

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 yearly 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. To enhance the area, a revitalization program to clean the beach area continues. Improvements to the existing bathhouse, the building of more pavilions, the construction of a

public docking facility and additional lighting continue to be implemented. Private donations continue to be received to help accelerate the planned improvements. These improvements will result in extended boating and swimming hours and a longer season for tourists and the citizens of Ashtabula to enjoy Walnut Beach, a beautiful natural resource.

Another project, known as the Ashtabula River deep water dredging, is scheduled for the year 2006. This project will provide a twelve-foot deep river dredging which will remove toxins. Several government bodies and agencies have committed funds for this expensive project. The State of Ohio has budgeted seven million dollars, the federal government has committed twenty-two million and the Army Corp of Engineers has pledged eleven million dollars for this project. 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 from 150, eight years ago, to over 1,000 today. Most marinas' dock space is filled to capacity. The dredging of the Ashtabula River should result in more available dock space for this growing recreational activity.

A working relationship was established between the City's administration and the Downtown Merchants' Association. Through combined efforts of the Administration and the Association, a sign program was implemented. Signs were placed in visible spots around Ashtabula, directing visitors to the downtown area. New downtown stores have opened as a direct result of the City's and the Association's efforts.

The scope of responsibility of the City of Ashtabula's Port Authority was broadened. The Port Authority became active in surveying land Citywide for future industrial development, particularly for an industrial park. The Port Authority has put together the West 38th Street Enterprise Zone, filling every available site with new business attracted to the area. The newest City industrial park at the end of State Route 11 will hopefully be the new home of the Ohio Department of Transportation's State garage. The Port Authority is working on extending the current transient dock in the river to allow boaters from any other port to tie up their boats and enjoy Bridge Street's many fine shops and restaurants. The dock extension project began in October of 2002 and was complete in the spring of 2003. The new dock was utilized very much this year and really was an asset when the slave ship replica, the Amistad, sailed into the Ashtabula Port in September of 2003. The Port Authority was also instrumental in building one of the most modern coast guard stations ever built on the great lakes, as they borrowed money from the City's revolving loan fund and built the station for the coast guard who in turn signed a twenty-year lease. Future plans to this area include more transient docks, which will allow additional out of town boaters access to this historic riverfront.

With the help of programs through the Ohio Department of Development and the Ohio Department of Transportation, the County obtained State and Federal grants to continue the public transportation system, which is now administered by Ashtabula County. The County runs the day-to-day operations of the bus system out of a City owned and maintained building. The City contributes \$31,000 of cash to the system, as well as inkind monies for repairs and maintenance of the bus garage building.

The City of Ashtabula continues to change for the better. By networking, team building, re-establishing working relationships and citizen friendships, implementing program planning and enhancing its natural resources, the City of Ashtabula is experiencing the 2000's as a "Decade of Difference," while doing aggressive planning for the future.

MAJOR INITIATIVES

Construction and major renovations on many of Ashtabula's roads took place during 2003. The City of Ashtabula spent over \$335,000 on street paving and reconstruction projects. The construction group NRP has begun construction of forty new homes in the City of Ashtabula. These new homes are for moderate-income families who rent to own the homes. After renting the home for ten years, the renter is given the opportunity to purchase the home at a reduced rate. The incentive to upkeep the home because the renter may become the owner was an interesting

project to City Council. Another great aspect of the project is that the homes are spread throughout the City instead of being located in one single area and misconstrued as a low income housing project. Three different style homes are being constructed. The NRP group has a second phase ready to go once the first forty are constructed.

The engineering firm of Burgess and Niple has completed a major infiltration study. This study did televise our entire sewer system showing the City exactly where we needed to repair broken, plugged or even missing sections of our sanitary sewers. The study had begun at the farthest point from our wastewater treatment plant, with repairs conducted immediately after the problem has been diagnosed. The improvements will reduce the flow of storm water into the treatment plant and possible back-ups in our collection system. The City has committed to the Ohio Environmental Protection Agency to invest over five million dollars in our sewer collection system over the next five years. Payment of this extension replacement/repair project will be funded using Issue II Funds, distributed by the State of Ohio, and user fees from the residents. The projected split of monies will be seventy percent Issue II and thirty percent local match. The City of Ashtabula is also in the initial stages of designing and constructing a septage waste-receiving center. This center will allow septic tank cleaners to properly dispose of the septage sewage from systems in our county.

The City of Ashtabula's participation in the United States Construction Grants Program has been completed. After a review of the Wastewater Treatment Plant and Sewer Improvements Project Performance Certification Report, the program's certification was approved for 2003 to allow the City to continue operations and maintain its wastewater treatment plant.

The City of Ashtabula focused on recreation, paving and sidewalk reconstruction in 2003. The City of Ashtabula offered a homeowner up to \$2.50 per square foot reimbursement for the replacement of any broken pieces of sidewalks. The reimbursement is equal to approximately sixty percent of the total cost. Several large park projects such as renovations to Nappi Field and West 58th Street Field were continued. Smith Field, which is the City's biggest and most used recreation complex, had the baseball playing field completely redone. New bleachers, fencing and parking area were also added at Smith Field and many improvements to the pond were completed during the year. The biggest improvement was the addition of lights on the walking track. With the lights added, the track is now used consistently from 6am to 10pm daily. The current project for 2004, which has received a fifty thousand dollar State grant, is the lighting of the field. In the near future, we will see nighttime high school baseball games as well as evening and night softball games at Smith field. I believe that all members of the administration are very surprised at the amount of usage the walking track is experiencing, and we are excited about night time sports at the field.

With the use of Community Development Block Grant funds, the Division of Housing and Community Development continued its efforts to rehabilitate the existing housing inventory in the City of Ashtabula. Specific activities include the Comprehensive Neighborhood Revitalization Program in Ashtabula Harbor, the Section 17 Rental Rehabilitation Project, scattered site demolition, the Certificate of Occupancy Rental Inspection Program, the Minimum Housing Code Inspection Program and Fair Housing. These activities contribute to the health and safety of the community through rehabilitation and code enforcement efforts. The programs offered and administered by the Division of Housing and Community Development demonstrate the City's commitment to safe, decent and sanitary housing within the community.

The Fire Department answered 1,539 alarms in 2003 including 60 structure fires with building and content losses of \$793,450. Fire department employees received 7,633 hours of in-service training. Extensive training continues on the 1998 HME/General 1,250-gallon Paramedic Engine fire truck. Other equipment for the fire department was purchased in 2003 such as new base radio/portables, fitness equipment, SCBA breathing equipment, building repairs and other small items with Permanent Improvement fund money. Several state grants were received by our fire department in response to the September 11th attacks. These grant monies were used to purchase equipment as well as hundreds of hours of training. The chief along with our Fire Department union spent many hours reviewing specs for a new 2005 pumper/paramedic engine. The City has reserved \$100,000 of Permanent Improvement fund cash from the 2004 budget and has committed \$100,000 in 2005 and the balance in 2006 for this new engine.

The Public Works Department kept busy in 2003 patching streets with cold mix, cleaning and maintaining sanitary and storm sewers, picking up leaves in the fall and plowing and controlling ice in the winter. Approximately 400,000 square feet of streets were paved with hot asphalt in 2003. The City of Ashtabula spent over \$335,000 on paving contracts. All paving in 2003 was done by the Angelo Benedetti Company of Cleveland Ohio, rather than our City employees, due to their expertise in the field and owning the proper equipment for handling big jobs such as this. The Benedetti Company used a new process to our area in 2003 for the paving. This process uses a machine which grinds down the road surface, takes the grindings, reheats them with new asphalt and tar and then immediately puts the material back on the same street from which it was removed. We will be monitoring the life of these roads and how the process works in Northeast Ohio.

The City of Ashtabula has completed two years of engineering work on the West 24th Street Bridge and Lake Avenue. The City has received approval for a one million dollars grant from the State of Ohio and the City will contribute \$378,000 dollars of matching monies, plus the engineering cost. The project consist of re-decking the bridge, paving West 24th Street, and paving Lake Avenue from Route 20 up to the iron bridge on Lake Avenue/ West 19th Street intersection. The project will be bid in April of 2004 with work completed by the spring of 2005.

The City of Ashtabula's Sanitation Department services approximately 7,000 households and 160 commercial accounts per week. In a move toward self-sufficiency, City Council passed legislation charging our residents \$11.00 dollars per month for trash collection. Pick-up is mandatory for all residents, and businesses have the option of city pick-up or private hauler. The City received two bids for landfill cost pertaining to the rubbish collected by our trucks and the rubbish collected at our transfer station. The general fund subsidizes the sanitation department by approximately \$150,000 annually. With a grant from the Ashtabula County Solid Waste District, the City constructed a state-of-the-art-recycling center. This center will handle all types of recyclables. The goal for the recycling center is not to sell the recycled goods for a profit but rather reduce the tonnage that is hauled to the landfill, and reduce the amount of tipping fees paid during the year. The City of Ashtabula took in 931,950 pounds of recyclable materials and 3,002 tires during the year 2003. The City sold the recyclable materials for \$3,895 and avoided paying \$15,805 in landfill tipping fees.

The Auditor's and Treasurer's Offices completed their sixteenth Comprehensive Annual Financial Report (CAFR) during May of 2003. The CAFR that was completed in 2003 for year ended December 31, 2002, was the city's fourth report using the new GASB standards. The process of converting to these new standards was interesting, frustrating and tedious during different phases of the process. By far the biggest challenge was the capital assets portion and how to start the infrastructure valuation process. Special thanks to the City Engineer's Office who spent many hours helping us construct this data, and Traci Vanek of the Auditor's Office who not only spent many hours working on the capital assets, but also designed an Access database to list and depreciate these assets, since no commercial software was available yet which was GASB 34 compliant. Since the initial report was completed, we have tried to continually update the capital asset information to give the most detail possible. The financial report took all members of the Auditor's and Treasurer's Office hundreds of hours to complete.

An agreement between the Ashtabula County Commissioners and the Auditor's Office to do the billing and collecting of the County's sewer charges remains in effect. This billing, along with the City's service billing, takes two members of the Auditor's office to maintain this program effectively and efficiently.

The Income Tax Department's use of an on-line computer system improved compliance with federal and local tax regulations and made collection of current and delinquent taxes more efficient. New tax forms made collection of taxes more accurate, and filing requirements have changed to include submission of various federal forms. Enforcement of late filing penalties and interest has increased timely filings.

The Ashtabula Police Department's Crime Prevention Unit, funded in part through a grant from the Governor's Office of Criminal Justice Services, provided training, education and materials to the residents of Ashtabula on various crime prevention topics. Crime prevention programs were conducted for senior citizens, residents, businesses and schools from preschool to high school. A weekly crime prevention cable television program was also produced. The Police Department had concerns with their portable radios. The City used PI fund monies along with

monies received from other groups such as the County Prosecutors Office to purchase new Radios. The cost of the portable radios and new towers was approximately \$80,000 dollars. The Police Department also played a major role in instituting the new 911 emergency response program. This enhanced 911 system automatically gives the caller's name and address from the calling location. Any type of emergency response can be achieved by calling this number. The police department is undergoing a complete reorganization by eliminating captain positions through attrition and replacing these positions with additional patrolman. The City's goal is to get more policemen on the road and less in the administration positions.

The caseload for the Municipal Court totaled 9,146 in 2003, representing a 1,185 case decrease from 2002. A majority of the decreases are in the traffic citation part of the Court. The State Patrol has gone to a more warning base than writing actual traffic citations, which has caused a reduction in cases. With the criminal cases being reduced again this year as well, is hopefully a reflection on the stepped up law enforcement efforts made by all City officials. Crime and drug related offenses in our City have been top priority with the administration during 2003. The City administration has explored many ways to increase revenues and therefore increase funding to our police department. The increased funding allows more officers on the streets, all the time. The municipal court has spent many hours on the new security rules in effect for courts. The City is committed to making this area and the individuals working in the courts very secure. The court is also working on a new network computer system including hardware and software.

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.

Budgetary control is maintained by an encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when an insufficient unencumbered appropriation balance is available.

The City Auditor reviews the purchase order first to check for availability of funds. Then 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, the department head signs his/her copy of the purchase order as verification that all goods or services were received and are in acceptable condition.

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.

Financial Condition This is the fifth year the City has prepared financial statements following GASB Statement 34. "Basic Financial Statements-and-Management's Discussion and Analysis-for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds are the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Auditor's Report, providing an assessment of the City finances for 2003.

Financial Highlights – Internal Service Fund There are two internal service funds carried on the City's financial records, the self-insurance internal service fund with net assets of \$735,011 and the workers' compensation internal service fund with net assets of \$1,837,924 as of December 31, 2003.

CASH MANAGEMENT

By charter, the City Auditor is responsible for the City's cash management program. An investment committee comprised of the City Auditor, City Manager, City Solicitor, and City Treasurer has been formed. The City Treasurer requests and receives interest rates from several institutions and on several types of investments, at which time a member of the board makes a recommendation, another seconds and a vote is taken. The investment committee has established an investment policy for the City intended to maximize investment interest earned, while maintaining the highest standard of security available. The City of Ashtabula has entered into a depository agreement with Firststar Bank for the purpose of maintaining payroll and checking accounts. The checking account is a sweep account, which daily transfers to a repurchase agreement earning interest at a standard rate.

The City of Ashtabula also utilizes an investment pooling system, STAROhio, instituted and operated by the State of Ohio under the direction of Joseph T. Deters, Treasurer of State. In recent history, this investment option has offered the highest yields available in the State while remaining completely liquid as interest is earned daily and no minimum investment term is required. In the last twelve months, the City of Ashtabula has maintained a daily balance in excess of one million dollars in STAROhio.

As of December 31, 2003, the City of Ashtabula had \$4,238,007 of deposits classified as uncollateralized and uninsured under Statement 3 of the Government Accounting Standards Board. Although the pledging banks have an investment and securities pool used to collateralize all public deposits, which are held in the financial institutions' names, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC

RISK MANAGEMENT

The City of Ashtabula has entered into a contract with the Clarendon National Insurance Company for general liability insurance coverage. The agreement covers personal injury to an individual on City-owned property. Fire insurance on all City-owned buildings is with the Clarendon National Insurance Company, and vehicle insurance on all City-owned vehicles is with the Clarendon National Insurance Company. The City also carries police liability with Clarendon National Insurance Company. Public officials professional risk liability insurance is with the Clarendon National Insurance Company.

The City manages the hospital/medical, dental, drug and vision insurance benefits for its employees through a self-insured program. A third party administrator processes and pays the claims. The City pays self-insurance claims and administrative costs from its insurance internal service fund.

The City manages the hospital/medical, dental, drug and vision insurance benefits for its employees through a self-insured program. A third party administrator processes and pays the claims. The City pays self-insurance claims and administrative costs from its insurance internal service fund.

The City also provides workers' compensation coverage through the State Workers' Compensation retrospective rating and payment system whose operations are reported in the City's workers' compensation internal service fund. Starting January 1, 2004, the City will enter a group pool and leave the retrospective rating program. As the City has reduced lost time claims and reduced its overall cost, we became more attractive to a group which pools its employees and receives a discounted rate from the Bureau of Workers Compensation.

INDEPENDENT AUDIT

State statutes require the City to be subjected to an annual examination by an independent auditor. S. R. Snodgrass was contracted to render an opinion on the City's financial statements as of December 31, 2003. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Single Audit Amendments of 1996, as well as GASB 33, 34 and 36. The Report of Independent Accountants on the general-purpose financial statements is included in the financial section of this report.

CERTIFICATE OF ACHIEVEMENT

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, 2002. This was the City of Ashtabula's sixteenth 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.

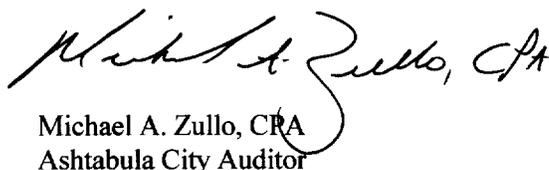
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

A special thanks is extended to the members of City Council and to the Administration whose continued support is necessary for the City of Ashtabula to conform to reporting requirements established for municipal governments.

Sincere thanks also goes to the Local Government Services of Auditor of State Betty Montgomery's Office for their assistance in the organization and final review of our 2003 Comprehensive Annual Financial Report.

Respectfully submitted,



Michael A. Zullo, CRA
Ashtabula City Auditor

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, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Ashtabula
List of Principal Officials

City Council

Robert E. Beacom President
Josephine Misener Vice President

Matthew J. Perry Ward I
James P. Paulchel Ward II
Betty S. Kist Ward III
Clifford D. McClure Ward IV
Sue Zaebst-Beacon Ward V

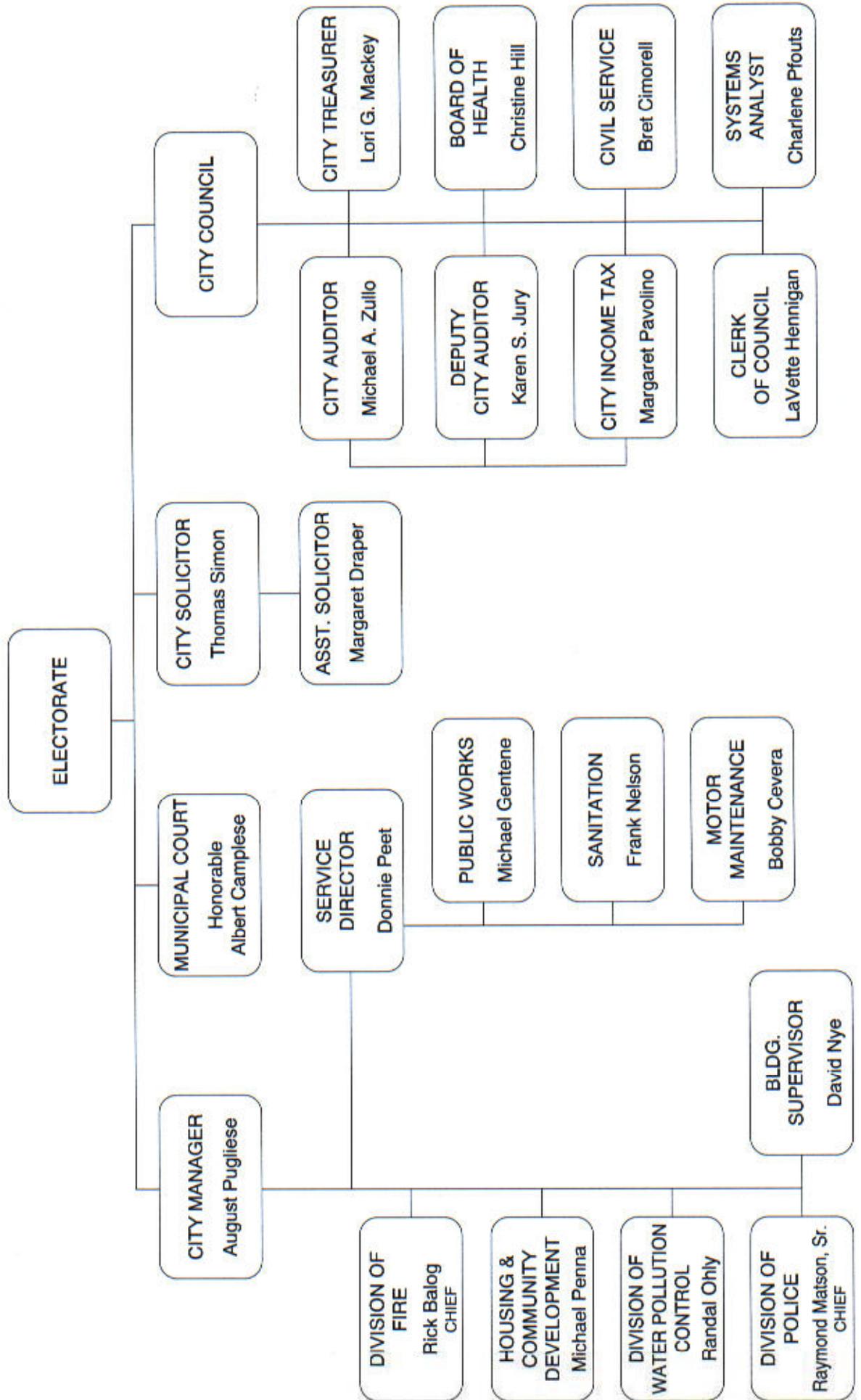
LaVette E. Hennigan Clerk of Council

City Officials

Rick Balog Chief of Fire
Albert Campese Municipal Court Judge
Margaret Draper Assistant City Solicitor
Greg Foglio Assistant Superintendent of Wastewater Treatment Plant
Michael Gentene Superintendent of Public Works
Karen S. Jury Deputy City Auditor
Lori Mackey City Treasurer
Frank Nelson Superintendent of Sanitation
Randal Ohly Superintendent of Wastewater Treatment Plant
Margaret Pavolino Income Tax Administrator
Michael Penna Director of Housing and Community Development
Charlene Pfouts Systems Analyst
August A. Pugliese City Manager
Thomas J. Simon City Solicitor
Raymond E. Mattson Sr Chief of Police
Michael A. Zullo City Auditor

**CITY OF ASHTABULA, OHIO
ORGANIZATIONAL CHART**

DECEMBER 31, 2003



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Members of Council
City of Ashtabula, Ohio

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 Government), as of and for the year ended December 31, 2003, which collectively comprise the Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Sanitation Fund, Community Development Block Grant Fund, and the Street Maintenance and Repair Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 19, 2004, on our consideration of the Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Members of Council
City of Ashtabula, Ohio

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

S. R. Snodgrass, A.C.

Ashtabula, Ohio
May 19, 2004

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
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, 2003. 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.

Using this Annual Financial Report

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City of Ashtabula as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did we do financially during 2003 and what does the future hold for 2004 and beyond?" The Statement of Net Assets and the Statement of Activities answer these questions. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Reporting the City of Ashtabula's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 8. 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, Sanitation, Street Maintenance and Repair, Debt Service, and Permanent Improvement.

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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

The City of Ashtabula as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2003 compared to 2002.

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	\$13,257,838	\$14,542,472	\$1,777,256	\$1,662,090	\$15,035,094	\$16,204,562
Capital Assets, Net	16,734,779	17,319,217	10,304,120	9,572,764	27,038,899	26,891,981
<i>Total Assets</i>	<u>29,992,617</u>	<u>31,861,689</u>	<u>12,081,376</u>	<u>11,234,854</u>	<u>42,073,993</u>	<u>43,096,543</u>
Liabilities						
Current and Other Liabilities	(3,118,131)	(3,373,818)	(151,224)	(167,02)	(3,269,355)	(3,540,838)
Long-Term Liabilities:						
Due Within One Year	(2,189,187)	(2,195,131)	(274,307)	(276,942)	(2,463,494)	(2,472,073)
Due in More Than One Year	(3,276,274)	(4,513,028)	(1,671,075)	(1,759,368)	(4,947,349)	(6,272,396)
<i>Total Liabilities</i>	<u>(\$8,583,592)</u>	<u>(\$10,081,977)</u>	<u>(\$2,096,606)</u>	<u>(\$2,203,330)</u>	<u>(\$10,680,198)</u>	<u>(\$12,285,307)</u>

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	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Net Assets						
Invested in Capital						
Assets Net of Debt	\$14,824,413	\$14,016,961	\$8,759,633	\$7,936,963	\$23,584,046	\$21,953,924
Restricted:						
Capital Projects	1,041,588	865,251	0	0	1,041,588	865,251
Debt Service	776,956	1,609,519	0	0	776,956	1,609,519
Other Purposes	2,230,814	1,812,974	0	0	2,230,814	1,812,974
Unrestricted	2,535,254	3,475,007	1,225,137	1,094,561	3,760,391	4,569,568
<i>Total Net Assets</i>	<u>\$21,409,025</u>	<u>\$21,779,712</u>	<u>\$9,984,770</u>	<u>\$9,031,524</u>	<u>\$31,393,795</u>	<u>\$30,811,236</u>

The net assets of the City's governmental activities decreased by \$370,687. Current assets were down approximately \$1,300,000. This decrease is from lower cash balances, less taxes receivable and less intergovernmental receivable. The cash reduction is reflective in the City's early payment of \$1,000,000 of our Justice Center Bonds. The City's capital assets in the Governmental Activities decreased during 2003, which reflects our depreciation on roads, bridges, equipment and other capital assets in a higher amount than these assets were being replaced. Short-term liabilities decreased as deferred revenue was less by approximately \$225,000. Long-term liabilities decreased in 2003 as the City made all debt payments as scheduled.

The net assets of the City's business type activities increased approximately \$950,000 in 2003. Current Assets increased due to an increase in accounts receivable. Capital Assets also increased significantly as the City once again aggressively spent money on upgrading our wastewater treatment plant. With usage rates generating revenue, which reasonably matches operating expenses and most capital expenditures annually, the financial condition of the business type activity is relatively constant. The City's wastewater treatment facility is our only business type activity. Continual upgrades to the plant and the sewer lines carrying the flow to the plant have been our top priority for at least the last ten years. Continued growth not only in our City but also within most of our county is dependant upon the additional capacity the City is able to offer for sewer expansion. Our wastewater treatment plant itself has plenty of capacity as we treat approximately five million gallons of sewage a day with a plant capacity of approximately 18 million gallons per day. Our biggest problem is line capacity, which is very old and undersized. This is where we have been expending the majority of our capital dollars. We are either expanding line size or trying to reduce the amount of storm water that enters our sanitary lines through illegal connections of home gutters or actual breaks in our lines that allow ground water to enter our sanitary system. During 2003, the City increased user fees by twenty-five cents for every seven hundred and fifty gallons of water used. These additional fees were earmarked for capital projects only as either outright purchases or for matching grant monies such as Issue II funds. The City has used 17 out of the 18 Issue II rounds strictly for updating our plant and lines coming into our Wastewater Treatment Facility. The City is pleased with a few percent increase in net assets, as the reader must remember that this number is net of accumulated depreciation for all capital assets included in our business type activity and that the City's intent is not to profit from this operation, but to recover costs.

The Statement of Changes in Net Assets, Table 2, reviews the Revenue, Expenditures, and Transfers on a comparative analysis between 2003 and 2002. This Statement reflects our Governmental and Business-Type Funds bottom line.

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(Table 2)
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues						
Program Revenues						
Charges for Services	\$2,159,424	\$2,320,718	\$2,871,360	\$2,801,467	\$5,030,784	\$5,122,185
Operating Grants, Contributions and Interest	796,779	648,848	0	0	796,779	648,848
Capital Grants and Contributions	41,264	269,196	697,293	360,753	738,557	629,949
General Revenues						
Property Taxes	2,528,592	2,446,220	0	0	2,528,592	2,446,220
Income Taxes	5,859,695	5,787,539	0	0	5,859,695	5,787,539
Grants and Entitlements	2,828,530	2,555,737	0	0	2,828,530	2,555,77
Investment Earnings	128,801	184,076	0	0	128,801	184,076
Other	241,484	180,476	0	0	241,484	180,476
<i>Total Revenues</i>	<u>14,584,569</u>	<u>14,392,810</u>	<u>3,568,653</u>	<u>3,162,220</u>	<u>18,153,222</u>	<u>17,555,030</u>
Program Expenses						
General Government						
Legislative and Executive	3,037,163	2,867,586	0	0	3,037,163	2,867,586
Judicial System	963,286	964,850	0	0	963,286	964,850
Security of Persons and Property:						
Police	3,666,800	3,696,384	0	0	3,666,800	3,696,384
Fire	2,750,698	2,652,673	0	0	2,750,698	2,652,673
Public Health Services	285,124	260,491	0	0	285,124	260,491
Street Maintenance and Repairs	1,472,369	2,001,502	0	0	1,472,369	2,001,502
Housing and Community Development	617,274	512,695	0	0	617,274	512,695
Sanitation Services	1,383,682	1,437,356	0	0	1,383,682	1,437,356
Leisure Time Activities	134,896	185,589	0	0	134,896	185,589
Interest and Fiscal Charges	128,486	195,014	0	0	128,486	195,014
Wastewater Treatment	0	0	3,130,885	3,290,299	3,130,885	3,290,299
<i>Total Expenses</i>	<u>14,439,778</u>	<u>14,774,140</u>	<u>3,130,885</u>	<u>3,290,299</u>	<u>17,570,663</u>	<u>18,064,439</u>
<i>Excess (Deficiency) before Transfers</i>	(144,791)	(381,30)	437,768	(128,079)	582,559	(509,409)
<i>Transfers</i>	<u>(515,478)</u>	<u>51,875</u>	<u>515,478</u>	<u>(51,875)</u>	<u>0</u>	<u>0</u>
<i>Increase (Decrease) in Net Assets</i>	<u>(\$370,687)</u>	<u>(\$329,455)</u>	<u>\$953,246</u>	<u>(\$179,954)</u>	<u>\$582,559</u>	<u>(\$509,409)</u>

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Governmental Activities

Several revenue sources fund our Governmental Activities with the City income tax being the biggest contributor. The income tax rate of 1.8 percent was renewed by a vote of our citizens in May of 2001, which took effect January of 2002. This tax renewal is in effect until December of 2004. The City will be holding a special election on May 25, 2004 to extend the income tax until December 31, 2007. The income tax revenue for 2003 exceeded \$5.8 million, with the income tax funding 39 percent of all expenses in the Governmental Activities.

Once again, the City has seen our income tax collection increase by just over \$72,000 in 2003. Although the increase was small, any increase is welcomed after several years of decline. The events of September 11, 2001 across our country seemed to be the event that really put our local economy and the loss of jobs with huge layoffs at not only our industrial plants locally but also employers such as the Ashtabula County Medical Center, our City's single biggest employer has had layoffs and jobs not filled through attrition. Our tax base has in the aggregate continued to decline. As of May 2004, we have taken in approximately \$60,000 less income tax dollars than in May of 2003. The City of Ashtabula has been very aggressive in 2003 collecting delinquent income tax. Five new cases per week are being filed in the Ashtabula Municipal Court against people who have filed returns stating money was owed, and then never paying these taxes. I expect this level of enforcement to continue in the future as our City council has been monitoring the progress on this program. We have also for the first time hired a collection agency to help collect delinquent accounts that we are unable to enforce through our courts for various reasons. This program has had some success but has definitely not generated the amount of income which the City had anticipated from delinquent income tax.

General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. Local government funding from the State was reduced \$60,000 dollars midway through 2003 as the State suffered from reduced sales tax collections as the economy slowed. We have been notified that we will lose approximately \$30,000 more dollars of local government monies in July of 2004. The City has also been notified that an AMHA Police grant was not renewed and the school resource grant which helped the City pay to always have an officer in either our High School or Junior High was completed and not renewed. The amount of loss from these two grants is approximately \$140,000. Although the State of Ohio is once again offering the School Resource Officers Grant, this time it comes with many strings attached, such as not being able to reduce your department size as long as the grant is in effect.

Security of persons and property and sanitation services are major activities of the City, expending 54 percent of governmental activity expenses. The police department which lost the two grants has been able to maintain the three officers which were paid through the grants with attrition. The last three officers which have retired have not been replaced. We have also transferred one employee from the detective bureau to the patrol unit. The amount of overtime has been reduced as well as the number of Captains and Sergeants, without reducing personnel. The fire department has worked with the City in reducing costs or holding costs in line with training being done in house, restricted use of comp time, and discipline for abuse of sick time. The City does monitor the police and fire department budgets very closely as these two departments use a significant amount of general revenues. A restructuring of our contract with Waste Management, our local landfill, will save the City approximately \$80,000. This restructuring was based on the City reserving space in our Wastewater Treatment Plant for Waste Management to discharge 5,000 gallons per day of leachate water from its landfill location until our septage receiving facility is ready for use. Once the City is able to accept this type of wastewater, Waste Management will be allowed to dispose of two trucks per day into our facility at no charge.

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Business-Type Activities

The City's only business-type activity is our Wastewater Treatment Facility, which receives no support from tax revenues. This plant treats sewage from the City of Ashtabula and surrounding townships. This plant generated revenues of \$3,568,653 and had expenses of \$3,130,885. Our expenses are monitored to coincide with our revenues so that at the end of the year, we are looking at our cash balance, which the City has tried to maintain at one million dollars which would be approximately one third of the annual budget. During 2003, the City worked hard on expanding line capacity to surrounding townships. To the west, Saybrook Township has boomed with housing developments in many parts of the township, especially along the lakeshore area. On the east side of the City commercial growth in Ashtabula Township is booming despite the economy with a new strip mall opening and several other businesses. The City also has several new housing projects, which will require additional sewer capacity on the City's West side. New larger lines are being installed in the City and Townships to handle the extra capacity. These lines, which will service the townships, will also service our new Industrial Park at the end of State Route 11. This project is going, but much slower than we had hoped as now we are dealing with a wetlands issue. The City has been able to keep rates low because of increased revenues from additional flow from new construction of businesses and homes in our county.

The City's Funds

Information about the City's major governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$14,512,453 and expenditures of \$15,528,675. The most significant change in our funds is the decrease in cash on hand.

The cash balance of the general fund remained relatively constant, increasing by slightly more than \$100,000. While revenues exceeded expenditures by approximately \$448,000, much of the excess was transferred to other funds. These other funds used the cash from the transfers for street maintenance, sanitation, and permanent improvements and for payment of pension obligations.

General Fund Budgeting Highlights

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

During the course of 2003, the City amended its general fund budget numerous times, none significant. All recommendations for a budget change come from the City Auditor to the Finance and Ordinance committee of Council for review before going to the whole council for ordinance enactment on the change. The City does allow small inter-departmental budget changes that modify line items within departments within the same fund. With the general fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

For the general fund, original and final budgeted revenues were approximately \$9,540,000. Very conservative revenue projections at the beginning of the year played out as actual revenues were very close to projections. Salary cost proved to be higher than anticipated in the original budget. The comp time and sick time buy-back programs were not offered in 2003 thereby not needing additional line item appropriations to offset this program as in the past.

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The City of Ashtabula's ending unencumbered cash balance in the general fund was \$256,601.

Capital Assets and Debt Administration

Capital Assets

Table 3
 Capital Assets at December 31, 2003 & 2002

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Capital Assets, Non depreciable:						
Land	\$1,878,340	\$1,878,340	\$70,125	\$70,125	\$1,948,465	\$1,948,465
Construction in Progress	220,946	253,870	357,211	374,192	578,157	628,062
Total Capital Assets, Non depreciable	2,099,286	2,132,210	427,336	444,317	2,526,622	2,576,527
Capital Assets, being Depreciated:						
Buildings and Improvements	10,118,593	10,048,000	6,695,868	6,694,008	16,814,461	16,742,008
Equipment	2,486,806	2,399,099	1,532,456	1,507,883	4,019,262	3,906,982
Vehicles	3,727,408	3,636,596	520,776	520,776	4,248,184	4,157,372
Furniture and Fixtures	51,978	50,263	3,068	3,068	55,046	53,331
Infrastructure						
Bridges	3,533,301	3,485,757	0	0	3,533,301	3,485,757
Roads	8,118,572	7,706,478	0	0	8,118,572	7,706,478
Storm Sewers	2,453,915	2,441,290	0	0	2,453,915	2,441,290
Traffic Lights	530,694	553,995	0	0	530,694	553,995
Sanitary Sewers	0	0	8,888,460	7,733,887	8,888,460	7,733,887
Total Capital Assets, being Depreciated	31,021,267	30,321,478	17,640,628	16,459,622	48,661,895	46,781,100
Accumulated Depreciation	(16,385,774)	(15,134,471)	(7,763,844)	(7,331,175)	(24,149,618)	(22,465,646)
Total Capital Assets, Depreciable, Net	14,635,493	15,187,007	9,876,784	9,128,447	24,512,277	24,315,454
Total Capital Assets,	<u>\$16,734,779</u>	<u>\$17,319,217</u>	<u>\$10,304,120</u>	<u>\$9,572,764</u>	<u>\$27,038,899</u>	<u>\$26,891,981</u>

The primary increases in Capital Assets occurred in building improvements, equipment purchases and infrastructure improvements. These improvements were part of the City's long-term goal of completely rebuilding the infrastructure of our City from our roads and bridges through storm and sanitary sewers. Even though grants are gradually increasing the required percentage of local matching funds, such as Issue II funds increasing from a 30 percent match to a 40 percent match, the City of Ashtabula has been aggressively seeking these grant dollars knowing that we have the local match dollars available. The major projects during 2003 were our regular street paving project, which cost approximately \$335,000 and we also finished the engineering for the Lake Avenue/Marystreet bridge reconstruction. This project anticipates receiving approximately \$1,000,000 in State grants with the City putting in \$378,000 of matching money. The bridge will get a new deck, and also our biggest and most heavily used road, Lake Avenue will be totally resurfaced. Work will begin on June 1, 2004 and take approximately four months to complete. We also continued our

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equipment replacement program with new police cruisers, court computer equipment and miscellaneous fire safety equipment. We are also still committed to our City sidewalks and the \$2.50 per square foot reimbursement offered by the City. Each property owner in the City is eligible for the reimbursement which covers approximately 80 percent of the cost to install the new sidewalk in front of their homes and businesses. The City has a strong commitment of recreation for all. Continued work on Smith field, Walnut beach and other playgrounds in the City has been given high priority.

The biggest increase in Capital Assets in our Business-Type Activities is the sanitary sewer lines. With Issue II dollars and the City's forty percent matching monies, several large projects of sanitary sewer line replacement were completed in 2003, with a cost in excess of one million dollars. Engineering was completed for a septage receiving system in 2003, and several large pumps were removed and totally rebuilt in 2003. See Note 7 for additional information about the City's capital assets.

Debt

At December 31, 2003 the City of Ashtabula had \$7,410,843 in bonds, notes, claims, judgments, and compensated absences outstanding, \$2,463,494 of which are due within one year.

Table 4
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
General Obligation Bonds	\$1,170,000	\$2,335,000	\$0	\$0	\$1,170,000	\$2,335,000
Municipal Building	418,343	561,293	0	0	418,343	561,293
Mareddy Estates	130,968	150,000	0	0	130,968	150,000
Special Assessment Bonds	30,000	40,000	0	0	30,000	40,000
OPWC Loan	156,518	171,192	0	0	156,518	171,192
Police and Fire Loan	481,610	472,929	0	0	481,610	472,929
Claims Payable	490,903	505,679	0	0	490,903	505,679
Judgments Payable	200,000	200,000	0	0	200,000	200,000
Compensated Absences	2,382,582	2,263,045	400,895	400,509	2,783,477	2,663,554
OWDA Loan Payable	0	0	1,544,487	1,635,801	1,544,487	1,723,268
Capital Lease Obligation	4,537	9,021	0	0	4,537	9,021
Total	\$5,465,461	\$6,708,159	\$1,945,382	\$2,036,310	\$7,410,843	\$8,744,469

The Main Avenue Widening Special Assessment Bonds and the OPWC Loan are secured by future collections of special assessments.

The amount due to Ohio Water Development Authority is paid by sewer revenues collected from the users as part of their normal sewer bill.

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The Judgment Payable was for the New Lyme Landfill clean-up lawsuit. The City settled the suit for \$500,000 with the initial payment of \$200,000 due December 31, 1999, and \$100,000 per year thereafter. During year 2000, the City paid \$300,000 to the plaintiffs and also put the other \$200,000 which was not due until 2002 and 2003 respectively, in our debt service fund awaiting payment when due. The City tried to negotiate a lower amount due for full payment immediately, but was unsuccessful. We have therefore decided to earn interest on the money until due and payable. The City tried in earnest to contact the responsible party to invoice the City for the amount due in 2002. We were unsuccessful and never did receive any notification, invoice, or other request for payment, therefore, no payment was made in 2002 or 2003. The monies still remain in the debt service fund earning interest.

The City's overall legal debt margin was \$22,505,605 at December 31, 2003. See Note 8 for additional information about the City's long-term debt.

Current Related Financial Activities

The City of Ashtabula is holding its own financially. The City of Ashtabula has been very cautious with its spending in 2003. As we see the Federal, State, and County economies try to build up some headway, the City and county governments are in the midst of a bad economic slowdown. I have stressed to all department heads that they must remain within their appropriated budgets for the year. Unfortunately, with these tough economic times we still must watch every dollar spent. Had it not been for every City employee taking a wage concession, giving up overtime pay, and other cash reductions, we were going to lay off approximately 25 employees. These concessions allowed the City stay the course without reducing any services to our citizens.

The next hurdle was the passage of our 1.8 percent income tax. The first time it appeared on the ballot in March of 2004, it was defeated by 27 votes. The City Council decided to put the tax issue back on the ballot in a special election to be held on May 25, 2004 and was passed. If the tax had not passed, major reductions in our work force including police, fire, and all service departments would have happened.

The City took a small risk ten years ago by getting into a self-funded health insurance program and the self-funded workers' compensation program. Our premiums for health insurance, based on the plan our unions had negotiated, were extremely high and getting worse each year. The City was also negatively rated in the State funded workers' compensation program. When the City entered the retrospective rating program, both workers' compensation and health insurance monies were put into new funds established by the City as if the premiums were still being paid. The balances have accumulated to over \$3,200,000 in these funds by reducing our annual expenses in both of these areas. The cash in these funds is money that would have gone to Blue Cross or the State of Ohio and can now be used in our City in the future.

The City has also purchased and paid cash for a tremendous amount of new equipment in the last five years. Items include new ladder and pumper trucks, as well as new vehicles for the chief and fire inspector and one new $\frac{3}{4}$ ton four wheel drive pick-up in our fire department, a complete new fleet of police cars, five new snowplow dump trucks, graders, sanitation equipment including trucks, semis, dumpsters, complete network computers systems for the court system, sewer jets, and all new vehicles for our inspectors.

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

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In conclusion, the City of Ashtabula has committed itself to financial excellence for many years. The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1987. The City of Ashtabula was one of the first cities in Ohio to report using the new GASB 34 requirements. Our 2002 CAFR did receive this prestigious award. Our commitment to the residents of the City of Ashtabula has always been full disclosure of the financial position 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 Michael A. Zullo, CPA, Ashtabula City Auditor, 4417 Main Avenue, Ashtabula, Ohio 44004, telephone 440-992-7107, or e-mail at michaelz@suite224.net.

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Statement of Net Assets

December 31, 2003

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activity	Total	
Assets				
Cash and Cash Equivalents	\$6,344,856	\$371,449	\$6,716,305	\$0
Cash and Cash Equivalents in Segregated Accounts	95,464	0	95,464	197,372
Accounts Receivable	927,342	1,362,511	2,289,853	0
Due from Other Governments	1,266,505	0	1,266,505	24,142
Materials and Supplies Inventory	22,388	8,238	30,626	0
Prepaid Items	87,440	35,058	122,498	0
Due from Component Unit	128,323	0	128,323	0
Loans Receivable	155,240	0	155,240	0
Taxes Receivable	3,886,647	0	3,886,647	0
Special Assessments Receivable	343,633	0	343,633	0
Capital Assets, Nondepreciable	2,099,286	427,336	2,526,622	306,885
Capital Assets, Depreciable, Net	14,635,493	9,876,784	24,512,277	398,713
<i>Total Assets</i>	<u>29,992,617</u>	<u>12,081,376</u>	<u>42,073,993</u>	<u>927,112</u>
Liabilities				
Accounts Payable	111,130	31,445	142,575	0
Contracts Payable	21,228	3,344	24,572	0
Accrued Wages and Benefits	183,344	63,541	246,885	0
Due to Other Governments	465,246	19,301	484,547	307
Deferred Revenue	2,304,503	0	2,304,503	0
Deposits Held and Due to Others	8,338	0	8,338	0
Accrued Interest Payable	24,342	33,593	57,935	0
Due to Primary Government	0	0	0	128,323
Long-Term Liabilities:				
Due Within One Year	2,189,187	274,307	2,463,494	0
Due Within More Than One Year	3,276,274	1,671,075	4,947,349	0
<i>Total Liabilities</i>	<u>8,583,592</u>	<u>2,096,606</u>	<u>10,680,198</u>	<u>128,630</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	14,824,413	8,759,633	23,584,046	577,275
Restricted for:				
Capital Projects	1,041,588	0	1,041,588	0
Debt Service	776,956	0	776,956	0
Other Purposes	2,230,814	0	2,230,814	0
Unrestricted	2,535,254	1,225,137	3,760,391	221,207
<i>Total Net Assets</i>	<u>\$21,409,025</u>	<u>\$9,984,770</u>	<u>\$31,393,795</u>	<u>\$798,482</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Activities
For the Year Ended December 31, 2003

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$3,037,163	\$68,975	\$0	\$0
Judicial System	963,286	732,927	0	28,793
Security of Persons and Property:				
Police	3,666,800	3,967	125,104	0
Fire	2,750,698	0	42,943	8,640
Public Health Services	285,124	65,937	10,712	3,831
Street Maintenance and Repairs	1,472,369	4,188	96,616	0
Housing and Community Development	617,274	85,366	484,623	0
Sanitation Services	1,383,682	1,184,414	36,781	0
Leisure Time Activities	134,896	13,650	0	0
Interest and Fiscal Charges	128,486	0	0	0
<i>Total Governmental Activities</i>	14,439,778	2,159,424	796,779	41,264
Business-Type Activity				
Wastewater Treatment	3,130,885	2,871,360	0	697,293
<i>Total Primary Government</i>	<u>\$17,570,663</u>	<u>\$5,030,784</u>	<u>\$796,779</u>	<u>\$738,557</u>
Component Unit				
Ashtabula Port Authority	<u>\$98,890</u>	<u>\$0</u>	<u>\$290,563</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for:

General Purposes

Fire and Police Pension

Debt Service

Capital Outlay

Income Taxes Levied for:

General Purposes

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 18)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activity	Total	Component Unit
(\$2,968,188)	\$0	(\$2,968,188)	\$0
(201,566)	0	(201,566)	0
(3,537,729)	0	(3,537,729)	0
(2,699,115)	0	(2,699,115)	0
(204,644)	0	(204,644)	0
(1,371,565)	0	(1,371,565)	0
(47,285)	0	(47,285)	0
(162,487)	0	(162,487)	0
(121,246)	0	(121,246)	0
(128,486)	0	(128,486)	0
(11,442,311)	0	(11,442,311)	0
0	437,768	437,768	0
(11,442,311)	437,768	(11,004,543)	0
0	0	0	191,673
1,131,816	0	1,131,816	0
529,950	0	529,950	0
458,839	0	458,839	0
407,987	0	407,987	0
5,270,568	0	5,270,568	0
589,127	0	589,127	0
2,828,530	0	2,828,530	0
128,801	0	128,801	941
241,484	0	241,484	0
11,587,102	0	11,587,102	941
(515,478)	515,478	0	0
11,071,624	515,478	11,587,102	941
(370,687)	953,246	582,559	192,614
21,779,712	9,031,524	30,811,236	605,868
<u>\$21,409,025</u>	<u>\$9,984,770</u>	<u>\$31,393,795</u>	<u>\$798,482</u>

City of Ashtabula, Ohio

Balance Sheet

Governmental Funds

December 31, 2003

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
Assets					
Equity in Pooled Cash and Cash Equivalents	\$310,259	\$427,729	\$260,761	\$238,691	\$408,641
Cash and Cash Equivalents:					
In Segregated Accounts	95,464	0	0	0	0
Receivables:					
Taxes	2,236,361	0	0	0	426,041
Accounts	102,280	176,991	641,511	6,560	0
Special Assessments	0	0	0	0	343,633
Due from Other Governments	936,248	0	0	208,326	20,864
Materials and Supplies Inventory	17,733	0	234	3,585	0
Prepaid Items	87,104	0	0	336	0
Due from Component Unit	0	128,323	0	0	0
Loans Receivable	0	155,240	0	0	0
<i>Total Assets</i>	<u>\$3,785,449</u>	<u>\$888,283</u>	<u>\$902,506</u>	<u>\$457,498</u>	<u>\$1,199,179</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$58,141	\$35,434	\$7,184	\$3,347	\$0
Contracts Payable	293	0	16,861	0	0
Accrued Wages	147,275	0	16,245	18,586	0
Due to Other Governments	48,524	350	0	0	0
Deferred Revenue	2,785,151	176,991	567,996	164,047	790,538
Deposits Held and Due to Others	5,361	0	0	0	0
<i>Total Liabilities</i>	<u>3,044,745</u>	<u>212,775</u>	<u>608,286</u>	<u>185,980</u>	<u>790,538</u>
Fund Balances					
Reserved for Encumbrances	48,860	41,569	5,249	9,516	0
Reserved for Inventory	17,733	0	234	3,585	0
Reserved for Loans Receivable	0	283,563	0	0	0
Unreserved:					
Designated for Roadway Improvements	0	0	0	0	0
Undesignated, Reported in:					
General Fund	674,111	0	0	0	0
Special Revenue Funds	0	350,376	288,737	258,417	0
Debt Service Funds	0	0	0	0	408,641
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances</i>	<u>740,704</u>	<u>675,508</u>	<u>294,220</u>	<u>271,518</u>	<u>408,641</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,785,449</u>	<u>\$888,283</u>	<u>\$902,506</u>	<u>\$457,498</u>	<u>\$1,199,179</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2003*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			Total Governmental Funds Balances	\$3,880,836
			<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$850,880	\$605,481	\$3,102,442	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	16,734,779
0	0	95,464		
609,033	615,212	3,886,647	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
0	0	927,342	Property and Other Taxes	224,631
0	0	343,633	Charges for Services	846,728
24,878	70,589	1,260,905	Income Tax	977,364
0	836	22,388	Intergovernmental	1,059,215
0	0	87,440	Special Assessments	343,633
0	0	128,323	Total	3,451,571
0	0	155,240		
<u>\$1,484,791</u>	<u>\$1,292,118</u>	<u>\$10,009,824</u>	Two internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,572,935
\$6,741	\$283	\$111,130		
4,074	0	21,228	Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(232,196)
0	1,238	183,344		
0	0	48,874		
594,201	677,150	5,756,074		
0	2,977	8,338		
<u>605,016</u>	<u>681,648</u>	<u>6,128,988</u>	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(24,342)
119,529	218,869	443,592	Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
0	836	22,388	General Obligation Bonds	(1,719,311)
0	0	283,563	Special Assessment Bonds	(30,000)
212,000	0	212,000	OPWC Loan Payable	(156,518)
0	0	674,111	Police and Fire Loan	(481,610)
0	390,754	1,288,284	Judgments Payable	(200,000)
0	0	408,641	Compensated Absences	(2,382,582)
548,246	11	548,257	Capital Lease Payable	(4,537)
<u>879,775</u>	<u>610,470</u>	<u>3,880,836</u>	Total	(4,974,558)
<u>\$1,484,791</u>	<u>\$1,292,118</u>	<u>\$10,009,824</u>	<i>Net Assets of Governmental Activities</i>	<u>\$21,409,025</u>

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2003

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
Revenues					
Property and Other Taxes	\$1,116,046	\$0	\$0	\$0	\$462,664
Municipal Income Tax	5,281,655	0	0	0	0
Charges for Services	57,640	0	1,123,289	4,188	0
Licenses and Permits	45,737	0	0	0	0
Fines and Forfeitures	570,949	0	0	0	0
Intergovernmental	1,878,354	717,452	36,781	657,418	54,927
Special Assessments	0	0	0	0	22,493
Interest	85,036	5,468	0	34,236	0
Rentals	68,975	0	0	0	0
Other	206,323	0	7,754	3,407	0
<i>Total Revenues</i>	<u>9,310,715</u>	<u>722,920</u>	<u>1,167,824</u>	<u>699,249</u>	<u>540,084</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,593,365	0	0	0	10,667
Judicial System	794,873	0	0	0	0
Security of Persons and Property:					
Police	3,123,216	0	0	0	0
Fire	2,118,266	0	0	0	0
Public Health Services	165,676	0	0	0	0
Street Maintenance and Repairs	1,755	0	0	1,055,055	0
Housing and Community Development	42,409	758,864	0	0	0
Sanitation Services	1,433	0	1,308,217	0	0
Leisure Time Activities	17,625	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	3,657	0	0	0	1,208,706
Interest and Fiscal Charges	465	0	0	0	132,135
<i>Total Expenditures</i>	<u>8,862,740</u>	<u>758,864</u>	<u>1,308,217</u>	<u>1,055,055</u>	<u>1,351,508</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>447,975</u>	<u>(35,944)</u>	<u>(140,393)</u>	<u>(355,806)</u>	<u>(811,424)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	175,000	489,994	3,000
Transfers Out	(811,494)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(811,494)</u>	<u>0</u>	<u>175,000</u>	<u>489,994</u>	<u>3,000</u>
<i>Net Change in Fund Balances</i>	(363,519)	(35,944)	34,607	134,188	(808,424)
<i>Fund Balances Beginning of Year</i>	1,105,247	711,452	259,993	144,650	1,217,065
Increase (Decrease) in Reserve for Inventory	(1,024)	0	(380)	(7,320)	0
<i>Fund Balances End of Year</i>	<u>\$740,704</u>	<u>\$675,508</u>	<u>\$294,220</u>	<u>\$271,518</u>	<u>\$408,641</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, 2003*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$402,562	\$523,012	\$2,504,284
590,360	0	5,872,015
0	32,897	1,218,014
0	123,015	168,752
28,793	56,977	656,719
65,943	161,737	3,572,612
0	0	22,493
0	4,061	128,801
58,304	0	127,279
24,000	0	241,484
<u>1,169,962</u>	<u>901,699</u>	<u>14,512,453</u>
0	0	2,604,032
0	55,592	850,465
0	381,486	3,504,702
0	351,348	2,469,614
0	109,533	275,209
0	14,134	1,070,944
0	181,385	982,658
0	0	1,309,650
0	50,495	68,120
877,867	0	877,867
142,950	827	1,356,140
26,490	184	159,274
<u>1,047,307</u>	<u>1,144,984</u>	<u>15,528,675</u>
<u>122,655</u>	<u>(243,285)</u>	<u>(1,016,222)</u>
49,387	217,500	934,881
0	(74,000)	(885,494)
<u>49,387</u>	<u>143,500</u>	<u>49,387</u>
172,042	(99,785)	(966,835)
707,733	709,779	4,855,919
0	476	(8,248)
<u>\$879,775</u>	<u>\$610,470</u>	<u>\$3,880,836</u>

Net Change in Fund Balances - Total Governmental Funds	(\$966,835)
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
Capital Outlay	811,005
Depreciation	<u>(1,344,750)</u>
Total	(533,745)
Governmental funds only report the disposal of fixed assets to the extent the extent proceeds are received from the sale. In the statement of statement of activities, a gain or loss is reported for each disposal.	(50,693)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property and Other Taxes	24,308
Municipal Income Tax	(12,320)
Charges for Services	75,757
Intergovernmental	6,864
Special Assessments	<u>(22,493)</u>
Total	72,116
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,356,140
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	30,788
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
Compensated absences	(119,537)
Pension obligation	89,115
Change in Inventory	<u>(8,248)</u>
Total	(38,670)
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.	<u>(239,788)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>(\$370,687)</u></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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$1,123,000	\$1,123,000	\$1,116,046	(\$6,954)
Municipal Income Tax	5,300,000	5,306,000	5,319,712	13,712
Charges for Services	53,400	53,400	57,975	4,575
Licenses and Permits	47,800	47,800	45,737	(2,063)
Fines and Forfeitures	574,300	574,300	593,993	19,693
Intergovernmental	2,024,146	2,024,146	2,027,657	3,511
Interest	132,500	132,500	85,036	(47,464)
Rentals	73,200	73,200	68,975	(4,225)
Other	210,534	210,534	211,168	634
<i>Total Revenues</i>	<i>9,538,880</i>	<i>9,544,880</i>	<i>9,526,299</i>	<i>(18,581)</i>
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,691,770	2,633,416	2,597,089	36,327
Judicial System	820,812	798,953	796,140	2,813
Security of Persons and Property				
Police	3,120,425	3,136,708	3,120,690	16,018
Fire	2,162,447	2,149,105	2,142,745	6,360
Public Health Services	144,925	167,880	166,417	1,463
Street Maintenance and Repair	1,940	1,761	1,755	6
Housing and Community Development	59,516	53,158	44,450	8,708
Sanitation Services	1,584	1,438	1,433	5
Leisure Time Activities	17,625	17,625	17,625	0
Debt Service:				
Principal Retirement	83,809	3,657	3,657	0
Interest and Fiscal Charges	31,307	465	465	0
<i>Total Expenditures</i>	<i>9,136,160</i>	<i>8,964,166</i>	<i>8,892,466</i>	<i>71,700</i>
<i>Excess of Revenues Over Expenditures</i>	<i>402,720</i>	<i>580,714</i>	<i>633,833</i>	<i>53,119</i>
Other Financing Uses				
Transfers Out	(483,500)	(811,494)	(811,494)	0
<i>Net Change in Fund Balance</i>	<i>(80,780)</i>	<i>(230,780)</i>	<i>(177,661)</i>	<i>53,119</i>
<i>Fund Balance Beginning of Year</i>	<i>353,482</i>	<i>353,482</i>	<i>353,482</i>	<i>0</i>
Prior Year Encumbrances Appropriated	80,780	80,780	80,780	0
<i>Fund Balance End of Year</i>	<i>\$353,482</i>	<i>\$203,482</i>	<i>\$256,601</i>	<i>\$53,119</i>

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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,399,530	\$1,399,530	\$741,953	(\$657,577)
Interest	4,000	4,000	5,468	1,468
<i>Total Revenues</i>	1,403,530	1,403,530	747,421	(656,109)
Expenditures				
Current:				
Housing and Community Development	1,407,229	1,407,229	877,750	529,479
<i>Net Change in Fund Balance</i>	(3,699)	(3,699)	(130,329)	(126,630)
<i>Fund Balance Beginning of Year</i>	477,356	477,356	477,356	0
Prior Year Encumbrances Appropriated	3,699	3,699	3,699	0
<i>Fund Balance End of Year</i>	<u>\$477,356</u>	<u>\$477,356</u>	<u>\$350,726</u>	<u>(\$126,630)</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
Sanitation Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,245,000	\$1,245,000	\$1,119,409	(\$125,591)
Intergovernmental	45,000	45,000	36,781	(8,219)
Other	2,500	2,500	5,993	3,493
<i>Total Revenues</i>	1,292,500	1,292,500	1,162,183	(130,317)
Expenditures				
Current:				
Sanitation Services	1,368,419	1,392,419	1,321,622	70,797
<i>Excess of Revenues Under Expenditures</i>	(75,919)	(99,919)	(159,439)	(59,520)
Other Financing Sources				
Transfers In	60,000	60,000	175,000	115,000
<i>Net Change in Fund Balance</i>	(15,919)	(39,919)	15,561	55,480
<i>Fund Balance Beginning of Year</i>	224,032	224,032	224,032	0
Prior Year Encumbrances Appropriated	15,919	15,919	15,919	0
<i>Fund Balance End of Year</i>	<u>\$224,032</u>	<u>\$200,032</u>	<u>\$255,512</u>	<u>\$55,480</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$25,000	\$25,000	\$4,188	(\$20,812)
Intergovernmental	697,000	697,000	645,281	(51,719)
Interest	35,000	35,000	34,236	(764)
<i>Total Revenues</i>	757,000	757,000	683,705	(73,295)
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:	1,127,794	1,177,794	1,085,633	92,161
<i>Excess of Revenues Under Expenditures</i>	(370,794)	(420,794)	(401,928)	18,866
Other Financing Sources				
Transfers In	327,500	427,500	489,994	62,494
<i>Net Change in Fund Balance</i>	(43,294)	6,706	88,066	81,360
<i>Fund Balance Beginning of Year</i>	97,815	97,815	97,815	0
Prior Year Encumbrances Appropriated	43,294	43,294	43,294	0
<i>Fund Balance End of Year</i>	<u>\$97,815</u>	<u>\$147,815</u>	<u>\$229,175</u>	<u>\$81,360</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2003

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$371,449	\$3,242,414
Accounts Receivable	1,362,511	0
Due from Other Governments	0	5,600
Materials and Supplies Inventory	8,238	0
Prepaid Items	35,058	0
<i>Total Current Assets</i>	<u>1,777,256</u>	<u>3,248,014</u>
Noncurrent Assets		
Capital Assets, Nondepreciable	427,336	0
Capital Assets, Depreciable, Net	9,876,784	0
<i>Total Noncurrent Assets</i>	<u>10,304,120</u>	<u>0</u>
<i>Total Assets</i>	<u>12,081,376</u>	<u>3,248,014</u>
Liabilities		
Current Liabilities:		
Accounts Payable	31,445	0
Contracts Payable	3,344	0
Accrued Wages	63,541	0
Compensated Absences Payable	178,979	0
Due to Other Governments	19,301	184,176
Accrued Interest Payable	33,593	0
Claims Payable	0	328,403
OWDA Loan Payable	95,328	0
<i>Total Current Liabilities</i>	<u>425,531</u>	<u>512,579</u>
Long-Term Liabilities:		
Compensated Absences Payable	221,916	0
Claims Payable	0	162,500
OWDA Loan Payable	1,449,159	0
<i>Total Long-Term Liabilities</i>	<u>1,671,075</u>	<u>162,500</u>
<i>Total Liabilities</i>	<u>2,096,606</u>	<u>675,079</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	8,759,633	0
Unrestricted	1,225,137	2,572,935
<i>Total Net Assets</i>	<u>\$9,984,770</u>	<u>\$2,572,935</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2003*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
Operating Revenues		
Charges for Services	\$2,871,360	\$2,138,967
Operating Expenses		
Personal Services	1,871,968	0
Contractual Services	534,489	1,193,968
Materials and Supplies	221,851	0
Depreciation	434,389	0
Claims	0	1,184,787
<i>Total Operating Expenses</i>	<u>3,062,697</u>	<u>2,378,755</u>
<i>Operating Loss</i>	(191,337)	(239,788)
Non Operating Expenses		
Interest and Fiscal Charges	<u>(68,188)</u>	<u>0</u>
<i>Loss Before Contributions and Transfers</i>	(259,525)	(239,788)
Capital Contributions	1,262,158	0
Transfers Out	<u>(49,387)</u>	<u>0</u>
<i>Change in Net Assets</i>	953,246	(239,788)
<i>Net Assets Beginning of Year</i>	<u>9,031,524</u>	<u>2,812,723</u>
<i>Net Assets End of Year</i>	<u><u>\$9,984,770</u></u>	<u><u>\$2,572,935</u></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, 2003

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<i>Increase (Decrease) In Cash and Cash Equivalents</i>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$2,742,147	\$0
Cash Received from Other Funds	0	2,133,367
Cash Payments to Suppliers for Goods and Services	(773,400)	(1,126,111)
Cash Payments for Claims	0	(1,199,563)
Cash Payments for Employee Services and Benefits	(1,861,602)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	107,145	(192,307)
Cash Flows from Noncapital Financing Activities		
Transfers Out	(49,387)	0
Cash Flows from Capital and Related Financing Activities		
Tap-In Fees	308,075	0
Acquisition of Capital Assets	(223,768)	0
Principal Paid OWDA Loans	(91,314)	0
Interest Paid on OWDA Loans	(70,174)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	(77,181)	0
<i>Net Decrease In Cash and Cash Equivalents</i>	(19,423)	(192,307)
<i>Cash and Cash Equivalents Beginning of Year</i>	390,872	3,434,721
<i>Cash and Cash Equivalents End of Year</i>	\$371,449	\$3,242,414

(continued)

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2003

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities		
<i>Operating Loss</i>	(\$191,337)	(\$239,788)
Adjustments:		
Depreciation	434,389	0
(Increase)/ Decrease in Assets:		
Accounts Receivable	(112,098)	0
Due from Other Governments	0	(5,600)
Materials and Supplies Inventory	(4,651)	0
Prepaid Items	(725)	0
Increase/ (Decrease) in Liabilities:		
Accounts Payable	(5,347)	0
Contracts Payable	(20,429)	(502)
Accrued Wages	33,661	0
Compensated Absences Payable	(6,651)	0
Due to Other Governments	(19,667)	68,359
Claims Payable	0	(14,776)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$107,145</u>	<u>(\$192,307)</u>

Noncash Capital Financing Activities

During 2003, OPWC paid \$389,218 directly to contractors on behalf of the Wastewater Treatment fund. \$200,000 was paid by the City's Street Maintenance and Repair fund and \$364,865 was paid by the Community Development Block Grant fund for capital assets. These amounts are included in capital contributions.

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2003

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$50,987</u>
<i>Total Assets</i>	<u><u>\$50,987</u></u>
Liabilities	
Due to Other Governments	\$7,340
Deposits Held and Due to Others	<u>43,647</u>
<i>Total Liabilities</i>	<u><u>\$50,987</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, 2003

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget.

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

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

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the Ashtabula Port Authority is presented in Note 18.

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 City also applies Financial Accounting Standards Board (FASB) Statements and

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements issued after November 30, 1989, to its business type activities and its proprietary funds. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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

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

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

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

Debt Service Fund The Debt Service fund is used to account for the property and other taxes collected and special assessments for, and the payment of, general long-term debt principal, interest and related costs.

Permanent Improvement Capital Projects Fund The Permanent Improvement Capital Projects fund accounts for 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 to a particular purpose.

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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 as an agent for individuals, and/or other governmental units.

C. Measurement Focus

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

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

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting, 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 revenue 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 thirty-one days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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 nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgets

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 function 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 2003.

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

F. Cash and Cash Equivalents

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

During 2003, investments were limited to nonnegotiable certificates of deposit, reported at cost and STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2003.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2003 amounted to \$85,036, which includes \$5,905 assigned from other City funds.

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

Investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

G. Inventory

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

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, 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.

I. Capital Assets

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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

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

J. Interfund Balances

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

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

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the City's termination policy.

L. 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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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

M. Fund Balance Reserves and Designations

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, and loans receivable are recorded as a reservation of fund balance. The Capital Projects permanent improvement fund has a designation for improvements to roadways at railway crossings in the City.

N. Net Assets

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

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

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

P. Contributions of Capital

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

Q. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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.

R. Estimates

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

Note 3 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for 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/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

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 and Major Special Revenue Funds				
	General	Community Development Block Grant	Sanitation	Street Maintenance And Repair
GAAP Basis	(\$363,519)	(\$35,944)	\$34,607	\$134,188
Net Adjustment for Revenue Accruals	215,584	24,501	(5,641)	(15,544)
Net Adjustment for Expenditure Accruals	23,932	(41,883)	(8,156)	(21,062)
Encumbrances	(53,658)	(77,003)	(5,249)	(9,516)
Budget Basis	<u>(\$177,661)</u>	<u>(\$130,329)</u>	<u>\$15,561</u>	<u>\$88,066</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

Note 4 - Deposits and Investments

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

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

Inactive deposits are public deposits that Council has identified as not required for use within the current 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that instruments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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

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

Investments in stripped principal or interest obligations and reverse repurchase agreement and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand At year-end, the City had \$42,034 in undeposited cash on hand which is included on the balance sheet of the City as part of "equity in pooled cash and cash equivalents."

Deposits At year-end, the carrying amount of the City's deposits was \$4,277,435 and the bank balance was \$4,638,007. Of the bank balance:

\$400,000 was covered by federal depository insurance.

\$4,238,007 was uncollateralized and uninsured. Although the pledging banks have an investment and securities pool used to collateralize all public deposits which are held in the financial institutions' name, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$1,803,853	\$1,803,853	\$1,803,853
STAROhio		739,434	739,434
Total Investments	\$1,803,853	\$2,543,287	\$2,543,287

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$6,862,756	\$0
Investments:		
Repurchase Agreements	(1,803,853)	1,803,853
STAROhio	(739,434)	739,434
Unrecorded Cash	(42,034)	0
GASB Statement 3	\$4,277,435	\$2,543,287

Note 5 - Receivables

Receivables at December 31, 2003, 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 interest rate of 4.5 percent and is to be repaid over twenty years.

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

Special assessments expected to be collected in more than one year amount to \$338,442 in the Debt Service Fund. At December 31, 2003 the amount of delinquent special assessments was \$5,191.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) are for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes which became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory. The full tax rate for all City operations for the year ended

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

December 31, 2003, was \$12.61 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property	\$181,039,860
Public Utility Property	20,640,590
Tangible Personal Property	25,041,220
Total Valuation	<u>\$226,821,670</u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Ashtabula. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. In the general fund, debt service fund, permanent improvement fund, fire pension fund and police pension fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2003 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis it is deferred.

B. Income Taxes

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

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

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

In accordance with the City Charter, any income tax ordinance must be approved by a majority vote at a City election prior to the ordinance becoming effective. The current income tax levy has been renewed through December 2004.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government	\$803,666
Gasoline and Excise Tax	173,866
Homestead & Rollback Taxes	136,484
Permissive Tax	72,500
Fines & Forfeitures	36,512
Police Grants	18,504
Estate Tax	15,516
Workers' Compensation Grant	5,600
Liquor Licenses	3,857
Total	\$1,266,505

Note 6 - 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 2003, the City contracted with Clarendon National Insurance Company for various types of insurance as follows:

Type of Coverage	Coverage Amounts	Deductible
General Liability	\$2,000,000	\$0
Law Enforcement Liability	2,000,000	15,000
Business Auto - Comprehensive	1,000,000	500
Business Auto - Collision	Actual cash value	500
Public Officials Liability	2,000,000	25,000

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

The City provides hospital/medical, dental, drug and vision benefits for its employees through a self-insured program. A third party administrator processes and pays the claims. The City is paying self-insurance claims and administrative costs from its insurance internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$50,000 per employee. During 2003, a total of \$2,133,761 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$165,903, reported in the self insurance internal service fund at December 31, 2003, is based on the requirements of Governmental Accounting Standards Board Statement 30. Statement 30 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was determined by reviewing invoices for claims paid in January and February 2004 which were incurred in 2003.

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

actual claim costs for employees injured. Incurred but not reported claims of \$325,000 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2003 based on an estimate by the City Auditor.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2002	\$438,202	1,204,403	(1,136,926)	\$505,679
2003	505,679	1,184,787	(1,199,563)	490,903

Note 7 - Capital Assets

Capital asset activity for the year ended December 31, 2003, was as follows:

	Balance 12/31/2002	Additions	Deductions	Balance 12/31/2003
Governmental Activities				
Capital Assets, Non-depreciable:				
Land	\$1,878,340	\$0	\$0	\$1,878,340
Construction in Progress	253,870	152,387	(185,311)	220,946
Total Capital Assets, Non-depreciable	<u>2,132,210</u>	<u>152,387</u>	<u>(185,311)</u>	<u>2,099,286</u>
Capital Assets, Depreciable:				
Buildings and Improvements	10,048,000	70,593	0	10,118,593
Equipment	2,399,099	116,630	(28,923)	2,486,806
Vehicles	3,636,596	106,554	(15,742)	3,727,408
Furniture and Fixtures	50,263	1,715	0	51,978
Infrastructure				
Bridges	3,485,757	47,544	0	3,533,301
Roads	7,706,478	461,895	(49,801)	8,118,572
Storm Sewers	2,441,290	12,625	0	2,453,915
Traffic Lights	553,995	26,373	(49,674)	530,694
Total Capital Assets, Depreciable	<u>30,321,478</u>	<u>843,929</u>	<u>(144,140)</u>	<u>31,021,267</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,159,905)	(333,677)	0	(3,493,582)
Equipment	(1,783,419)	(203,802)	25,564	(1,961,657)
Vehicles	(2,605,325)	(271,180)	15,742	(2,860,763)
Furniture and Fixtures	(24,171)	(5,119)	0	(29,290)
Infrastructure				
Bridges	(1,442,892)	(35,633)	0	(1,478,525)
Roads	(5,069,838)	(464,804)	42,402	(5,492,240)
Storm Sewers	(981,270)	(24,742)	0	(1,006,012)
Traffic Lights	(67,651)	(5,793)	9,739	(63,705)
Total Accumulated Depreciation	<u>(15,134,471)</u>	<u>(1,344,750)*</u>	<u>93,447</u>	<u>(16,385,774)</u>
Total Capital Assets, Depreciable, Net	<u>15,187,007</u>	<u>(500,821)</u>	<u>(50,693)</u>	<u>14,635,493</u>
Government Activities Capital Assets, Net	<u>\$17,319,217</u>	<u>(\$348,434)</u>	<u>(\$236,004)</u>	<u>\$16,734,779</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

	Balance 12/31/2002	Additions	Deductions	Balance 12/31/2003
Business-Type Activities				
Capital Assets, Non-depreciable:				
Land	\$70,125	\$0	\$0	\$70,125
Construction in Progress	374,192	19,869	(36,850)	357,211
Total Capital Assets, Non-depreciable	<u>444,317</u>	<u>330,182</u>	<u>0</u>	<u>427,336</u>
Capital Assets, Depreciable:				
Buildings and Improvements	6,694,008	1,860	\$0	6,695,868
Equipment	1,507,883	26,293	(1,720)	1,532,456
Vehicles	520,776	0	0	520,776
Furniture and Fixtures	3,068	0	0	3,068
Infrastructure				
Sanitary Sewer System	<u>7,733,887</u>	<u>1,154,573</u>	<u>0</u>	<u>8,888,460</u>
Total Capital Assets, Depreciable	<u>16,459,622</u>	<u>1,182,726</u>	<u>(1,720)</u>	<u>17,640,628</u>
Less Accumulated Depreciation:				
Building and Improvements	(2,675,295)	(170,218)	0	(2,845,513)
Equipment	(1,090,547)	(72,927)	1,720	(1,161,754)
Vehicles	(484,073)	(20,836)	0	(504,909)
Furniture and Fixtures	(1,780)	(350)	0	(2,130)
Infrastructure				
Sanitary Sewer System	<u>(3,079,480)</u>	<u>(170,058)</u>	<u>0</u>	<u>(3,249,538)</u>
Total Accumulated Depreciation	<u>(7,331,175)</u>	<u>(434,389)</u>	<u>1,720</u>	<u>(7,763,844)</u>
Total Capital Assets, Depreciable, Net	<u>9,128,447</u>	<u>748,337</u>	<u>0</u>	<u>9,876,784</u>
Business-Type Activities Capital Assets, Net	<u>\$9,572,764</u>	<u>\$768,206</u>	<u>(\$36,850)</u>	<u>\$10,304,120</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$223,204
Judicial	75,058
Security of Persons and Property	
Police	162,123
Fire	104,632
Public Health Services	3,830
Street Maintenance and Repair	660,037
Housing and Community Development	2,452
Sanitation	64,173
Leisure Time Activities	49,241
	<u> </u>
Total Depreciation Expense	<u>\$1,344,750</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

Note 8 - Long-Term Debt

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

	Original Issue Date	Interest Rate	Original Issue Amount
Governmental Activities:			
General Obligation Debt Issues:			
Justice Center	1994	2.6 – 5.5%	\$3,560,000
Building Renovation	2001	4.71	750,000
Mareddy Estates	2002	3.93	150,000
Special Assessment Debt Issues:			
Main Avenue Widening	1985	9.375	255,000
OPWC Loan	2000	0.0	195,647
Business Type Activities:			
Wastewater Plant Renovation	1999	4.35	1,964,178

A schedule of changes in bonds and other long-term obligations of the City during 2003 follows:

	Principal Outstanding 12/31/2002	Additions	Deletions	Principal Outstanding 12/31/2003	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
2.6% - 5.5%					
Justice Center Bonds	\$2,335,000	\$0	\$1,165,000	\$1,170,000	\$170,000
General Obligation Bonds					
4.71%					
Building Renovation Bonds	561,293	0	142,950	418,343	149,683
General Obligation Bonds					
3.93%					
Mareddy Estates Bonds	150,000	0	19,032	130,968	19,780
Total General Obligation Bonds	3,046,293	0	1,326,982	1,719,311	339,463
Special Assessment Debt with Governmental Commitment					
9.375% Main Avenue Widening	40,000	0	10,000	30,000	10,000
OPWC Loan	171,192	0	14,674	156,518	4,891
Police and Fire Loan	472,929	481,610	472,929	481,610	90,256
Claims Payable	505,679	1,184,787	1,199,563	490,903	328,403
Judgments Payable	200,000	0	0	200,000	200,000
Compensated Absences	2,263,045	1,213,295	1,093,758	2,382,582	1,213,295
Capital Lease Obligation	9,021	0	4,484	4,537	2,879
<i>Total Governmental Activities</i>	<u>\$6,708,159</u>	<u>\$2,879,692</u>	<u>\$4,122,390</u>	<u>\$5,465,461</u>	<u>\$2,189,187</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

	Principal Outstanding 12/31/2002	Additions	Deletions	Principal Outstanding 12/31/2003	Amounts Due in One Year
Business Type Activities					
OWDA Loan					
4.35% Wastewater Plant Renovation	\$1,635,801	\$0	\$91,314	\$1,544,487	\$95,328
Compensated Absences	400,509	178,979	178,593	400,895	178,979
<i>Total Business Type Activities</i>	<u>\$2,036,310</u>	<u>\$178,979</u>	<u>\$269,907</u>	<u>\$1,945,382</u>	<u>\$274,307</u>

All bonds are secured by the full faith and credit of the City. General obligation bonds are to be repaid from general property taxes levied on all taxable property located within the City. During 2003 the City paid an additional one million dollars on its justice center bonds. The main avenue widening special assessment bonds and the OPWC loan are 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 amounts due the Ohio Water Development Authority are payable solely from sewer revenues. The judgment will be paid from the sanitation fund. The police and fire loan is paid from revenues of the general fund. Compensated absences will be paid from the general fund, the code enforcement, community development block grant, food service, sanitation, street maintenance and repair, walnut beach special revenue funds and wastewater treatment fund. Claims payable will be paid from the internal service funds (See Note 6). Capital leases are paid from the general fund and the community development block grant fund.

The City's overall legal debt margin was \$22,505,605 at December 31, 2003. Principal and interest requirements to retire OWDA loan, OPWC loan, general obligation bonds, special assessment bonds, and the police and fire pension loan payable at December 31, 2003, are as follows:

	OWDA Loan		OPWC Loan	General Obligation Bonds		Special Assessment Bonds		Police and Fire Pension Loan		Totals
	Principal	Interest		Principal	Interest	Principal	Interest	Principal	Interest	
2004	\$95,328	\$66,160	\$4,891	\$339,463	\$85,331	\$10,000	\$2,813	\$90,256	\$15,059	\$709,301
2005	99,520	61,968	9,783	357,290	69,344	10,000	1,875	93,531	11,784	715,095
2006	103,896	57,592	9,782	323,292	52,154	10,000	938	96,347	8,968	662,969
2007	108,465	53,023	9,782	222,205	36,352	0	0	99,248	6,067	535,142
2008	113,235	48,254	9,782	233,077	25,079	0	0	102,228	3,087	534,742
2009 - 2013	645,387	162,052	48,912	243,984	13,042	0	0	0	0	1,113,377
2014 - 2018	378,656	25,061	48,912	0	0	0	0	0	0	452,629
2019 - 2020	0	0	14,674	0	0	0	0	0	0	14,674
Total	<u>\$1,544,487</u>	<u>\$474,110</u>	<u>\$156,518</u>	<u>\$1,719,311</u>	<u>\$281,302</u>	<u>\$30,000</u>	<u>\$5,626</u>	<u>\$481,610</u>	<u>\$44,965</u>	<u>\$4,737,929</u>

Note 9 - Compensated Absences

All full-time employees of the City earn vacation and sick leave at varying rates depending on length of service. Vacation hours are earned in one year and credited to the employee the following January 1. Vacations must be taken in the year the hours are credited to the employees or paid upon separation from the

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

City. Sick leave is accrued at the rate of 1 1/4 days for each month of service for all full-time employees, except the fire department. The fire department is entitled to 14 hours per month for shift employees and 10 hours per month for "40 hour employees".

Each year the City determines whether a sick leave buy-out option will be offered to employees. This option with maximum buy-out of 160 hours per year allows employees to receive 100 percent payment for any sick leave balance in excess of 960 hours. This sick leave buy-out was not offered in 2003.

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

Note 10 - Leases

The City has three existing leases for copiers. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and have been recorded on the government-wide statements. The equipment has been capitalized in the amount of \$19,652. The book value is \$3,993. The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments is as follows:

Year ending December 31,	
2004	\$3,095
2005	1,085
2006	649
Total minimum lease payments	4,829
Less: Amount representing interest	(292)
Present value of minimum lease payments	\$4,537

Capital lease payments have been reclassified and are reflected as debt service in the fund financial statement for the general fund. These expenditures are reflected as program expenditures on a budgetary basis.

The City, as a lessor, has entered into an agreement leasing a building and accompanying land to Dairy Queen Inc., as well as thirteen and one half percent of an additional building to Keybank National Corporation. The lease with Keybank is for ten years with a five-year extension at Keybank's option. The following schedule provides an analysis of the leased property at December 31, 2003:

	Dairy Queen Incorporated	Keybank National Corporation
Land	\$3,415	\$0
Building	97,000	99,201
Leased property, total value	100,415	99,201
Less: Accumulated Depreciation	(26,941)	(6,835)
Leased property, net of depreciation	\$73,474	\$92,366

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2003:

Year ending December 31,	Dairy Queen Incorporated	Keybank National Corporation
2004	\$12,019	\$116,608
2005	12,380	131,153
2006	12,751	134,062
2007	13,134	134,062
2008	13,528	134,062
2009 - 2013	72,635	156,406
Total minimum lease payments	<u>\$136,447</u>	<u>\$806,353</u>

Note 11 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$367,832, \$362,437, and \$416,252 respectively; 88.84 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were twenty dollars made by the City and twelve dollars made by the plan members.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2003, 2002, and 2001 were \$456,559, \$421,604, and \$456,027 respectively, equal to the required contributions for each year. The full amount has been contributed for 2002 and 2001. 73.93 percent has been contributed for 2003 with the remainder being reported as a liability.

Note 12 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$258,464. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

In December 2001, the Board adopted the Health Care “Choices” Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year “cliff” eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund’s board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$147,047 for police and \$111,417 for firefighters. The OP&F’s total health care expense for the year ended December 31, 2002, (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

Note 13 - Contingent Liabilities

A. Litigation

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

B. 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
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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. In 2003, these contributions totaled \$13,350.

Note 15 – Contractual Commitments

At December 31, 2003 the City of Ashtabula had contractual commitments with Innovare Solutions for website design, new software for \$60,000, engineering services with CT Consultants for the West 24th Street bridge improvements for \$154,350, radio communications system with B & C Communications for \$73,748, engineering services with Burgess and Niple for the septage sewer station for \$20,900. Contractual commitments with CT Consultants for \$61,500 and United Survey for \$325,505 are both for the West 52nd Street Tributary sewer improvements.

Note 16 – Subsequent Event

The City placed the issue of amending and renewing the 1.8 percent income tax on the May 25, 2004 ballot. This issue passed and will generate the income to properly fund and operate the fire and police departments as well as provide for other operating expenses and capital improvement expenses; and will remain in effect through December 31, 2007.

Note 17 – Interfund Transfers

Interfund transfers for the year ended December 31, 2003, consisted of the following:

	Transfer From				Total
	General	Motor Vehicle License Tax	State Highway	Wastewater Treatment	
<u>Transfer to</u>					
Sanitation	\$175,000	0	0	0	\$175,000
Permanent Improvement	0	0	0	\$49,387	49,387
Code Enforcement	61,000	0	0	0	61,000
Food Service	38,500	0	0	0	38,500
Debt Service	3,000	0	0	0	3,000
Street Maintenance and Repair	415,994	\$46,000	\$28,000	0	489,994
Public Health Nursing	1,000	0	0	0	1,000
Fire Pension	20,000	0	0	0	20,000
Police Pension	57,000	0	0	0	57,000
Walnut Beach	40,000	0	0	0	40,000
	<u>\$811,494</u>	<u>\$46,000</u>	<u>\$28,000</u>	<u>\$49,387</u>	<u>\$934,881</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

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 or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer

Note 18 - Ashtabula Port Authority

A. Description of Reporting Entity

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

B. Summary of Significant Accounting Policies

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

1. Due to Primary Government

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

2. Property, Plant, Equipment and Depreciation

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

C. Restatement of Prior Year Net Assets

Intergovernmental receivables were understated by \$39,584 as of December 31, 2002. In correcting this, net assets increased from \$566,284 to \$605,868.

D. Deposits and Investments

The Ashtabula Port Authority follows the same statutory requirements for deposits and investments as the primary government (See Note 4).

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$197,372 and the bank balance was \$197,524. Federal Depository Insurance covered \$74,197 of the bank balance. \$25,803 was held in money market accounts with a brokerage house and was covered by Securities Investor Protection Corporation (SIPC) Insurance.

\$97,524 was uncollateralized and uninsured. Although the pledging banks have an investment and securities pool used to collateralize all public deposits which are held in the financial institutions' name, noncompliance with federal requirements could potentially subject the Port Authority to a successful claim by the FDIC.

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

E. Capital Assets

A summary of the Ashtabula Port Authority's capital assets at December 31, 2003 follows:

	Balance 12/31/2002	Additions	Deductions	Balance 12/31/2003
Governmental Activities				
Capital Assets, Non-depreciable:				
Land	\$306,885	\$0	\$0	\$306,885
Capital Assets, Depreciable:				
Improvements	384,118	100,057	0	484,175
Less Accumulated Depreciation:				
Improvements	(64,204)	(21,258)	0	(85,462)
Total Assets, Depreciable, net	319,914	78,799	0	398,713
Governmental Activities Capital Assets, Net	<u>\$626,799</u>	<u>\$78,799</u>	<u>\$0</u>	<u>\$705,598</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2003

F. Long-term Debt

The City has loaned the Ashtabula Port Authority money in the amount of \$150,000. As of December 31, 2003, \$21,677 of this loan has been repaid leaving a balance of \$128,323. The following is a repayment schedule for the loan:

<u>Year Ending December 31</u>	<u>Amount</u>
2004	\$11,387
2005	11,388
2006	11,387
2007	11,388
2008	11,388
2009 – 2013	56,938
2014 – 2018	56,938
2019	8,539
	<hr/>
Less amount representing interest	(51,030)
Total principal balance	<hr/> <u>\$128,323</u>

Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds

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

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

Nonmajor Capital Projects Fund

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

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

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Assets				
Equity in Pooled Cash and Cash Equivalents	\$85,378	\$182,256	\$8,363	\$39,368
Receivables:				
Taxes	0	307,606	0	0
Accounts	0	0	0	0
Due from Other Governments	0	15,069	0	290
Materials and Supplies Inventory	836	0	0	0
<i>Total Assets</i>	<u>\$86,214</u>	<u>\$504,931</u>	<u>\$8,363</u>	<u>\$39,658</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	1,238	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	322,675	0	0
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>322,675</u>	<u>1,238</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	2,500	94,928	466	0
Reserved for Inventory	836	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	82,878	87,328	6,659	39,658
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>86,214</u>	<u>182,256</u>	<u>7,125</u>	<u>39,658</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$86,214</u>	<u>\$504,931</u>	<u>\$8,363</u>	<u>\$39,658</u>

(continued)

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2003

	Law Enforcement Trust	Marina	Motor Vehicle License Tax	Municipal Probation Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$843	\$4,250	\$7,791	\$63,956
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Due from Other Governments	0	0	25,000	2,121
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$843</u>	<u>\$4,250</u>	<u>\$32,791</u>	<u>\$66,077</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	0	21,837	0
Deposits Held and Due to Others	0	0	0	2,977
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>21,837</u>	<u>2,977</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Reserved for Inventory	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	843	4,250	10,954	63,100
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>843</u>	<u>4,250</u>	<u>10,954</u>	<u>63,100</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$843</u>	<u>\$4,250</u>	<u>\$32,791</u>	<u>\$66,077</u>

Police Pension	Public Health Nursing	State Highway	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
\$197,421	\$3,376	\$10,178	\$2,290	\$605,470	\$11	\$605,481
307,606	0	0	0	615,212	0	615,212
0	0	0	0	0	0	0
15,069	0	13,040	0	70,589	0	70,589
0	0	0	0	836	0	836
<u>\$520,096</u>	<u>\$3,376</u>	<u>\$23,218</u>	<u>\$2,290</u>	<u>\$1,292,107</u>	<u>\$11</u>	<u>\$1,292,118</u>
\$0	\$283	\$0	\$0	\$283	\$0	\$283
0	0	0	0	1,238	0	1,238
0	0	0	0	0	0	0
322,675	0	9,963	0	677,150	0	677,150
0	0	0	0	2,977	0	2,977
<u>322,675</u>	<u>283</u>	<u>9,963</u>	<u>0</u>	<u>681,648</u>	<u>0</u>	<u>681,648</u>
120,958	17	0	0	218,869	0	218,869
0	0	0	0	836	0	836
76,463	3,076	13,255	2,290	390,754	0	390,754
0	0	0	0	0	11	11
<u>197,421</u>	<u>3,093</u>	<u>13,255</u>	<u>2,290</u>	<u>610,459</u>	<u>11</u>	<u>610,470</u>
<u>\$520,096</u>	<u>\$3,376</u>	<u>\$23,218</u>	<u>\$2,290</u>	<u>\$1,292,107</u>	<u>\$11</u>	<u>\$1,292,118</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2003

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Revenues				
Property and Other Taxes	\$0	\$261,506	\$0	\$0
Charges for Services	8,613	0	0	0
Licenses and Permits	67,712	0	41,653	0
Fines and Forfeitures	0	0	0	19,775
Intergovernmental	0	34,757	0	0
Interest	1,636	0	0	0
<i>Total Revenues</i>	<u>77,961</u>	<u>296,263</u>	<u>41,653</u>	<u>19,775</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	28,246
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	351,348	0	0
Public Health Services	0	0	75,790	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	181,385	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	827	0	0	0
Interest and Fiscal Charges	184	0	0	0
<i>Total Expenditures</i>	<u>182,396</u>	<u>351,348</u>	<u>75,790</u>	<u>28,246</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(104,435)</u>	<u>(55,085)</u>	<u>(34,137)</u>	<u>(8,471)</u>
Other Financing Sources (Uses)				
Transfers In	61,000	20,000	38,500	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>61,000</u>	<u>20,000</u>	<u>38,500</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(43,435)	(35,085)	4,363	(8,471)
<i>Fund Balances (Deficit) Beginning of Year</i>	129,173	217,341	2,762	48,129
Increase in Reserve for Inventory	476	0	0	0
<i>Fund Balances End of Year</i>	<u>\$86,214</u>	<u>\$182,256</u>	<u>\$7,125</u>	<u>\$39,658</u>

Law Enforcement Trust	Marina	Motor Vehicle License Tax	Municipal Probation Services	Police Pension	Public Health Nursing	State Highway
\$0	\$0	\$0	\$0	\$261,506	\$0	\$0
0	0	0	0	0	24,284	0
0	13,650	0	0	0	0	0
3,967	0	0	33,235	0	0	0
0	0	46,451	0	34,757	0	45,772
0	0	0	0	0	0	2,425
<u>3,967</u>	<u>13,650</u>	<u>46,451</u>	<u>33,235</u>	<u>296,263</u>	<u>24,284</u>	<u>48,197</u>
0	0	0	27,346	0	0	0
3,124	0	0	0	378,362	0	0
0	0	0	0	0	0	0
0	0	0	0	0	33,743	0
0	0	0	0	0	0	14,134
0	0	0	0	0	0	0
0	13,350	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>3,124</u>	<u>13,350</u>	<u>0</u>	<u>27,346</u>	<u>378,362</u>	<u>33,743</u>	<u>14,134</u>
<u>843</u>	<u>300</u>	<u>46,451</u>	<u>5,889</u>	<u>(82,099)</u>	<u>(9,459)</u>	<u>34,063</u>
0	0	0	0	57,000	1,000	0
0	0	(46,000)	0	0	0	(28,000)
<u>0</u>	<u>0</u>	<u>(46,000)</u>	<u>0</u>	<u>57,000</u>	<u>1,000</u>	<u>(28,000)</u>
843	300	451	5,889	(25,099)	(8,459)	6,063
0	3,950	10,503	57,211	222,520	11,552	7,192
0	0	0	0	0	0	0
<u>\$843</u>	<u>\$4,250</u>	<u>\$10,954</u>	<u>\$63,100</u>	<u>\$197,421</u>	<u>\$3,093</u>	<u>\$13,255</u>

(continued)

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
For the Year Ended December 31, 2003

	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property and Other Taxes	\$0	\$523,012	\$0	\$523,012
Charges for Services	0	32,897	0	32,897
Licenses and Permits	0	123,015	0	123,015
Fines and Forfeitures	0	56,977	0	56,977
Intergovernmental	0	161,737	0	161,737
Interest	0	4,061	0	4,061
<i>Total Revenues</i>	<u>0</u>	<u>901,699</u>	<u>0</u>	<u>901,699</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	55,592	0	55,592
Security of Persons and Property:				
Police	0	381,486	0	381,486
Fire	0	351,348	0	351,348
Public Health Services	0	109,533	0	109,533
Street Maintenance and Repairs	0	14,134	0	14,134
Housing and Community Development	0	181,385	0	181,385
Leisure Time Activities	37,145	50,495	0	50,495
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	827	0	827
Interest and Fiscal Charges	0	184	0	184
<i>Total Expenditures</i>	<u>37,145</u>	<u>1,144,984</u>	<u>0</u>	<u>1,144,984</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(37,145)</u>	<u>(243,285)</u>	<u>0</u>	<u>(243,285)</u>
Other Financing Sources (Uses)				
Transfers In	40,000	217,500	0	217,500
Transfers Out	0	(74,000)	0	(74,000)
<i>Total Other Financing Sources and Uses</i>	<u>40,000</u>	<u>143,500</u>	<u>0</u>	<u>143,500</u>
<i>Net Change in Fund Balances</i>	2,855	(99,785)	0	(99,785)
<i>Fund Balances (Deficit) Beginning of Year</i>	(565)	709,768	11	709,779
Increase in Reserve for Inventory	0	476	0	476
<i>Fund Balances End of Year</i>	<u>\$2,290</u>	<u>\$610,459</u>	<u>\$11</u>	<u>\$610,470</u>

Combining Statements - Internal Service Funds

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

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

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

City of Ashtabula, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2003

	Self Insurance	Workers' Compensation	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$900,914	\$2,341,500	\$3,242,414
Due from Other Governments	0	5,600	5,600
<i>Total Assets</i>	<u>900,914</u>	<u>2,347,100</u>	<u>3,248,014</u>
Liabilities and Fund Balances			
Liabilities			
Due to Other Governments	0	184,176	184,176
Claims Payable	165,903	162,500	328,403
<i>Total Current Liabilities</i>	165,903	346,676	512,579
Long-Term Liabilities:			
Claims Payable	0	162,500	162,500
<i>Total Liabilities</i>	<u>165,903</u>	<u>509,176</u>	<u>675,079</u>
Net Assets			
Unrestricted	735,011	1,837,924	2,572,935
<i>Total Net Assets</i>	<u>\$735,011</u>	<u>\$1,837,924</u>	<u>\$2,572,935</u>

City of Ashtabula, Ohio
*Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2003*

	Self Insurance	Workers' Compensation	Total
Revenues			
Charges for Services	\$2,033,367	\$105,600	\$2,138,967
Operating Expenses			
Contractual Services	1,102,705	91,263	1,193,968
Claims	1,031,056	153,731	1,184,787
<i>Total Operating Expenses</i>	2,133,761	244,994	2,378,755
<i>Change in Net Assets</i>	(100,394)	(139,394)	(239,788)
<i>Net Assets Beginning of Year</i>	835,405	1,977,318	2,812,723
<i>Net Assets End of Year</i>	\$735,011	\$1,837,924	\$2,572,935

City of Ashtabula, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2003

	Self Insurance	Workers' Compensation	Total
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Other Funds	\$2,033,367	\$100,000	\$2,133,367
Cash Payments to Suppliers for Goods and Services	(1,103,207)	(22,904)	(1,126,111)
Cash Payments for Claims	(1,045,832)	(153,731)	(1,199,563)
<i>Net Decrease In Cash and Cash Equivalents</i>	(115,672)	(76,635)	(192,307)
<i>Cash and Cash Equivalents Beginning of Year</i>	1,016,586	2,418,135	3,434,721
<i>Cash and Cash Equivalents End of Year</i>	\$900,914	\$2,341,500	\$3,242,414
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
<i>Operating Loss</i>	(\$100,394)	(\$139,394)	(\$239,788)
(Increase) Decrease in Assets:			
Due from Other Governments	0	(5,600)	(5,600)
Increase (Decrease) in Liabilities:			
Contracts Payable	(502)	0	(502)
Due to Other Governments	0	68,359	68,359
Claims Payable	(14,776)	0	(14,776)
<i>Net Cash Used for Operating Activities</i>	(\$115,672)	(\$76,635)	(\$192,307)

Combining Statement - Agency Funds

To account for assets held by the City as an agent for individuals, other governmental units and/or other funds. These funds are custodial in nature and do not involve measurement 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 Fund – To accumulate monies collected from state patrol fines that are then distributed to the County law library.

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.

City of Ashtabula, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2003

	Balance 1/1/2003	Additions	Reductions	Balance 12/31/2003
<i>Fire Deposits</i>				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$60,697	\$64,540	\$82,145	\$43,092
Liabilities				
Deposits Held and Due to Others	\$60,697	\$64,540	\$82,145	\$43,092
<i>Law Library</i>				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$3,028	\$48,081	\$43,769	\$7,340
Liabilities				
Due to Other Governments	\$3,028	\$48,081	\$43,769	\$7,340
<i>Street Deposits</i>				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$555	\$0	\$0	\$555
Liabilities				
Deposits Held and Due to Others	\$555	\$0	\$0	\$555
<i>Total Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$64,280	\$112,621	\$125,914	\$50,987
Liabilities				
Due to Other Governments	\$3,028	\$48,081	\$43,769	\$7,340
Deposits Held and Due to Others	61,252	64,540	82,145	43,647
<i>Total Liabilities</i>	\$64,280	\$112,621	\$125,914	\$50,987

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

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$1,123,000	\$1,123,000	\$1,116,046	(\$6,954)
Municipal Income Tax	5,300,000	5,306,000	5,319,712	13,712
Charges for Services	53,400	53,400	57,975	4,575
Licenses and Permits	47,800	47,800	45,737	(2,063)
Fines and Forfeitures	574,300	574,300	593,993	19,693
Intergovernmental	2,024,146	2,024,146	2,027,657	3,511
Interest	132,500	132,500	85,036	(47,464)
Rentals	73,200	73,200	68,975	(4,225)
Other	210,534	210,534	211,168	634
<i>Total Revenues</i>	<u>9,538,880</u>	<u>9,544,880</u>	<u>9,526,299</u>	<u>(18,581)</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	150,394	143,059	142,243	816
Materials and Supplies	14,773	13,773	13,574	199
Contractual Services	3,500	2,000	1,870	130
Total Council	<u>168,667</u>	<u>158,832</u>	<u>157,687</u>	<u>1,145</u>
Administration:				
Personal Services	120,336	121,826	121,626	200
Materials and Supplies	7,000	7,000	6,561	439
Contractual Services	2,000	2,000	1,040	960
Total Administration	<u>129,336</u>	<u>130,826</u>	<u>129,227</u>	<u>1,599</u>
Auditor:				
Personal Services	225,147	221,201	219,882	1,319
Materials and Supplies	18,000	14,500	13,996	504
Contractual Services	4,500	2,700	2,675	25
Total Auditor	<u>247,647</u>	<u>238,401</u>	<u>236,553</u>	<u>1,848</u>
Treasurer:				
Personal Services	54,429	53,308	52,246	1,062
Materials and Supplies	3,600	3,600	3,375	225
Total Treasurer	<u>\$58,029</u>	<u>\$56,908</u>	<u>\$55,621</u>	<u>\$1,287</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, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
City Income Tax:				
Personal Services	\$157,437	\$158,495	\$158,189	\$306
Materials and Supplies	15,500	15,500	15,129	371
Total City Income Tax	<u>172,937</u>	<u>173,995</u>	<u>173,318</u>	<u>677</u>
Solicitor:				
Personal Services	215,706	212,819	211,776	1,043
Materials and Supplies	7,200	8,200	7,616	584
Total Solicitor	<u>222,906</u>	<u>221,019</u>	<u>219,392</u>	<u>1,627</u>
Motor Maintenance:				
Personal Services	165,714	166,606	166,211	395
Materials and Supplies	128,000	128,000	121,040	6,960
Total Motor Maintenance	<u>293,714</u>	<u>294,606</u>	<u>287,251</u>	<u>7,355</u>
Engineering:				
Personal Services	165,468	165,581	165,132	449
Materials and Supplies	9,800	11,800	11,595	205
Contractual Services	1,000	1,000	0	1,000
Total Engineering	<u>176,268</u>	<u>178,381</u>	<u>176,727</u>	<u>1,654</u>
Affirmative Action:				
Personal Services	1,742	1,823	1,819	4
Materials and Supplies	200	200	73	127
Total Affirmative Action	<u>1,942</u>	<u>2,023</u>	<u>1,892</u>	<u>131</u>
County Auditor Deductions:				
Contractual Services	147,300	142,300	140,012	2,288
General Services:				
Street and Viaduct Lighting	367,200	360,000	359,955	45
Legal Advertising	5,000	3,200	3,102	98
Photocopy Machine	6,000	1,985	1,984	1
Bus Subsidy	31,000	30,000	30,000	0
Indigent Burials	3,000	3,000	3,000	0
Settlement of Claims	8,000	10,470	7,920	2,550
Membership Fees	9,700	9,230	6,500	2,730
Bank Fees	7,500	7,800	7,694	106
Total General Services	<u>\$437,400</u>	<u>\$425,685</u>	<u>\$420,155</u>	<u>\$5,530</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, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Civil Service:				
Personal Services	\$7,832	\$8,352	\$8,290	\$62
Materials and Supplies	8,960	8,960	8,954	6
Total Civil Service	<u>16,792</u>	<u>17,312</u>	<u>17,244</u>	<u>68</u>
Lands and Buildings:				
Personal Services	162,386	160,638	160,024	614
Materials and Supplies	74,008	70,808	69,004	1,804
Contractual Services	309,685	289,685	281,196	8,489
Total Lands and Buildings	<u>546,079</u>	<u>521,131</u>	<u>510,224</u>	<u>10,907</u>
Systems Analyst:				
Personal Services	65,912	65,379	65,282	97
Materials and Supplies	4,450	4,450	4,342	108
Total Systems Analyst	<u>70,362</u>	<u>69,829</u>	<u>69,624</u>	<u>205</u>
Water Pollution:				
Personal Services	2,391	2,168	2,162	6
Total Legislative and Executive	<u>2,691,770</u>	<u>2,633,416</u>	<u>2,597,089</u>	<u>36,327</u>
Judicial System:				
Municipal Court/Probation:				
Personal Services	741,991	719,532	717,642	1,890
Materials and Supplies	69,017	69,017	68,544	473
Contractual Services	9,804	10,404	9,954	450
Total Judicial System	<u>820,812</u>	<u>798,953</u>	<u>796,140</u>	<u>2,813</u>
Total General Government	<u>3,512,582</u>	<u>3,432,369</u>	<u>3,393,229</u>	<u>39,140</u>
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,839,296	2,745,579	2,736,459	9,120
Materials and Supplies	229,629	338,689	331,938	6,751
Contractual Services	51,500	52,440	52,293	147
Total Police	<u>\$3,120,425</u>	<u>\$3,136,708</u>	<u>\$3,120,690</u>	<u>\$16,018</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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fire:				
Fire Prevention:				
Personal Services	\$2,062,137	\$2,048,745	\$2,042,850	\$5,895
Materials and Supplies	45,810	53,060	52,912	148
Contractual Services	54,500	47,300	46,983	317
Total Fire	<u>2,162,447</u>	<u>2,149,105</u>	<u>2,142,745</u>	<u>6,360</u>
Total Security of Persons and Property	<u>5,282,872</u>	<u>5,285,813</u>	<u>5,263,435</u>	<u>22,378</u>
Public Health Services:				
Health:				
Personal Services	123,425	143,615	143,209	406
Materials and Supplies	4,000	4,000	3,951	49
Contractual Services	17,500	20,265	19,257	1,008
Total Public Health Services	<u>144,925</u>	<u>167,880</u>	<u>166,417</u>	<u>1,463</u>
Street Maintenance and Repairs:				
Street:				
Personal Services	1,940	1,761	1,755	6
Housing and Community Development:				
Housing Inspection:				
Personal Services	59,516	53,158	44,450	8,708
Sanitation Services:				
Sanitation:				
Personal Services	1,584	1,438	1,433	5
Leisure Time Activities:				
Recreation:				
Personal Services	125	125	125	0
Materials and Supplies	17,500	17,500	17,500	0
Total Leisure Time Activities	<u>\$17,625</u>	<u>\$17,625</u>	<u>\$17,625</u>	<u>\$0</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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal Retirement	\$83,809	\$3,657	\$3,657	\$0
Interest and Fiscal Charges	31,307	465	465	0
<i>Total Expenditures</i>	<u>9,136,160</u>	<u>8,964,166</u>	<u>8,892,466</u>	<u>71,700</u>
<i>Excess of Revenues Over Expenditures</i>	402,720	580,714	633,833	53,119
Other Financing Uses				
Transfers Out	<u>(483,500)</u>	<u>(811,494)</u>	<u>(811,494)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(80,780)	(230,780)	(177,661)	53,119
<i>Fund Balance Beginning of Year</i>	353,482	353,482	353,482	0
Prior Year Encumbrances Appropriated	<u>80,780</u>	<u>80,780</u>	<u>80,780</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$353,482</u>	<u>\$203,482</u>	<u>\$256,601</u>	<u>\$53,119</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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$1,399,530	\$1,399,530	\$741,953	(\$657,577)
Interest	4,000	4,000	5,468	1,468
<i>Total Revenues</i>	<u>1,403,530</u>	<u>1,403,530</u>	<u>747,421</u>	<u>(656,109)</u>
Expenditures				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Personal Services	259,760	260,760	112,498	148,262
Materials and Supplies	32,340	32,340	27,340	5,000
Contractual Services	1,115,129	1,114,129	737,912	376,217
<i>Total Expenditures</i>	<u>1,407,229</u>	<u>1,407,229</u>	<u>877,750</u>	<u>529,479</u>
<i>Net Change in Fund Balance</i>	(3,699)	(3,699)	(130,329)	(126,630)
<i>Fund Balance Beginning of Year</i>	477,356	477,356	477,356	0
Prior Year Encumbrances Appropriated	<u>3,699</u>	<u>3,699</u>	<u>3,699</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$477,356</u>	<u>\$477,356</u>	<u>\$350,726</u>	<u>(\$126,630)</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitation Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,245,000	\$1,245,000	\$1,119,409	(\$125,591)
Intergovernmental	45,000	45,000	36,781	(8,219)
Other	2,500	2,500	5,993	3,493
<i>Total Revenues</i>	<u>1,292,500</u>	<u>1,292,500</u>	<u>1,162,183</u>	<u>(130,317)</u>
Expenditures				
Current:				
Sanitation Services:				
Sanitation:				
Personal Services	848,419	839,419	799,904	39,515
Materials and Supplies	96,000	96,000	73,021	22,979
Contractual Services	424,000	457,000	448,697	8,303
<i>Total Expenditures</i>	<u>1,368,419</u>	<u>1,392,419</u>	<u>1,321,622</u>	<u>70,797</u>
<i>Excess of Revenues Under Expenditures</i>	(75,919)	(99,919)	(159,439)	(59,520)
Other Financing Sources				
Transfers In	60,000	60,000	175,000	115,000
<i>Net Change in Fund Balance</i>	(15,919)	(39,919)	15,561	55,480
<i>Fund Balance Beginning of Year</i>	224,032	224,032	224,032	0
Prior Year Encumbrances Appropriated	15,919	15,919	15,919	0
<i>Fund Balance End of Year</i>	<u>\$224,032</u>	<u>\$200,032</u>	<u>\$255,512</u>	<u>\$55,480</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$25,000	\$25,000	\$4,188	(\$20,812)
Intergovernmental	697,000	697,000	645,281	(51,719)
Interest	35,000	35,000	34,236	(764)
<i>Total Revenues</i>	757,000	757,000	683,705	(73,295)
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	850,593	845,593	815,709	29,884
Materials and Supplies	252,701	302,701	242,415	60,286
Contractual Services	24,500	29,500	27,509	1,991
<i>Total Expenditures</i>	1,127,794	1,177,794	1,085,633	92,161
<i>Excess of Revenues Under Expenditures</i>	(370,794)	(420,794)	(401,928)	18,866
Other Financing Sources				
Transfers In	327,500	427,500	489,994	62,494
<i>Net Change in Fund Balance</i>	(43,294)	6,706	88,066	81,360
<i>Fund Balance Beginning of Year</i>	97,815	97,815	97,815	0
Prior Year Encumbrances Appropriated	43,294	43,294	43,294	0
<i>Fund Balance End of Year</i>	\$97,815	\$147,815	\$229,175	\$81,360

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$443,500	\$443,500	\$462,664	\$19,164
Intergovernmental	1,052,500	1,052,500	54,927	(997,573)
Special Assessments	25,400	25,400	22,493	(2,907)
<i>Total Revenues</i>	<u>1,521,400</u>	<u>1,521,400</u>	<u>540,084</u>	<u>(981,316)</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Materials and Supplies	1,850	1,850	700	1,150
Contractual Services	10,300	10,300	9,967	333
Total General Government	12,150	12,150	10,667	1,483
Debt Service:				
Principal Retirement	1,197,000	1,216,300	1,208,705	7,595
Interest and Fiscal Charges	138,750	139,450	132,486	6,964
<i>Total Expenditures</i>	<u>1,347,900</u>	<u>1,367,900</u>	<u>1,351,858</u>	<u>16,042</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	173,500	153,500	(811,774)	(965,274)
Other Financing Sources				
Transfers In	0	0	3,000	3,000
<i>Net Change in Fund Balance</i>	173,500	153,500	(808,774)	(962,274)
<i>Fund Balance Beginning of Year</i>	<u>1,217,415</u>	<u>1,217,415</u>	<u>1,217,415</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,390,915</u></u>	<u><u>\$1,370,915</u></u>	<u><u>\$408,641</u></u>	<u><u>(\$962,274)</u></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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$376,000	\$376,000	\$402,562	\$26,562
Municipal Income Tax	525,000	525,000	594,588	69,588
Fines and Forfeitures	12,000	12,000	29,290	17,290
Intergovernmental	242,500	242,500	65,943	(176,557)
Rentals	58,200	58,200	58,304	104
Other	0	0	24,000	24,000
<i>Total Revenues</i>	<u>1,213,700</u>	<u>1,213,700</u>	<u>1,174,687</u>	<u>(39,013)</u>
Expenditures				
Capital Outlay:				
Materials and Supplies	215,972	215,972	114,738	101,234
Contractual Services	132,674	87,174	86,971	203
Capital Outlay	<u>1,016,524</u>	<u>1,062,024</u>	<u>801,486</u>	<u>260,538</u>
Total Capital Outlay	1,365,170	1,365,170	1,003,195	361,975
Debt Service:				
Principal Retirement	145,000	145,000	142,950	2,050
Interest and Fiscal Charges	<u>30,000</u>	<u>30,000</u>	<u>26,490</u>	<u>3,510</u>
<i>Total Expenditures</i>	<u>1,540,170</u>	<u>1,540,170</u>	<u>1,172,635</u>	<u>367,535</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(326,470)	(326,470)	2,052	328,522
Other Financing Sources				
Transfers In	<u>55,000</u>	<u>55,000</u>	<u>49,387</u>	<u>(5,613)</u>
<i>Net Change in Fund Balance</i>	(271,470)	(271,470)	51,439	322,909
<i>Fund Balance Beginning of Year</i>	397,627	397,627	397,627	0
Prior Year Encumbrances Appropriated	<u>271,470</u>	<u>271,470</u>	<u>271,470</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$397,627</u></u>	<u><u>\$397,627</u></u>	<u><u>\$720,536</u></u>	<u><u>\$322,909</u></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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,024,175	\$3,024,175	\$2,742,147	(\$282,028)
Tap-In Fees	202,600	202,600	308,075	105,475
<i>Total Revenues</i>	<u>3,226,775</u>	<u>3,226,775</u>	<u>3,050,222</u>	<u>(176,553)</u>
Expenses				
Personal Services	2,020,215	2,010,615	1,872,294	138,321
Contractual Services	500,335	552,335	545,683	6,652
Materials and Supplies	249,500	264,500	227,717	36,783
Capital Outlay	356,772	299,372	248,562	50,810
Debt Service:				
Principal Retirement	91,315	91,315	91,314	1
Interest and Fiscal Charges	70,176	70,176	70,174	2
<i>Total Expenses</i>	<u>3,288,313</u>	<u>3,288,313</u>	<u>3,055,744</u>	<u>232,569</u>
<i>Excess of Revenues Under Expenses</i>	(61,538)	(61,538)	(5,522)	56,016
Transfers Out	<u>(87,000)</u>	<u>(87,000)</u>	<u>(49,387)</u>	<u>37,613</u>
<i>Net Change in Fund Equity</i>	(148,538)	(148,538)	(54,909)	93,629
<i>Fund Equity Beginning of Year</i>	242,334	242,334	242,334	0
Prior Year Encumbrances Appropriated	<u>148,538</u>	<u>148,538</u>	<u>148,538</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$242,334</u>	<u>\$242,334</u>	<u>\$335,963</u>	<u>\$93,629</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$0	\$8,613	\$8,613
Licenses and Permits	197,000	197,000	67,712	(129,288)
Interest	2,000	2,000	1,636	(364)
<i>Total Revenues</i>	199,000	199,000	77,961	(121,039)
Expenditures				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	134,000	149,000	139,335	9,665
Materials and Supplies	38,881	38,881	9,727	29,154
Contractual Services	86,108	71,108	35,005	36,103
Total Housing and Community Development	258,989	258,989	184,067	74,922
Debt Service:				
Principal Retirement	827	827	827	0
Interest and Fiscal Charges	184	184	184	0
Total Debt Service	1,011	1,011	1,011	0
<i>Total Expenditures</i>	260,000	260,000	185,078	74,922
<i>Excess of Revenues Under Expenditures</i>	(61,000)	(61,000)	(107,117)	(46,117)
Other Financing Sources				
Transfers In	61,000	61,000	61,000	0
<i>Net Change in Fund Balance</i>	0	0	(46,117)	(46,117)
<i>Fund Balance Beginning of Year</i>	128,995	128,995	128,995	0
<i>Fund Balance End of Year</i>	\$128,995	\$128,995	\$82,878	(\$46,117)

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, 2003

	<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	\$242,500	\$242,500	\$261,506	\$19,006
Intergovernmental	93,200	93,200	34,757	(58,443)
<i>Total Revenues</i>	<u>335,700</u>	<u>335,700</u>	<u>296,263</u>	<u>(39,437)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	418,500	418,500	418,499	1
Contractual Services	6,000	6,000	5,059	941
<i>Total Expenditures</i>	<u>424,500</u>	<u>424,500</u>	<u>423,558</u>	<u>942</u>
<i>Excess of Revenues Under Expenditures</i>	(88,800)	(88,800)	(127,295)	(38,495)
Other Financing Sources				
Transfers In	20,000	20,000	20,000	0
<i>Net Change in Fund Balance</i>	(68,800)	(68,800)	(107,295)	(38,495)
<i>Fund Balance Beginning of Year</i>	148,541	148,541	148,541	0
Prior Year Encumbrances Appropriated	68,800	68,800	68,800	0
<i>Fund Balance End of Year</i>	<u>\$148,541</u>	<u>\$148,541</u>	<u>\$110,046</u>	<u>(\$38,495)</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits	\$42,600	\$42,600	\$41,653	(\$947)
Expenditures				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	66,481	69,638	67,344	2,294
Materials and Supplies	4,200	4,200	4,130	70
Contractual Services	5,625	5,125	4,645	480
<i>Total Expenditures</i>	76,306	78,963	76,119	2,844
<i>Excess of Revenues Under Expenditures</i>	(33,706)	(36,363)	(34,466)	1,897
Other Financing Sources				
Transfers In	32,500	32,500	38,500	6,000
<i>Net Change in Fund Balance</i>	(1,206)	(3,863)	4,034	7,897
<i>Fund Balance Beginning of Year</i>	2,657	2,657	2,657	0
Prior Year Encumbrances Appropriated	1,206	1,206	1,206	0
<i>Fund Balance End of Year</i>	\$2,657	\$0	\$7,897	\$7,897

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, 2003

	<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	\$39,000	\$39,000	\$19,975	(\$19,025)
Expenditures				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	39,000	39,000	28,246	10,754
<i>Net Change in Fund Balance</i>	0	0	(8,271)	(8,271)
<i>Fund Balance Beginning of Year</i>	47,639	47,639	47,639	0
<i>Fund Balance End of Year</i>	<u>\$47,639</u>	<u>\$47,639</u>	<u>\$39,368</u>	<u>(\$8,271)</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$50,000	\$50,000	\$3,967	(\$46,033)
Expenditures				
Current:				
Security of Persons and Property				
Law Enforcement Trust:				
Materials and Supplies	50,000	50,000	3,124	46,876
<i>Net Change in Fund Balance</i>	0	0	843	843
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$843</u>	<u>\$843</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Marina Fund
For the Year Ended December 31, 2003

	<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	<u>\$14,000</u>	<u>\$14,000</u>	<u>\$13,650</u>	<u>(\$350)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Marina:				
Materials and Supplies	200	200	0	200
Contractual Services	<u>13,800</u>	<u>13,800</u>	<u>13,350</u>	<u>450</u>
<i>Total Expenditures</i>	<u>14,000</u>	<u>14,000</u>	<u>13,350</u>	<u>650</u>
<i>Net Change in Fund Balance</i>	0	0	300	300
<i>Fund Balance Beginning of Year</i>	<u>3,950</u>	<u>3,950</u>	<u>3,950</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,950</u></u>	<u><u>\$3,950</u></u>	<u><u>\$4,250</u></u>	<u><u>\$300</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$55,000	\$55,000	\$46,364	(\$8,636)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	55,000	55,000	46,364	(8,636)
Other Financing Uses				
Transfers Out	<u>(55,000)</u>	<u>(55,000)</u>	<u>(46,000)</u>	<u>9,000</u>
<i>Net Change in Fund Balance</i>	0	0	364	364
<i>Fund Balance Beginning of Year</i>	<u>7,427</u>	<u>7,427</u>	<u>7,427</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,427</u></u>	<u><u>\$7,427</u></u>	<u><u>\$7,791</u></u>	<u><u>\$364</u></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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$40,000	\$40,000	\$33,009	(\$6,991)
Expenditures				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Materials and Supplies	40,000	40,000	27,346	12,654
<i>Net Change in Fund Balance</i>	0	0	5,663	5,663
<i>Fund Balance Beginning of Year</i>	55,316	55,316	55,316	0
<i>Fund Balance End of Year</i>	<u>\$55,316</u>	<u>\$55,316</u>	<u>\$60,979</u>	<u>\$5,663</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$242,500	\$242,500	\$261,506	\$19,006
Intergovernmental	118,200	118,200	34,757	(83,443)
<i>Total Revenues</i>	360,700	360,700	296,263	(64,437)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	480,109	480,109	459,341	20,768
Contractual Services	6,000	6,000	5,059	941
<i>Total Expenditures</i>	486,109	486,109	464,400	21,709
<i>Excess of Revenues Under Expenditures</i>	(125,409)	(125,409)	(168,137)	(42,728)
Other Financing Sources				
Transfers In	50,000	50,000	57,000	7,000
<i>Net Change in Fund Balance</i>	(75,409)	(75,409)	(111,137)	(35,728)
<i>Fund Balance Beginning of Year</i>	147,111	147,111	147,111	0
Prior Year Encumbrances Appropriated	75,409	75,409	75,409	0
<i>Fund Balance End of Year</i>	\$147,111	\$147,111	\$111,383	(\$35,728)

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$28,000	\$28,000	\$31,080	\$3,080
Intergovernmental	6,000	6,000	0	(6,000)
Total Revenues	34,000	34,000	31,080	(2,920)
Expenditures				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	14,400	14,400	14,134	266
Materials and Supplies	19,993	19,993	19,626	367
Total Expenditures	34,393	34,393	33,760	633
<i>Excess of Revenues Under Expenditures</i>	(393)	(393)	(2,680)	(2,287)
Other Financing Sources				
Transfers In	0	0	1,000	1,000
Net Change in Fund Balance	(393)	(393)	(1,680)	(1,287)
<i>Fund Balance Beginning of Year</i>	4,363	4,363	4,363	0
Prior Year Encumbrances Appropriated	393	393	393	0
Fund Balance End of Year	\$4,363	\$4,363	\$3,076	(\$1,287)

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$58,500	\$58,500	\$44,802	(\$13,698)
Interest	4,000	4,000	2,425	(1,575)
<i>Total Revenues</i>	62,500	62,500	47,227	(15,273)
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	14,400	14,400	14,134	266
<i>Excess of Revenues Over Expenditures</i>	48,100	48,100	33,093	(15,007)
Other Financing Uses				
Transfers Out	(47,500)	(47,500)	(28,000)	19,500
<i>Net Change in Fund Balance</i>	600	600	5,093	4,493
<i>Fund Balance Beginning of Year</i>	5,085	5,085	5,085	0
<i>Fund Balance End of Year</i>	<u>\$5,685</u>	<u>\$5,685</u>	<u>\$10,178</u>	<u>\$4,493</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Walnut Beach Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Personal Services	29,870	32,766	32,766	0
Materials and Supplies	5,130	5,130	5,004	126
<i>Total Expenditures</i>	<u>35,000</u>	<u>37,896</u>	<u>37,770</u>	<u>126</u>
<i>Excess of Revenues Under Expenditures</i>	(35,000)	(37,896)	(37,770)	126
Other Financing Sources				
Transfers In	35,000	40,000	40,000	0
<i>Net Change in Fund Balance</i>	0	2,104	2,230	126
<i>Fund Balance Beginning of Year</i>	<u>60</u>	<u>60</u>	<u>60</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$60</u></u>	<u><u>\$2,164</u></u>	<u><u>\$2,290</u></u>	<u><u>\$126</u></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, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Fund Balance Beginning of Year</i>	<u>\$11</u>	<u>\$11</u>	<u>\$11</u>	<u>\$0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11</u></u>	<u><u>\$11</u></u>	<u><u>\$11</u></u>	<u><u>\$0</u></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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	<u>\$2,325,258</u>	<u>\$2,325,258</u>	<u>\$2,033,367</u>	<u>(\$291,891)</u>
Expenses				
Contractual Services	1,116,746	1,116,746	1,103,207	13,539
Claims	<u>1,208,512</u>	<u>1,208,512</u>	<u>1,045,832</u>	<u>162,680</u>
<i>Total Expenses</i>	<u>2,325,258</u>	<u>2,325,258</u>	<u>2,149,039</u>	<u>176,219</u>
<i>Net Change in Fund Equity</i>	0	0	(115,672)	(115,672)
<i>Fund Equity Beginning of Year</i>	<u>1,016,586</u>	<u>1,016,586</u>	<u>1,016,586</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,016,586</u></u>	<u><u>\$1,016,586</u></u>	<u><u>\$900,914</u></u>	<u><u>(\$115,672)</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, 2003

	<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	<u>\$544,695</u>	<u>\$544,695</u>	<u>\$100,000</u>	<u>(\$444,695)</u>
Expenses				
Contractual Services	22,904	22,904	22,904	0
Claims	<u>961,145</u>	<u>961,145</u>	<u>153,731</u>	<u>807,414</u>
Total Expenses	<u>984,049</u>	<u>984,049</u>	<u>176,635</u>	<u>807,414</u>
<i>Net Change in Fund Equity</i>	(439,354)	(439,354)	(76,635)	362,719
<i>Fund Equity Beginning of Year</i>	1,978,781	1,978,781	1,978,781	0
Prior Year Encumbrances Appropriated	<u>439,354</u>	<u>439,354</u>	<u>439,354</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,978,781</u></u>	<u><u>\$1,978,781</u></u>	<u><u>\$2,341,500</u></u>	<u><u>\$362,719</u></u>

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STATISTICAL SECTION

City of Ashtabula, Ohio
*Governmental Activities Revenues by Source
and Expenses by Function - Full Accrual Basis
Last Five Years*

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Program Revenues					
Charges for Services	\$2,159,424	\$2,320,718	\$2,164,092	\$1,976,360	\$1,937,058
Operating Grants and Contributions	796,779	648,848	668,034	1,619,910	1,152,687
Capital Grants and Contributions	41,264	269,196	757,833	272,111	273,983
General Revenues					
Taxes (1)	8,388,287	8,233,759	8,087,854	8,337,308	8,370,850
Intergovernmental	2,828,530	2,555,737	1,647,229	2,705,913	1,967,337
Interest	128,801	184,076	426,662	541,246	301,463
Other	241,484	180,476	280,423	283,158	555,547
Total	<u>\$14,584,569</u>	<u>\$14,392,810</u>	<u>\$14,032,127</u>	<u>\$15,736,006</u>	<u>\$14,558,925</u>
Expenses					
General Government:					
Legislative and Executive	\$3,037,163	\$2,867,586	\$2,744,011	\$2,691,145	\$2,224,923
Judicial System	963,286	964,850	954,289	800,945	699,673
Security of Persons and Property:					
Police	3,666,800	3,696,384	3,743,382	3,358,629	3,145,679
Fire	2,750,698	2,652,673	2,629,702	2,450,731	2,308,578
Public Health Services	285,124	260,491	255,630	193,544	185,638
Street Maintenance and Repairs	1,472,369	2,001,502	1,956,370	1,316,927	1,460,414
Housing and Community Development	617,274	512,695	920,839	573,471	928,177
Sanitation Services	1,383,682	1,437,356	1,455,940	1,351,543	1,735,442
Leisure Time Activities	134,896	185,589	165,605	68,253	45,216
Interest and Fiscal Charges	128,486	195,014	202,381	206,424	228,614
Total	<u>\$14,439,778</u>	<u>\$14,774,140</u>	<u>\$15,028,149</u>	<u>\$13,011,612</u>	<u>\$12,962,354</u>

(1) Includes all taxes

Source: City financial records

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City of Ashtabula, Ohio
*General Governmental Revenues by Source
and Expenditures by Function - Modified Accrual Basis
Last Ten Years*

	2003	2002	2001	2000	1999
Revenues					
Taxes (1)	\$8,376,299	\$8,386,740	\$8,168,589	\$8,345,882	\$8,166,716
Charges for Services	1,218,014	1,185,472	1,150,630	1,054,206	1,047,848
Licenses and Permits (2)	825,471	939,500	842,753	840,508	775,534
Intergovernmental	3,572,612	3,225,243	4,035,772	3,349,156	3,894,883
Special Assessments	22,493	21,613	27,179	19,757	15,418
Interest	128,801	184,076	426,662	550,508	391,187
Payments in Lieu of Taxes	0	0	0	0	0
Rentals	127,279	115,262	138,870	0	0
Other	241,484	180,476	483,552	283,158	249,324
Total	<u>\$14,512,453</u>	<u>\$14,238,382</u>	<u>\$15,274,007</u>	<u>\$14,443,175</u>	<u>\$14,540,910</u>
Expenditures					
Current					
General Government: (3)					
Legislative and Executive	\$2,604,032	\$2,672,685	\$2,533,191	\$2,481,183	\$2,304,022
Judicial System	850,465	858,364	823,341	721,227	630,085
Security of Persons and Property: (3)					
Police	3,504,702	3,565,496	3,589,835	3,201,760	3,233,705
Fire	2,469,614	2,448,741	2,453,589	2,408,233	2,220,244
Public Health Services	275,209	247,001	234,922	196,790	190,748
Street Maintenance and Repairs	1,070,944	1,148,641	1,057,238	1,113,876	1,010,610
Housing and Community Development	982,658	502,248	902,070	576,470	934,074
Sanitation Services	1,309,650	1,358,517	1,343,669	1,063,289	1,329,128
Leisure Time Activities	68,120	75,684	112,933	103,308	55,703
Capital Outlay	877,867	1,647,616	2,277,423	1,084,132	1,525,562
Debt Service:					
Principal Retirement	1,356,140	447,484	248,777	944,244	310,260
Interest and Fiscal Charges	159,274	201,762	178,157	209,974	230,968
Total	<u>\$15,528,675</u>	<u>\$15,174,239</u>	<u>\$15,755,145</u>	<u>\$14,104,486</u>	<u>\$13,975,109</u>

(1) Includes all taxes

(2) Includes fines and forfeitures

(3) 1999 was the first year subcategories were identified for general government and security of persons and property.

Source: City financial records

1998	1997	1996	1995	1994
\$7,884,926	\$7,318,813	\$7,000,932	\$6,822,002	\$6,495,905
1,067,188	1,061,614	1,114,490	1,075,225	1,049,762
716,267	752,567	664,563	555,380	583,920
4,262,882	4,026,385	3,288,794	2,855,252	2,966,985
25,983	18,254	44,237	23,877	27,972
330,945	259,079	209,756	289,884	257,539
147,553	92,252	118,703	114,710	116,538
0	0	0	0	0
224,554	247,846	421,912	232,324	311,790
<u>\$14,660,298</u>	<u>\$13,776,810</u>	<u>\$12,863,387</u>	<u>\$11,968,654</u>	<u>\$11,810,411</u>
\$2,355,931	\$2,309,263	\$2,257,874	\$2,253,441	\$2,050,041
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
5,521,578	5,184,637	5,148,355	4,889,698	4,472,101
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
192,193	175,826	264,002	174,317	164,070
993,776	1,125,579	1,030,167	888,208	867,089
839,683	719,616	757,562	701,288	887,631
1,456,963	1,604,126	1,301,104	1,387,485	1,357,486
53,204	62,049	48,626	14,680	49,901
1,664,383	798,846	1,630,606	3,387,236	1,811,048
387,346	480,762	517,156	1,569,073	403,135
254,169	276,130	292,389	274,793	289,462
<u>\$13,719,226</u>	<u>\$12,736,834</u>	<u>\$13,247,841</u>	<u>\$15,540,219</u>	<u>\$12,351,964</u>

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

Collection Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent Of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes	Percent Of Outstanding Delinquent Taxes To Current Tax Levy
1994	\$1,590,916	\$1,529,265	96.12%	\$69,267	\$1,598,532	100.48%	\$116,245	7.31%
1995	1,778,265	1,596,598	89.78	69,326	1,665,924	93.68	110,987	6.24
1996	1,825,150	1,762,365	96.56	92,691	1,855,056	101.64	101,758	5.58
1997	1,848,663	1,767,073	95.59	63,520	1,830,593	99.02	127,827	6.91
1998	1,881,711	1,797,128	95.50	90,488	1,887,616	100.31	128,488	6.83
1999	1,911,466	1,825,329	95.49	82,088	1,907,417	99.79	109,333	5.72
2000	2,079,009	1,973,729	94.94	77,702	2,051,431	98.67	44,273	2.13
2001	2,169,499	2,044,850	94.25	86,347	2,131,197	98.23	171,118	7.89
2002	2,207,921	2,087,008	94.52	132,989	2,219,997	100.55	177,610	8.04
2003	2,468,112	2,333,525	94.55	126,580	2,460,105	99.68	73,270	2.97

Source: Ashtabula County, Ohio

(1) - State Reimbursements of Rollback and Homestead Exemptions are included.

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

Collection Year	Real Property		Public Utility Property		Tangible Personal Property		Totals		Ratio Of Assessed Value To Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	\$111,419,990	\$318,342,829	\$22,958,040	\$22,958,040	\$26,825,798	\$107,303,192	\$161,203,828	\$448,604,061	36%
1995	111,738,650	319,253,286	21,119,180	21,119,180	28,030,636	112,122,544	160,888,466	452,495,010	36
1996	132,084,290	377,383,686	20,965,920	20,965,920	32,081,917	128,327,668	185,132,127	526,677,274	35
1997	132,310,970	378,031,343	20,464,150	23,254,716	33,574,780	134,299,120	186,349,900	535,585,179	35
1998	133,986,650	382,819,000	20,563,170	23,367,239	34,919,000	139,676,000	189,468,820	545,862,239	35
1999	152,691,400	436,261,143	20,542,780	23,344,068	35,194,640	140,778,560	208,428,820	600,383,771	35
2000	156,329,630	446,656,086	22,207,110	25,235,352	42,143,680	168,594,720	220,680,420	640,486,158	34
2001	156,713,860	447,753,885	20,506,010	23,302,284	36,306,920	145,227,840	213,526,790	616,284,009	35
2002	181,124,990	518,785,686	18,870,460	21,443,705	33,520,280	134,081,120	233,515,730	674,310,511	35
2003	181,039,860	517,542,457	20,640,590	23,455,215	25,041,220	104,338,416	226,821,670	645,336,088	35

Source: Ashtabula County, Ohio; County Auditor

Estimated actual value is calculated by dividing the assessed value by the assessment percentage. The percentages for 2003 were 35% for real property, 88% for public utility tangible, 25% for tangible personal capital assets and 23% for tangible personal inventory.

City of Ashtabula, Ohio
Ten Largest Real Property Taxpayers
December 31, 2003

<u>Taxpayer</u>	<u>2002 Real Property Assessed Valuation (Tax Duplicate) For Collection In 2003</u>	<u>Percentage Of Total Real Property Assessed Valuation</u>	<u>2003 Taxes Paid (1)</u>
Ohio American Water	\$7,969,820	4.40%	\$630,394
Western Reserve Telephone	5,032,840	2.78	385,720
Cleveland Electric Illuminating	4,679,030	2.58	366,094
Norfolk Southern	3,390,430	1.87	214,155
Pinney Dock	2,708,980	1.50	151,116
Ashtabula Care Center	1,332,100	0.74	74,311
Ash-L Associates	1,172,220	0.65	65,393
Molded Fiber Glass	1,167,010	0.64	93,002
Ashtabula Towers	1,092,840	0.60	60,967
Iten-Hupco	<u>973,270</u>	<u>0.54</u>	<u>54,555</u>
Total of Above	<u><u>\$29,518,540</u></u>	<u><u>16.30</u></u>	<u><u>\$2,095,707</u></u>
Total Real Property Tax Assessed Value	<u><u>\$181,039,860</u></u>		

Source: Ashtabula County, Ohio; County Auditor

Based on valuation of property for taxes to be collected in 2003.

(1) - Includes amounts collected for City, County and School taxes

City of Ashtabula, Ohio
Special Assessment Collections
Last Ten Years

<u>Collection Year</u>	<u>Total Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1994	\$34,746	\$27,972	80.5%
1995	33,298	23,877	71.7
1996	31,850	44,237	138.9
1997	25,251	18,254	72.3
1998	24,285	25,983	107.0
1999	23,319	15,418	66.1
2000	28,574	19,757	69.1
2001	31,628	27,179	85.9
2002	22,373	21,613	96.6
2003	23,532	22,493	95.6

Source: Ashtabula County, Ohio; County Auditor
City financial records

City of Ashtabula, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1000 of Assessed Valuation)
Last Ten Years

Year	City of Ashtabula					Ashtabula City School District
	General Fund	Permanent Improvement Fund	Special Revenue Funds	Debt Service Fund	City Total	
1994	\$5.40	\$2.00	\$2.60	\$2.30	\$12.30	\$38.30
1995	5.41	2.00	2.60	2.30	12.31	38.30
1996	5.41	2.00	2.60	2.30	12.31	38.30
1997	5.41	2.00	2.60	2.30	12.31	38.30
1998	5.41	2.00	2.60	2.30	12.31	38.30
1999	5.41	2.00	2.60	2.30	12.31	44.30
2000	5.41	2.00	2.60	2.30	12.31	53.41
2001	5.41	2.00	2.60	2.30	12.31	53.41
2002	5.71	2.00	2.60	2.30	12.61	55.56
2003	5.71	2.00	2.60	2.30	12.61	55.66

Sources: Ashtabula County, Ohio; County Treasurer

Ashtabula County, Ohio; County Auditor

<u>Ashtabula County Vocational School</u>	<u>Buckeye School</u>	<u>Saybrook Township</u>	<u>Ashtabula County</u>	<u>Ashtabula Township</u>	<u>Direct And Overlapping Governments</u>
\$4.11	\$47.71	\$0.92	\$9.34	\$1.42	\$114.10
4.11	47.71	0.92	9.34	1.42	114.11
4.11	47.71	0.92	9.34	1.42	114.11
4.11	47.71	0.92	8.70	1.42	113.47
4.11	47.71	0.92	8.70	1.42	113.47
4.11	38.81	0.92	8.70	1.42	122.88
4.11	47.92	0.92	9.70	1.42	129.79
4.11	47.72	0.92	9.70	1.42	129.59
4.11	47.72	0.30	9.70	1.42	131.42
4.11	47.72	0.30	11.03	0.24	131.67

City of Ashtabula, Ohio
Computation of Legal Debt Margin
 December 31, 2003

<i>Total Assessed Value</i>	<u>\$226,821,670</u>
<i>Overall Debt Limitation - 10.5 percent of Assessed Value</i>	\$23,816,275
Debt Outstanding:	
General Obligation Bonds	\$1,719,311
OWDA Loans	1,544,487
Police and Fire Loan	481,610
OPWC Loan	156,518
Special Assessment Bonds	<u>30,000</u>
Total Gross Indebtedness	<u>3,931,926</u>
Less: Debt Outside Limitations:	
OWDA Loans	1,544,487
Police and Fire Loan	481,610
OPWC Loan	156,518
Special Assessment Bonds	<u>30,000</u>
Total Debt Outside Limitations	<u>2,212,615</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	1,719,311
Less: Amount Available in Debt Service Funds to pay Debt Applicable to Limitation	<u>(408,641)</u>
Net Debt Within 10.5% Limitation	<u>1,310,670</u>
<i>Overall Debt Margin</i>	<u><u>\$22,505,605</u></u>

<i>Unvoted Debt Limitation - 5.5% of Assessed Valuation</i>	\$12,475,192
Gross Indebtedness Authorized By Council	
General Obligation Bonds	\$1,719,311
OWDA Loans	1,544,487
Police and Fire Loan	481,610
OPWC Loan	156,518
Special Assessment Bonds	<u>30,000</u>
Total Gross Indebtedness	<u>3,931,926</u>
Less: Debt Outside Limitations:	
OWDA Loans	1,544,487
Police and Fire Loan	481,610
OPWC Loan	156,518
Special Assessment Bonds	<u>30,000</u>
Total Debt Outside Limitations	<u>2,212,615</u>
Debt Within 5.5% Limitations	1,719,311
Less: Amount Available in Debt Service Funds to Pay Debt Applicable to Limitation	<u>(408,641)</u>
Net Debt Within 5.5% Limitation	<u>1,310,670</u>
<i>Unvoted Debt Margin</i>	<u><u>\$11,164,522</u></u>

Source: City financial records

City of Ashtabula, Ohio
*Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Years*

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Bonded Debt (3)</u>	<u>Debt Service Monies Available</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
1994	21,736	\$161,203,828	\$3,594,000	\$47,116	\$3,546,884	2.20%	\$163.18
1995	22,004	160,888,466	3,439,000	64,507	3,374,493	2.10	153.36
1996	22,004	185,132,127	3,283,000	144,745	3,138,255	1.70	142.62
1997	21,315	186,349,900	3,091,000	204,985	2,886,015	1.55	135.40
1998	21,315	189,468,820	2,925,000	411,341	2,513,659	1.33	117.93
1999	21,472	208,428,820	2,785,000	455,697	2,329,303	1.12	108.48
2000	21,630	220,680,420	2,640,000	832,275	1,807,725	0.82	83.57
2001	20,962	213,526,790	3,240,000	1,020,925	2,219,075	1.04	105.86
2002	20,962	233,515,730	3,046,293	1,217,065	1,829,228	0.78	87.26
2003	20,962	226,821,670	1,719,311	408,641	1,310,670	0.58	62.53

(1) Sources: U.S. Bureau of Census, Census of Population, Federal 2000 Census.
Ohio Data Users Center, Sub-county population estimate.

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

(3) Includes only general obligation bonded debt payable from property taxes.

City of Ashtabula, Ohio
*Ratio of Annual Debt Service Expenditures For
 General Bonded Debt to Total General Governmental Expenditures
 Last Ten Years*

<u>Year</u>	<u>Principal (1)</u>	<u>Interest And Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio Of Debt Service To Total General Governmental Expenditures</u>
1994	\$182,000	\$192,379	\$374,379	\$12,351,964	3.03%
1995	187,000	171,902	358,902	15,540,219	2.31
1996	156,000	163,225	319,225	13,247,841	2.41
1997	192,000	159,350	351,350	12,736,834	2.76
1998	166,000	152,308	318,308	13,719,226	2.32
1999	140,000	147,380	287,380	13,975,109	2.06
2000	145,000	141,990	286,990	14,104,486	2.03
2001	150,000	136,190	286,190	15,755,145	1.82
2002	343,707	165,215	508,922	15,174,239	3.35
2003	1,326,982	157,860	1,484,842	15,528,675	9.56

Source: City financial records

(1) - During 2003, the City paid an additional one million dollars on its justice center bonds.

City of Ashtabula, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2003

<u>Political Subdivision</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To Ashtabula City</u>	<u>Amount Applicable To Ashtabula City</u>
Direct:			
City of Ashtabula	\$1,719,311	100.00%	\$1,719,311
Overlapping:			
Ashtabula County	<u>9,199,458</u>	13.70%	<u>1,260,326</u>
Totals	<u><u>\$10,918,769</u></u>		<u><u>\$2,979,637</u></u>

(1) The percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

Source: Ashtabula County, Ohio; County Auditor

City of Ashtabula, Ohio
OWDA Loan Payable Coverage
Water Pollution Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements		Coverage	
				Principal	Interest		
1994	\$2,496,665	\$2,052,450	\$444,215	\$4,800	\$2,695	\$7,495	59.27
1995	2,636,389	1,880,033	756,356	4,800	2,501	7,301	103.60
1996	2,835,390	2,066,562	768,828	37,236	48,667	85,903	8.95
1997	2,907,004	2,320,445	586,559	76,768	92,992	169,760	3.46
1998	2,839,329	2,269,722	569,607	70,195	88,820	159,015	3.58
1999	2,745,242	2,522,524	222,718	76,873	82,943	159,816	1.39
2000	2,687,820	2,736,821	(49,001)	80,254	81,234	161,488	(0.30)
2001	2,587,575	2,850,199	(262,624)	83,783	77,705	161,488	(1.63)
2002	2,801,467	2,774,960	26,507	87,467	74,021	161,488	0.16
2003	2,871,360	2,628,308	243,052	91,314	70,174	161,488	1.51

Source: City financial records

(1) Total revenues exclusive of interest income and grants

(2) Total operating expenses exclusive of depreciation

City of Ashtabula, Ohio

Demographic Statistics

Last Ten Years

<u>Year</u>		<u>Total Population (1) (4)</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Ashtabula County (3)</u>
1994	Est.	21,736	0	0.00%	5,276	6.7%
1995	Est.	22,004	432	1.99	5,201	6.6
1996	Est.	22,004	0	0.00	5,253	7.2
1997	Est.	21,315	(689)	(3.13)	5,216	6.2
1998	Est.	21,315	0	0.00	5,091	6.3
1999	Est.	21,472	157	0.74	5,437	5.7
2000		21,630	158	0.73	5,364	5.5
2001		20,962	(668)	(3.09)	5,270	7.2
2002	Est.	20,962	0	0.00	5,252	8.1
2003	Est.	20,962	0	0.00	5,170	8.1

2000 CENSUS INFORMATION (5):

City of Ashtabula, Ohio:		
Female	11,142	53.2%
Male	9,820	46.8%
Median Age		34.9 years
Black Households		11.2%
Hispanic Households		5.3%
Households 65 Years and Over		29.3%
High School Graduates		78.0%
Households Below Poverty Level		17.8%
Average Household Size		2.45 persons
State of Ohio:		
Per Capita Income		\$20,003
Median Household Income		\$40,956
Median value owner occupied		\$103,700
Median gross monthly rent		\$515

- Sources:
- (1) U.S. Bureau of the Census; 2000
 - (2) Ashtabula City Board of Education
 - (3) Ohio Bureau of Employment Services
 - (4) Ohio Data Users Center - Subcounty population estimate.
 - (5) US Department of Labor

City of Ashtabula, Ohio
Property Value, Construction, and Bank Deposits
Last Ten Years

Year	Estimated Property Value	Total Value of Building Permits Issued	Bank Deposits (1)
1994	\$448,604,061	\$7,024,100	\$402,497,000
1995	452,495,010	5,529,578	414,030,000
1996	526,677,274	16,603,805	424,989,000
1997	535,585,179	4,228,982	453,149,000
1998	545,862,239	12,330,433	164,127,000
1999	600,383,771	9,273,973	175,331,000
2000	640,486,158	6,770,878	199,872,000
2001	616,284,009	7,380,364	239,034,000
2002	674,310,511	3,767,988	272,106,000
2003	645,336,088	7,893,977	283,361,000

Sources: City of Ashtabula, Ohio Building Inspection Department

City of Ashtabula, Ohio, City Treasurer

Federal Reserve Bank - Cleveland for Ashtabula County

(1) Andover Bank is now the only institution based in
 Ashtabula County

City of Ashtabula, Ohio

Miscellaneous Statistics

December 31, 2003

Government:	Date of Incorporation: April 6, 1891 Form of Government: Charter - Elected City Manager Founded: 1801 Township: April 4, 1908 Village: 1831
Population:	2000 Census - 20,962
Area:	7.6 square miles - 4,864 acres Residential - 3,569 acres
Altitude:	590 feet above sea level
Climate:	Mean annual temperature - 58.9 max. and 40.5 min. degrees Fahrenheit Average annual rainfall - 35.35 inches
City Statistics:	Streets - 97.02 miles (1.53 unpaved) Sanitation Sewers - 91.94 miles Storm Sewers - 76.18 miles
Highways:	U.S. Route Number 20 State Routes - 11, 45, 84, 531 Interstate 90 (6 miles to the south)
Police:	Stations 1 Policemen and Officers 34 Dispatchers 3 Administrative Personnel 2 Animal Control Officer 1
Fire:	Stations 1 Firemen and Officers 26
Number of Dwellings:	Total units 9,151 Occupied 8,435 Owner occupied 58.4% Renter occupied 41.6% Vacant Houses 7.8%
Banks:	Three Banks and Two Savings and Loans
Churches:	63, Representing most Denominations
Building:	2003 Permits Issued 342 2003 Permit Valuation \$7,893,977
Industry:	Manufacturing Plants 72

(continued)

City of Ashtabula, Ohio
Miscellaneous Statistics (continued)
 December 31, 2003

Railroads:	CSX Transportation	
	Norfolk & Southern	
Bus Lines:	One	
Medical:	Ashtabula County Medical Center	
	226 Beds, 20 Bassinets	
	The Regional Cancer Center	
Education:	Public Elementary	8
	Public Junior High	2
	Public Ninth Grade	1
	Public Senior High	1
	Private and Parochial	7
	Special Purpose	1
	Enrollment:	
	Public	4,663
	Parochial	363
	Special Purpose	144
	Teachers (Includes Administrative Personnel):	
	Public	397
	Parochial	24
	Special Purpose	18
Libraries:	Public Libraries	2
	Kent State University, Ashtabula Branch	1
Newspapers:	Daily	1
	Circulation	21,100
	Weekly	1
	Circulation (Direct Mail)	12,000
Lodging:	Motels	10
	Rooms	452
	Bed and Breakfast	4
	Rooms	13
Area Recreation And Culture	10 Parks comprising a total 445.5 acres	
	4 Campgrounds	
	16 Historical Covered Bridges	
	12 Area Public Golf Courses	
	22 Tennis Courts	
	3 Museums	
	10 Yacht Clubs and Marinas	
	2 Public Beaches on Lake Erie	
	Fishing Charters	
Source:	City records	

Address comments
and suggestions to:

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Special acknowledgement and appreciation goes out to those who helped in the implementation of this new reporting model. Thank you to Jim Petro, Auditor of State, and his staff for their guidance in making the changes required by Statement 34. To Traci Vanek, for all the time spent in identifying and recording those fixed assets and infrastructure, sincere thanks. And to Lori Mackey, City Treasurer and Karen Jury, Deputy Auditor whose work on this CAFR ties it all together.

Special Thanks To

The Auditor's Staff

Karen S. Jury, Deputy Auditor
Lori DeGeorge
Carolyn Sheldon
Peter Tulino
Traci Vanek
Barbara Lambert

Cover:
Great Lakes Printing, Inc.



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CITY OF ASHTABULA

ASHTABULA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 24, 2004**