

City of Ashtabula, Ohio

**Single Audit Reports
For the Year Ended December 31, 2008**



Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Ashtabula, Ashtabula County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 2, 2009

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City of Ashtabula, Ohio

For The Year Ended December 31, 2008

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Members of the City Council
City of Ashtabula, Ohio

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ashtabula (the “City”) as of and for the year ended December 31, 2008, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 29, 2009, wherein we noted that the City adopted *GASB Statement No. 49*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City’s financial statements that is more than inconsequential will not be prevented or detected by the City’s internal control. We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2008-1 and 2008-2.

Members of the City Council
City of Ashtabula, Ohio

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and as items 2008-1, 2008-2, and 2008-3.

We noted certain matters that we have reported to management of the City in a separate letter dated June 29, 2009.

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

This report is intended solely for the information and use of the City Council, Finance Committee, Management, Auditor of State's Office, and 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.

Cini & Panichi, Inc.

Cleveland, Ohio
June 29, 2009

**Report on Compliance with Requirements Applicable to
Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133**

Members of the City Council
City of Ashtabula, Ohio

Compliance

We have audited the compliance of the City of Ashtabula (the “City”) 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, 2008. The City’s major federal program is 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’s management. Our responsibility is to express an opinion on the City’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’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’s compliance with those requirements.

As described in items 2008-4 and 2008-5 in the accompanying schedule of findings, the City did not comply with requirements regarding Cash Management and Reporting that are applicable to its Community Development Block Grants. Compliance with such requirements is necessary, in our opinion, for the City of Ashtabula to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs.

Members of the City Council
City of Ashtabula, Ohio

In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ashtabula, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 29, 2009, wherein we noted the City adopted *GASB Statement No. 49*. Our audit was performed for the purpose of forming our 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

This report is intended solely for the information and use of the City Council, Finance Committee, Management, Auditor of State's Office, and 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.

Cimini & Panichi, Inc.

Cleveland, Ohio
June 29, 2009

City of Ashtabula, Ohio

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2008

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Federal Cash Receipts</u>	<u>Federal Cash Disbursements</u>
<u>U.S. Department of Housing and Urban Development:</u>					
Passed Through Ohio Department of Development:					
Community Development Block Grants	14.228	A-C-06-085-1	\$ 385,867	\$ 302,858	\$ 294,561
Community Development Block Grants	14.228	A-F-06-085-1	136,000	136,000	62,190
Community Development Block Grants	14.228	A-F-07-085-1	132,000	-	79,152
Community Development Block Grants	14.228	A-Q-07-085-1	<u>450,000</u>	<u>440,000</u>	<u>404,424</u>
Total U.S. Department of Housing and Urban Development			<u>1,103,867</u>	<u>878,858</u>	<u>840,327</u>
<u>U.S. Environmental Protection Agency:</u>					
Brownfield Assessment & Cleanup Cooperative Agreements	66.818	N/A	<u>400,000</u>	<u>-</u>	<u>4,982</u>
Total U.S. Environmental Protection Agency			<u>400,000</u>	<u>-</u>	<u>4,982</u>
Total Federal Assistance			\$ <u>1,503,867</u>	\$ <u>878,858</u>	\$ <u>845,309</u>

The accompanying notes are an integral part of this schedule

City of Ashtabula, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2008

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Ashtabula, Ohio and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Matching Requirements

Certain federal programs require that the City contribute non-federal (matching) funds to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the accompanying Schedule.

N/A – Not Applicable

City of Ashtabula, Ohio

Schedule of Findings OMB Circular A-133, Section .505

December 31, 2008

1. Summary of Auditors' Results

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	Yes
(d)(I)(ii)	Was there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I) (iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	Yes
(d)(I) (v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	Yes
(d)(I)(vii)	Major Programs	Community Development Block Grant, CFDA #14.228
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS

2008-1 Proper Encumbrance of Funds – Material Noncompliance/Significant Deficiency

Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (0)(1) and 5705.41 (0)(3), respectively, of the Ohio Revised Code.

City of Ashtabula, Ohio

Schedule of Findings OMB Circular A-133, Section .505 (continued)

December 31, 2008

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Council can authorize the drawing of a warrant for the payment of the amount due. The Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Council.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for anyone particular line item appropriation.
3. Super Blanket Certificate – The Council may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During our testing of nonpayroll disbursements, numerous invoices were entered into prior to receiving the Fiscal Officer's certification.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the City's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that funds are or will be available prior to obligation by the City. When prior certification is not possible, "then and now" certification should be used.

2008-2 Contract Modification – Material Noncompliance/Significant Deficiency

Ohio Revised Code Section 735.07 states that when it becomes necessary, in the prosecution of any work or improvement under contract, to make alterations or modifications in the contract, that such alterations or modifications shall only be made upon the order of the director, but such order shall be of no effect until the price to be paid for the work and material or both, under the altered or modified contract, has been agreed upon in writing and signed by the director on behalf of the City and the contractor, and approved by the board of control.

City of Ashtabula, Ohio

Schedule of Findings OMB Circular A-133, Section .505 (continued)

December 31, 2008

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

Per our testing of contract modifications, we noted instances where the change order request was approved after the work had been completed. It was also noted that change orders were split into multiple requests versus one total modification.

We recommend the City implement policies and procedures to ensure modifications of contracts are properly authorized before work commences relating to the change order and that these modifications are not split into multiple requests.

2008-3 Material Noncompliance

Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2008, the City had expenditures plus encumbrances in excess of final appropriations as follows:

	<u>Final</u> <u>Appropriations</u>	<u>Actual</u> <u>Expenditures</u>	<u>Excess</u>
Wastewater Treatment Fund:			
Capital Outlay	\$ 2,496,061	\$ 2,921,325	\$ (425,264)

3. Findings for Federal Awards

2008-4 Cash Management – Significant Deficiency

Per our review of receipts and disbursements relating to the water and sanitary sewer grant #A-W-07-085-1, it was noted that the City did not disburse funds to a balance of less than \$5,000 within fifteen days of receipt of funds which were drawn down.

We recommend the City implement policies and procedures to ensure that funds which are drawn down are disbursed so that the funds on hand have a balance of less than \$5,000 within fifteen days of receipt of any funds.

2008-5 Reporting – Significant Deficiency

Per review of correspondence from the Ohio Department of Development, it was noted that funds had been placed on hold due to the failure to provide a Status Report for grant #A-F-05-085-1.

Although the funds were released in early 2008, we recommend the City implement policies and procedures to ensure proper reporting during the year.

City of Ashtabula, Ohio

**Schedule of Prior Audit Findings
OMB Circular A-133, Section .315(b)**

December 31, 2007

None noted.

City of Ashtabula

4717 Main Avenue
Ashtabula, Ohio 44004
(440) 992-7107

Response to Findings Associated with Audit Conducted
in Accordance with *Government Auditing Standards*
For the Year Ended December 31, 2008

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2008-1	City Council is already considering progressive discipline to the point of termination for any employee not following Ohio Revised Code Section 5705.41.	7/1/09	Michael Zullo, City Auditor
2008-2	The City Auditor has discussed proper procedures relating to Change Orders with employees.	7/1/09	Michael Zullo, City Auditor
2008-3	The City will record all OPWC receipts and disbursements paid directly to contractors on the cash basis and will properly increase estimated resources and appropriations.	7/1/09	Michael Zullo, City Auditor
2008-4	The City will monitor CDBG receipts and disbursements to ensure compliance with the requirement.	7/1/09	Jason Strong, Director of Housing and Community Development
2008-5	The City will prepare status reports on a timely basis to ensure compliance with the requirement.	7/1/09	Jason Strong, Director of Housing and Community Development

City of Ashtabula, Ohio



**Comprehensive Annual Financial Report
For The Year Ended December 31, 2008**

CITY OF ASHTABULA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2008

ISSUED BY AUDITOR'S OFFICE

Michael A. Zullo, CPA
City Auditor

Karen S. Jury
City Deputy Auditor

TREASURER'S OFFICE

Lori Mackey
City Treasurer

CITY OF ASHTABULA
OFFICE OF CITY MANAGER

MUNICIPAL BUILDING
4717 MAIN AVENUE
ASHTABULA, OHIO 44004

ANTHONY J. CANTAGALLO
CITY MANAGER



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

June 2, 2009

Citizens of Ashtabula:

The year 2008 proved to be a financial challenge to all areas of government as well the citizens of Ashtabula City. Ashtabula City Officials were confronted with many new obstacles to overcome in the world of project funding with the onset of the deteriorating economy and decline of State and Federal support.

The City of Ashtabula was fortunate enough to have been awarded two grants in 2008 that consist of the following. US EPA Brownfield Grant in the amount of \$400,000.00 to provide site assessment work at Brownfield sites: a 2008 Community Development Block Grant, Formula Allocation in the amount of \$129,000.00, this will help fund the much needed Route 531 street pavement project throughout the city, funded in part by the Ohio Department of Transportation.

Continuing to improve our Waste Water Treatment Plant as part of Phase 1 of our 208 Facilities Plan has proven thus far beneficial. An electrical upgrade to the electrical system at the plant in the amount of \$375,833.00 will alleviate the concern of potential electric outages or equipment damages at the plant.

Sewer work continues throughout the city with the near completion of a four million dollar equalization basin project that the City received multiple grant/loan funding on. Other sewer work includes the cleaning and televising of the Morton Drive Siphon Chamber for a project total of \$112,140.60.

Ashtabula City was able to continue the street paving program that is provided annually through the Permanent Improvement fund; Street Improvements account. Fourteen streets were paved for a total expenditure of \$409,665.70. Equipment purchases for our services department totaled \$344,399.70, to include a truck and spray patch machine for Public Works and a new compactor for the Sanitation Department. Two unexpected projects were funded by the City in 2008 which include the Columbus Avenue Bridge rehabilitation and the Removal of contaminated material at the 5- ½ Slip. Costs for both projects totaled \$315,935.00.

A handwritten signature in black ink, appearing to read 'Anthony J. Cantagallo', written over a horizontal line.

Anthony J. Cantagallo

INTRODUCTORY SECTION

City of Ashtabula, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
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CITY OF ASHTABULA
OFFICE OF THE CITY AUDITOR

4717 MAIN AVENUE
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MICHAEL A. ZULLO, CPA
CITY AUDITOR



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June 29, 2009

Citizens of Ashtabula
City Manager, Anthony Cantegallo
and Members of City Council
City of Ashtabula, Ohio

I am pleased to present the City of Ashtabula's (the City) Comprehensive Annual Financial Report (CAFR) for the calendar year ended December 31, 2008. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within one hundred and fifty days of fiscal year end.

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. Management assumes full responsibility for the information contained in this report based upon a comprehensive frame-work of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. Ciuni & Panichi has issued an unqualified ("clean") opinion on the City of Ashtabula's financial statements for the year ended December 31, 2008. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

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 "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 2008. The walleye fishing in the Ashtabula area was probably the best we have seen since the late 1980's. Great 2003 & 2004 walleye hatches along with lower commercial catch quotas from the Canadian's are the most attributable reasons the walleye fishing has come back stronger than ever. 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 today produce compression molded parts, with 500 employees at two Ashtabula plants. The "sandwich" of plastic, resin, glass, resin and plastic is about 30 times stronger than normal plastic. MFG Body Co. was the original molder of the Corvette (in 1953), but today automotive is only one part of its business. 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-one public and private elementary and secondary schools, including nine public elementary schools; three junior high schools, one of which is a parochial school; one public and one private high school. 4,468 students are enrolled in public schools and 279 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 6,525,000 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 Time Warner 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 Council selects the City Auditor and City Treasurer. Good government is reflected in the City's low property tax rate of \$9.31 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 eighty 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, 2009	69
Fraternal Order of Police, Lodge #26	April 30, 2009	34
International Association of Firefighters, Local #165	April 30, 2009	25

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 Conditions

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. Several enterprise zones have 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 City. The City's first enterprise zone has grown very rapidly as every piece of property within this zone is occupied by a local small business. The City Port Authority's next enterprise zone is fifty acres of land at the end of State Route 11, within the City boundaries. The City was awarded a \$400,000 infrastructure grant to help with the enormous cost of installing the needed infrastructure in this park. During 2008 construction of the roads and infrastructure installation was completed. At the end of 2008, the development of the business park was nearly completed and several different businesses are currently in discussions with the City administration to locate their business in the park. City Council has completed a list of covenants which will be included as part of this Business Park. The City is very optimistic about future growth of businesses and employment in this business 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-four viable inquiries have been made, twelve full applications have been received and seven applicants were approved for funding. The revolving loan program is currently rebuilding its cash reserve after a series of funding projects including Hoffmans Pharmacy and as matching grant money for the construction of the Equalization Basin.

Time Warner is the cable television provider in our area. Time Warner has committed to continuing the improvements in the service area by installing state-of-the-art equipment and expanding the options provided to its customers. Time Warner will continue to broadcast City Council meetings live on the local government access channel, bringing the workings of City government to all citizens. Among the programs Time Warner 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. Time Warner is also offering Roadrunner high speed internet 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.

The Ashtabula River deep water dredging project was completed in late fall of 2008. The dredging has provided a twelve-foot deep river and did remove all remaining toxins in the river soils. Several government bodies and agencies contributed funds for this expensive project. The State of Ohio committed seven million dollars, the federal government committed twenty-two million and the Army Corp of Engineers has paid the remaining 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 will result in more available dock space for this growing recreational activity. Another asset of the project is to once again allow the coal and iron freighters to load to capacity making the Port of Ashtabula more attractive to all vessels wanting to use our port.

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 additional 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 business park at the end of State Route 11 was available in the spring of 2008. 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 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 with the Port Authority. The United States Coast Guard has begun construction on expanding our coast guard station to accommodate another crew. This additional staffing is a direct result of September 11, 2001 and the concern for the ports as well as Perry Nuclear Power Plant located 25 miles west of Ashtabula. Security has been dramatically increased at this plant with many hours of patrolling the lakefront.

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 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 2008. The City of Ashtabula did commit over \$500,000 to street paving and infrastructure reconstruction projects. With regular side street paving costing \$436,597 the remainder was spent on various road improvement projects such as engineering for the proposed new Lake Ave Bridge and street lighting assessment throughout the City in hopes of receiving grant monies to upgrade all signalization in the City. The City continued the process of building a new West Avenue Grade Separation overpass over the Norfolk Southern tracks. During 2008, homes were demoed, trees cleared and relocation of utilities proceeded as planned. Construction The City has been awarded a \$4,000,000 grant for construction of this overpass project which construction is starting May 1, 2009. The State of Ohio, which is in charge of the project has sent out notices that the road will now be closed for 500 days, or during the construction process. The City also paid \$40,840 for engineering for the rehabilitation of the existing West Avenue overpass which spans the main CSX railroad lines. This project has a projected cost of \$1,000,000 and is being funded by the State of Ohio, with construction to take place in 2008.

During 2008 the City of Ashtabula completed construction a one million gallon Equalization Retention Basin. This Equalization Basin was designed to prevent any overflow of sanitary and storm water from overflowing into the Ashtabula River. The overflows and backup into household basements only occur during very heavy rain events. The Equalization Basin cost approximately 2.6 million dollars, (total cost are not completely figured yet as final billings are still being calculated) plus interest expense. The City of Ashtabula is still hopeful that the County will participate in the project and pay for 20% or approximately \$600,000 towards the Equalization Basin as our engineers have determined through flow studies that 20% of the flow to the City's Wastewater treatment plant is from non city users.

The City did install the newest piece of equipment to automate our treatment plant called a centrifuge. This centrifuge takes the place of operators and old belt press machines for pressing the water out of our sludge. The City was running

the presses at the wastewater treatment plant sixteen hours per day seven days per week. It takes two operators per shift to handle the process. The new centrifuge does handle all of the sludge in as little as six hours per day, five days per week. The system only requires one operator per day to handle this processing. The cost of the centrifuge carries a big price tag of \$325,000 but payback from reduced wages should take only 2 years when employee benefits are also factored in.

The City of Ashtabula focused on recreation, paving and sidewalk reconstruction in 2008. The City did contract with several different bands to play at Walnut beach during the summer of 2008 luring thousands of people to our City and great sandy beach. The concerts were a great hit and already plans are in the making for different bands with different music to be playing at Walnut beach during the summer of 2009, if funding is available. 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 including a major study of the walnut beach area and the plants which must be removed were in process. Smith Field, which is the City's biggest and most used recreation complex, had the baseball playing field completely renovated. New bleachers, fencing and parking area have been added at Smith Field and improvements to the pond have also been completed over the past several years. The biggest improvement was the addition of lights on the walking track and improvements to the current lighting system for the baseball field. With the lights added, the track is now used consistently from 6am to 10pm daily. The lighting project did receive a fifty thousand dollar State grant. 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 and 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 thru 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 1,841 alarms in 2008 including 59 structure fires with building and content losses of \$271,600. Fire department employees received 4,684 hours of in-service training. Extensive training continues on the 2006 Sutphen 1,500-gallon Paramedic Engine fire truck. The chief along with our Fire Department union spent many hours reviewing specs for a new 2006 pumper/paramedic engine. The fire department sent the 1991 Ladder truck back to Grumman Corporation, the manufacturer, where the truck was completely refurbished including the 102' aerial platform. The City did pay \$130,208 for the work but extended the life of the ladder truck by an additional 15 years. The 1991 ladder truck did cost \$750,000 new when purchased back in 1991 and the estimated cost to replace this vehicle with a new ladder truck would be in excess of \$1,000,000. Other equipment and building repairs for the fire department was purchased in 2008 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 miscellaneous gear and equipment for our firefighters and to provide hundreds of hours of training.

The Public Works Department kept busy in 2008 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. The City of Ashtabula did purchase several pieces of new equipment such as a new hot asphalt patching machine to repair potholes in our streets with a hot mixture that better adheres to the existing roads and thereby making pothole fixation a more permanent patch. The City also purchased a used loader to work between Public Works and Sanitation to perform numerous task.

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 \$15.00 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 contracted with Waste Management 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 \$50,000 annually, but with Council increasing the monthly rates, the Sanitation Department is well on its way to becoming self sufficient. 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 Waste Management landfill fees paid during the year. The City of Ashtabula took in excess of a 520,000 pounds of recyclable materials and approximately 5000 tires during 2008. The City sold the recyclable materials for \$8,681 and avoided paying approximately \$20,000 in landfill tipping fees.

The Auditor's and Treasurer's Offices completed their twenty first Comprehensive Annual Financial Report (CAFR) during May of 2008. The CAFR that was completed in 2008 for year ended December 31, 2007, was the City's ninth 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 Simons 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 City hired the law firm and collection agent Weiner & Associates to pursue collection of delinquent taxes. The program showed very good results as collection of delinquent accounts increased significantly.

The Police Department played a major role in instituting the new reverse 911 emergency response program. This enhanced reverse 911 system gives Ashtabula County EMA Services the ability to contact many homes at one time to give warning of any local, regional, statewide or national emergency. The Ashtabula Police Department also worked with George Distel, our State Representative, to help initiate grant monies to put laptop computers in our patrol cars. Each officer will have the ability to look up license plate registrations and other vehicle information directly without going through our dispatch center. During 2008, several more laptops were purchased with the goal of having one laptop per cruiser so the swapping between cruisers will not be needed in the future. The City also upgraded the service to include photo ID, were the officers puts in a social security number of anyone and all of their driving records, warrants, and photo ID appear on the computer for the officer to verify the identification. The City did purchase five 2009 Dodge Charger cruisers in November of 2008.

The caseload for the Municipal Court totaled 10,767 in 2008, representing a 883 case decrease from 2007. A majority of the increases are in the traffic citation part of the Court. The City police have been aggressively addressing the speeding and other traffic violations through traffic citations. The slight reduction in criminal cases again this year is hopefully a reflection of 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 once again during 2008. 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.

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 ninth 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 2008.

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 \$179,318 and the workers' compensation internal service fund with net assets of \$1,103,859 as of December 31, 2008.

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 KeyBank 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 Richard Cordray, Treasurer of State, as well as other investments through our local banks. In the past, the STAROhio investment option had 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 past twelve months the City found better interest rates locally, and therefore invested most of our cash in securities locally. Although the money was not completely liquid, we prepared cash flow projections and planned when our cash would be needed and invested accordingly.

As of December 31, 2008, the City of Ashtabula had \$813,299 of deposits classified as uncollateralized and uninsured under Statement 40 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 Argonaut 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 Argonaut Insurance Company, and vehicle insurance on all City-owned vehicles is with the Argonaut Insurance Company. The City also carries police liability with Argonaut Insurance Company. Public officials professional risk liability insurance is with the Argonaut 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 also provides workers' compensation coverage through the State Workers' Compensation group rating and payment system whose operations are reported in the City's workers' compensation internal service fund. Starting January 1, 2007, the City returned to the self funded retrospective rating program after a couple of years in the group rating system. Lower rates were sought with aggressive claims management by the City Auditors Office. A calculation of self funded versus the State Program showed a considerable savings in the self funded program over the long term. Several programs such as the Transitional Work and Drug Free Workplace have been instrumental in helping reduce our Workers Compensation Cost. The City will continue to fund our Workers Compensation Internal Service Fund to pay our current self funded premiums and the remaining retrospective rating claims cost. The City is responsible for ten years of actual claims cost under the retrospective ratings system, dropping off the oldest year each year. Since the City exited the retrospective rating system December 31, 2003 we are responsible for claims from January 1, 1997 thru December 31, 2003. The years 2004 and 2005 are not part of this calculation as the City was in the group plan during this period. The City will now start a new ten year cycle in the retrospective rating program.

Independent Audit

State statutes require the City to be subjected to an annual examination by an independent auditor. The accounting firm of Ciuni & Panichi, Inc. was contracted to render an opinion on the City's financial statements as of December 31, 2008. 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 subsequent standards such as GASB 33, 34, 36, 45, 48 and 50. The Report of Independent Accountants on the basic financial statements is included in the financial section of this report.

Independent Audit

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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, 2007. This was the City of Ashtabula's twenty-first 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.

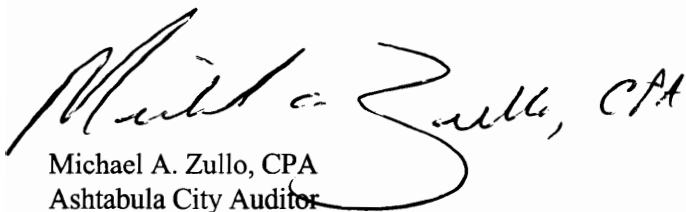
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 Mary Taylor's Office for their assistance in the organization and final review of our 2008 Comprehensive Annual Financial Report.

Respectfully submitted,



Michael A. Zullo, CPA
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, 2007

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

K. Rodger Altier..... President
Betty S. Kist..... Vice President

Joseph L. Rose Ward I
Bernard P. Roskovics..... Ward II
Ericka H. Severino Ward III
Julie A. Lattimer Ward IV
James M. Trisket..... Ward V

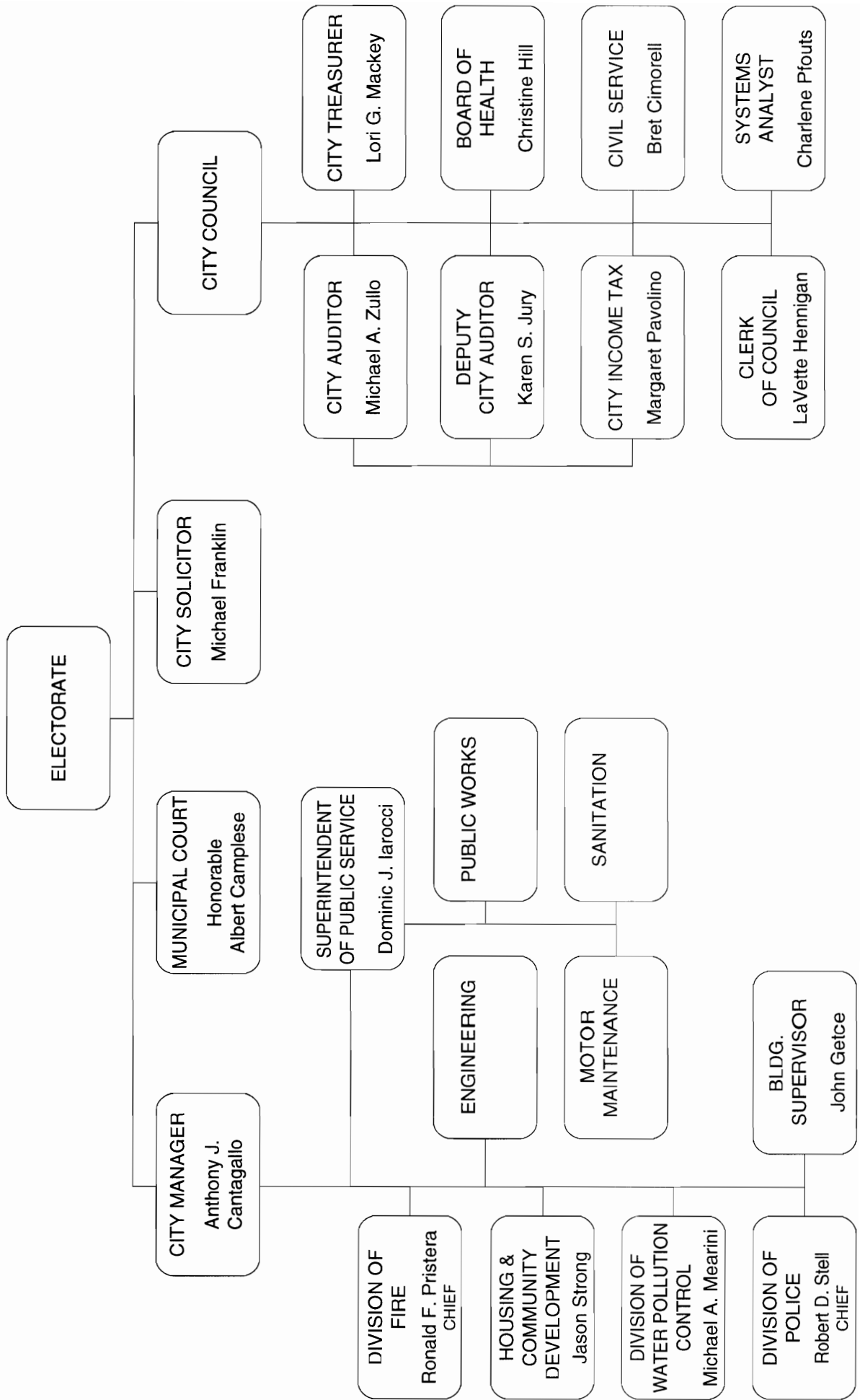
LaVette E. Hennigan..... Clerk of Council

City Officials

Albert S. Camplese Municipal Court Judge
Anthony J. Cantagallo..... City Manager
Michael Franklin.....City Solicitor
Dominic J. Iarocci Superintendent of Public Works and Sanitation
Karen S. Jury..... Deputy City Auditor
Lori G. Mackey City Treasurer
Michael A. Mearini Superintendent of Wastewater Treatment Plant
Margaret Pavolino.....Income Tax Administrator
Charlene Pfouts Systems Analyst
Ronald F. Pristera.....Chief of Fire
Robert D. Stell Chief of Police
Jason M. Strong Director of Housing and Community Development
Michael A. Zullo.....City Auditor

**CITY OF ASHTABULA, OHIO
ORGANIZATIONAL CHART**

DECEMBER 31, 2008



FINANCIAL SECTION

Independent Auditors' Report

Members of the City Council
Ashtabula, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ohio as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Community Development Block Grant, Sanitation, and Street Maintenance and Repair Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2008, the City implemented Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the City Council
Ashtabula, Ohio

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor 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 and statistical sections 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.

Cini & Paricki, Inc.

Cleveland, Ohio
June 29, 2009

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
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, 2008. 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 non-major 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 2008?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. The accrual basis of accounting does take 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, non financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net 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
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Unaudited

Reporting the City of Ashtabula's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 7. 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 2008 compared to 2007.

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current and Other Assets	\$11,288,197	\$13,025,650	\$2,720,773	\$4,252,340	\$14,008,970	\$17,277,990
Capital Assets	19,459,907	19,388,571	14,108,029	12,222,332	33,567,936	31,610,903
<i>Total Assets</i>	<u>\$30,748,104</u>	<u>32,414,221</u>	<u>\$16,828,802</u>	<u>16,474,672</u>	<u>47,576,906</u>	<u>48,888,893</u>
Liabilities						
Current and Other Liabilities	(2,993,478)	(2,991,643)	(213,564)	(278,468)	(3,207,042)	(3,270,111)
Long-Term Liabilities						
Due Within One Year	(1,639,628)	(1,673,522)	(498,801)	(469,041)	(2,138,429)	(2,142,563)
Due in More Than One Year	(2,032,928)	(2,631,156)	(3,629,476)	(3,303,603)	(5,662,404)	(5,934,759)
<i>Total Liabilities</i>	<u>(6,666,034)</u>	<u>(\$7,296,321)</u>	<u>(4,341,841)</u>	<u>(\$4,051,112)</u>	<u>(\$11,007,875)</u>	<u>(\$11,347,433)</u>

City of Ashtabula, Ohio
Management's Discussion and Analysis
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	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Net Assets						
Invested in Capital						
Assets, Net of Debt	\$19,022,629	\$18,191,832	\$10,343,268	\$8,791,357	\$29,365,897	\$26,983,189
Restricted:						
Capital Projects	917,675	992,414	-	0	917,675	992,414
Debt Service	141,267	927,528	-	0	141,267	927,528
Other Purposes	2,688,169	3,134,178	-	0	2,688,169	3,134,178
Unrestricted	1,312,330	1,871,948	2,143,693	3,632,203	3,456,023	5,504,151
<i>Total Net Assets</i>	<u>\$24,082,070</u>	<u>\$25,117,900</u>	<u>\$12,486,961</u>	<u>\$12,423,560</u>	<u>\$36,569,031</u>	<u>\$37,541,460</u>

The net assets of the City's governmental type activities decreased by \$1,035,830. Current assets were down significantly. This decrease is from lower cash balances in most funds as the City did struggle financially as the National, State, County and Local economies were weakened by the recession of 2008. Substantial unemployment was widespread locally affecting most local employers. For the first time, City Council did implement a hiring freeze on the City Administration as the projected lower income tax revenues became a reality. The City's capital assets in the Governmental Activities increased slightly during 2008, which reflects major street improvements, the purchase of a completely new transfer station compactor set-up for our Sanitation Department. The trash compactor cost \$164,690. The City also purchased a new loader, several new vehicles for the departments and 5 new police cruisers. Short-term liabilities increased slightly. Long-term liabilities decreased in 2008 as the City did make all the required debt payments as scheduled.

The net assets of the City's business type activities increased slightly in 2008. Current assets decreased as cash decreased. Loan proceeds from a \$2,500,000 note from Keybank to build the 1 million gallon retention basin as required by the Ohio EPA were paid out as the retention basin was constructed during 2008. Capital assets increased by \$1,885,697 as the City once again aggressively spent money on upgrading our wastewater treatment plant less accumulated depreciation on these assets. 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 fifteen 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 2008, the City increased user fees by three percent. These additional fees were earmarked for operating dollars or for matching grant monies such as Issue II funds. The City has used 21 out of the 23 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, Expenses, and Transfers on a comparative analysis between 2008 and 2007. This Statement reflects our Governmental and Business-Type Funds bottom line.

City of Ashtabula, Ohio
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(Table 2)
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for Services	\$3,363,203	\$3,248,207	\$3,871,973	\$3,770,834	\$7,235,176	\$7,019,041
Operating Grants, Contributions and Interest	565,534	281,676	0	0	565,534	281,676
Capital Grants and Contributions	627,184	1,751,720	950,371	470,322	1,577,555	2,222,042
General Revenues						
Property Taxes	2,106,589	2,526,750	0	0	2,106,589	2,526,750
Income Taxes	6,773,363	6,875,966	0	0	6,773,363	6,875,966
Grants and Entitlements	2,217,714	2,484,064	0	0	2,217,714	2,484,064
Investment Earnings	152,306	325,184	0	84,352	152,306	409,536
Other	404,117	214,713	0	0	404,117	214,713
<i>Total Revenues</i>	<u>16,210,010</u>	<u>17,708,280</u>	<u>4,822,344</u>	<u>4,325,508</u>	<u>21,032,354</u>	<u>22,033,788</u>
Program Expenses						
General Government						
Legislative and Executive	3,586,747	4,135,051	0	0	3,586,747	4,135,051
Judicial System	1,151,790	1,090,892	0	0	1,151,790	1,090,892
Security of Persons and Property						
Police	3,887,527	3,882,495	0	0	3,887,527	3,882,495
Fire	3,047,444	2,987,810	0	0	3,047,444	2,987,810
Public Health Services	370,326	357,245	0	0	370,326	357,245
Street Maintenance and Repairs	2,231,818	1,986,728	0	0	2,231,818	1,986,728
Housing and Community Development	983,231	486,457	0	0	983,231	486,457
Sanitation Services	2,004,214	1,839,276	0	0	2,004,214	1,839,276
Leisure Time Activities	106,271	86,083	0	0	106,271	86,083
Interest and Fiscal Charges	39,292	56,083	0	0	39,292	56,083
Wastewater Treatment	0	0	4,596,123	3,160,731	4,596,123	3,160,731
<i>Total Expenses</i>	<u>17,408,660</u>	<u>16,908,120</u>	<u>4,596,123</u>	<u>3,160,731</u>	<u>22,004,783</u>	<u>20,068,851</u>
<i>Excess before Transfers</i>	(1,198,650)	800,160	226,221	1,164,777	(972,429)	1,964,937
<i>Transfers</i>	<u>162,820</u>	<u>50,000</u>	<u>(162,820)</u>	<u>(50,000)</u>	<u>0</u>	<u>0</u>
<i>Increase (Decrease) in Net Assets</i>	(1,035,830)	850,160	63,401	1,114,777	(972,429)	1,964,937
<i>Net Assets Beginning of Year</i>	<u>25,117,900</u>	<u>24,267,740</u>	<u>12,423,560</u>	<u>11,308,783</u>	<u>37,541,460</u>	<u>35,576,523</u>
<i>Net Assets End of Year</i>	<u>\$24,082,070</u>	<u>\$25,117,900</u>	<u>\$12,486,961</u>	<u>\$12,423,560</u>	<u>\$36,569,031</u>	<u>\$37,541,460</u>

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 2007, which took effect January of 2008 and is in effect thru December 31, 2010. The income tax revenue for 2008

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exceeded \$6.75 million including the 90 percent of collections which are allocated to the City's General Fund and the other 10 percent which goes to the Permanent Improvement Fund, The City Income Tax funds approximately 39 percent of all expenses in the Governmental Activities.

The City has seen the income tax collections decrease by \$102,603 or 1.5% in 2008. The City's major employers started reducing staffing levels during 2008 as less orders were coming in. The laid off employees of these companies are required to pay Federal & State income tax on the unemployment benefits but no local taxes are collected on these benefits. According to our County Commissioners, the unemployment numbers are nearing the 10% level which is higher than the national, state and other local employment levels at the end of 2008. The City of Ashtabula municipal court has also stepped up the collection of uncollected fines by issuing warrants for nonpayment. The stepped up collection process has helped as the courts have brought in approximately \$2,200 more per month than was projected. General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. Local government funding from the State generates approximately \$1,295,000 per year. The capital grants were less in 2008 due to a turn over in personnel in the Housing Community Development Department which applies for and administers these grants and less grants available with low matching funds needed to qualify.

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 facility generated charges for services revenues of \$3,871,973 and had expenses of \$4,596,123 during 2008. 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 or approximately one third of the annual budget. Although expenditures exceeded revenues, net assets increased by \$216,989. The operating revenues combined with capital grants of \$950,371 brought total 2008 revenues to \$4,822,344. Although expenses exceeded revenues during 2008, the City continues looking at ways to improve cash flow by reducing our cost of operation. Nonpayment of sewer bills is certified to the county auditor for certification on the property tax bills. Seeing that the City does not own the water company, discontinuation of service is not optional and the sewer service is continued. During 2008, the City once again 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 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 The City of Ashtabula's new Industrial Park at the end of State Route 11. The industrial park did have the groundbreaking recently and looks forward to having several large tenants that will have jobs available. The City has been able to keep sewer 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 \$16,615,359 and expenditures of \$18,009,478. The most significant change in our funds is the decrease in the debt service fund and due to fewer revenues allocated to make the debt service payments.

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The fund balance of the general fund decreased by \$233,395. While revenues exceeded expenditures by \$267,705, 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 year of 2008, the City amended its general fund budget several 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 intra-fund 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 \$10,000,000. Very conservative revenue projections at the beginning of the year played out as actual revenues were very close to projections.

The City of Ashtabula's ending unencumbered cash balance in the general fund at yearend was \$158,862.

Capital Assets and Debt Administration

Capital Assets

Table 3
 Capital Assets at December 31, 2008 & 2007

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Capital Assets, Non Depreciable						
Land	\$2,001,668	\$1,881,668	\$57,763	\$57,763	\$2,059,431	\$1,939,431
Construction in Progress	2,368,805	1,728,995	3,136,335	1,518,846	5,505,140	3,247,841
Total Capital Assets, Non Depreciable	4,370,473	3,610,663	3,194,098	1,576,609	7,564,571	5,187,272

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	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Capital Assets, Being Depreciated						
Buildings and Improvements	\$11,023,337	\$10,981,008	\$6,638,425	\$6,620,282	\$17,661,762	\$17,601,290
Equipment	2,477,169	2,512,161	1,891,809	1,832,542	4,368,978	4,344,703
Vehicles	3,987,783	3,973,112	392,958	400,577	4,380,741	4,373,689
Furniture and Fixtures	5,200	5,200	0	0	5,200	5,200
Infrastructure						
Bridges	4,211,742	4,155,266	0	0	4,211,742	4,155,266
Roads	9,514,623	9,237,619	0	0	9,514,623	9,237,619
Storm Sewers	2,533,404	2,533,404	0	0	2,533,404	2,533,404
Traffic Lights	556,204	547,103	0	0	556,204	547,103
Sanitary Sewers	0	0	11,374,786	10,667,177	11,374,786	10,667,177
Total Capital Assets, being Depreciated	34,309,462	33,944,873	20,297,978	19,520,578	54,607,440	53,465,451
Accumulated Depreciation	(19,220,028)	(18,168,195)	(9,384,047)	(8,874,855)	(28,604,075)	(27,043,050)
Total Capital Assets, Depreciable, Net	15,089,434	15,776,678	10,913,931	10,645,723	26,003,365	26,422,401
Total Capital Assets	<u>\$19,459,907</u>	<u>\$19,387,341</u>	<u>\$14,108,029</u>	<u>\$12,222,332</u>	<u>\$33,567,936</u>	<u>\$31,609,673</u>

The primary increases in Capital Assets occurred in construction in progress, buildings and 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 2008 were our regular street paving project, which cost approximately \$889,832. We also continued our equipment replacement program with the biggest single purchase being a new sanitation trash compactor which compacts the trash into a trailer for delivery to the landfill. The installed price for the compactor was \$164,690. Other major purchases, 5 police cruisers, case W14B loader, asphalt patcher to fill potholes with hot asphalt mix, and a new baseball backstop at Smith field that cost \$55,259. The City is 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 60 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 were two construction in progress projects. The biggest was the Equalization Basin. This one million gallon below ground concrete holding tank is able to reduce the flow through the City's sewer lines during periods of heavy rains by collecting the flow and holding a million gallons until the City is ready to release them during regular flow periods. This EQ Basin was mandated by the Ohio EPA to stop overflows of sanitary storm sewers into the river during heavy rain events. Another benefit of the EQ Basin is the relief of sewage back-ups into a few basements in the harbor area. The second significant project the City substantially completed during 2008 was a complete new installation of all the electric service at the wastewater plant itself. In May of 2008 City council entered into a contract with Valley Electric for \$375,833 to completely replace all the electrical components at the plant including a new electric component building. Most of the electric is original equipment and is very important considering the amount of pumps and systems running on the electric circuits. All the pumps, buildings, presses were completely rewired. Both of these projects are just steps towards the City's plan to

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renovate and upgrade the entire plant within ten years. See Note 8 for additional information about the City's capital assets.

Debt

At December 31, 2008 the City of Ashtabula had \$7,800,833 in bonds, notes, claims, judgments, and compensated absences outstanding, \$2,138,429 of which are due within one year.

Table 4
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$300,796	\$1,027,399	\$0	\$0	\$300,796	\$1,027,399
Specials Assessments:						
OPWC Loan - Harbor Heights	112,498	122,281	0	0	112,498	122,281
Mareddy Estates	23,984	47,061	0	0	23,984	47,061
Police and Fire Loan	0	102,228	0	0	0	102,228
Claims Payable	284,703	261,333	0	0	284,703	261,333
Compensated Absences	2,950,575	2,744,377	363,516	341,670	3,314,091	3,086,047
OPWC Loans:						
Morton Drive Siphon	0	0	161,989	0	161,989	0
Michigan Avenue/EQ Basin	0	0	500,000	0	500,000	0
OWDA Loan	0	0	1,024,045	1,137,279	1,024,045	1,137,279
EQ Basin Loan	0	0	2,078,727	2,293,696	2,078,727	2,293,696
Total Outstanding Debt	\$3,672,556	\$4,304,679	\$4,128,277	\$3,772,645	\$7,800,833	\$8,077,324

The OPWC Loan – Harbor Heights and Mareddy Estates are secured by future collections of special assessments. The Harbor Heights residents have agreed to be assessed on their property taxes for a 20 year period commencing January 1, 1999 and ending July 2018. The Mareddy Estates property owners initiated a paving assessment to be paid on their property taxes for a seven year period of time commencing January 1, 2003 and ending with the second half property taxes paid in July of 2009.

The amount due to the Ohio Public Works Commission and the Ohio Water Development Authority as well as the EQ Basin Loan are paid by sewer revenues collected from the users as part of their normal sewer bill.

The City's overall legal debt margin was \$24,630,919 at December 31, 2008. See Note 9 for additional information about the City's long-term debt.

Current Related Financial Activities

The City of Ashtabula has seen a decline in finances during 2008. City Council did implement a hiring freeze to all departments, a review of each departments operating expenses covering everything from cell phones , travel expenses, and added a new fuel purchasing system with Wright Express which allows our vehicles to fuel at any local station receiving the lowest local prices. One major financial hurdle the City is currently facing is the increase in accounts receivable from non payment of sewer and trash bills. Although the City will eventually collect most of the non payments through property tax assessments in the interim, cash flow remains a problem. Employees are still paid the wages, fuel costs which have doubled in the last few years

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

still needs to be paid, yet approximately 25 percent of our citizens did not pay their bill. The City Manager Anthony Cantagallo recommended to the Finance Committee of City Council to increase the late payment penalty from 3% per bill to \$25 per month or \$50 per bill as our sewer and trash bills go out bi-monthly. With the passage of this legislation during 2008, the mail, citizens at the drive thru and direct pay at the window picked up immediately. Citizens are now paying on time in order to avoid the 50 dollar late fee.

The citizens did pass the renewal of the City Income Tax which is currently at 1.8%. The new income tax renewal is in effect until December 31, 2010. Other options, such as a reduced tax credit which currently is 100% are being reviewed and one other option being explored is a tax levy to be used for street paving only. The City of Ashtabula is currently reviewing a 2 mill levy which would generate approximately \$500,000 annually. The City currently spends around a half million dollars in paving City streets per year but needs to double that amount to keep up with streets that are in need of repaving.

Another very important current financial event is the City's effort in pursuing the annexation of the surrounding townships that use the City of Ashtabula's Wastewater Treatment plant. A March of 2007 Ohio Supreme court case entitled Perrysburg allowed that City's that supply services such as sewers have a right to force annexation or discontinue services. This case may have huge implications for the City of Ashtabula. City Council did pass legislation terminating the City/County sewer agreement. The County has filed a lawsuit on behalf of the townships in hopes of getting a reasonable amount of time before any annexation begins. Negotiations are ongoing in hopes of establishing Joint Economic Development Districts and Cooperative Economic Development Agreements during the interim period before actual annexation begins.

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 cash balances have accumulated to over \$1,700,000 in these funds by reducing our annual expenses in both of these areas.

The City manages the hospital/medical, dental, drug and vision insurance benefits for its employees through a self-insured program. A third party administrator, Anthem Blue Cross and Blue Shield processes and pays the claims. The City pays the self-insurance claims and administrative costs weekly from its Health Insurance Internal Service Fund.

During 2008, the City continued the self funded retrospective rating program for workers compensation. 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. A calculation of self funded versus the State Program through a group showed a considerable savings in the self funded program over the long term. Several programs such as the Transitional Work and Drug Free Workplace have been instrumental in helping reduce our Workers Compensation Cost. The City will continue to fund our Workers Compensation Internal Service Fund to pay our current self funded premiums and the remaining retrospective rating claims cost. The City is responsible for ten years of actual claims cost under the retrospective ratings system, dropping off the oldest year each year. Since the City exited the retrospective rating system December 31, 2003 we are responsible for claims from January 1, 1997 thru December 31, 2003. The years 2004 and 2005 are not part of this calculation as the City was in the group plan during this period. As of January 1, 2006, the City has converted back to the respective rating plan and left the group. It is the City's position that we can get lower premiums, less cost by being on our own, and self funded.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The City has also purchased and paid cash for a tremendous amount of new equipment in the last five years. Items include a new fire department apparatus, twenty seven new police cars including computers in the cars that allow our officers to check any registration or personal information from there cars, new sanitation equipment, snowplows, tractors for mowing, new computers and software for the Auditors office, Municipal Court, and other departments as needed. Virtually every department has had there equipment needs assessed, prioritized and purchased if possible.

My long term plan as City Auditor has been an ongoing plan of reducing debt in our City. I have always been very conservative when it came to borrowing money for projects the City of Ashtabula requires as opposed to desires. Then on the other side, we have done additional borrowing for projects which are needed and have added value for our City such as the equalization basin, building improvements, and other sewer related projects. I have been opposed to leasing equipment as requested by several departments. I have taken the position of equipment purchases being paid for as we can afford these purchases out of the City's Permanent Improvement Fund.

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 33 and 34 requirements. Our 2007 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, 4717 Main Avenue, Ashtabula, Ohio 44004, telephone 440-992-7107, or e-mail at michaelz@suite224.net.

City Of Ashtabula, Ohio
Statement of Net Assets
December 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activity	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,808,921	\$791,022	\$4,599,943	\$0
Cash and Cash Equivalents in Segregated Accounts	169,856	0	169,856	638,079
Accounts Receivable	1,421,694	1,888,394	3,310,088	0
Accrued Interest	0	0	0	6,056
Due from Other Governments	1,701,423	0	1,701,423	39,697
Materials and Supplies Inventory	24,843	4,069	28,912	0
Prepaid Items	80,348	37,288	117,636	0
Due from Component Unit	97,484	0	97,484	0
Loans Receivable	143,663	0	143,663	0
Property Taxes Receivable	2,067,625	0	2,067,625	0
Income Taxes Receivable	1,638,706	0	1,638,706	0
Special Assessments Receivable	133,634	0	133,634	0
Capital Assets, Nondepreciable	4,370,473	3,194,098	7,564,571	1,562,498
Capital Assets, Depreciable, Net	15,089,434	10,913,931	26,003,365	321,494
<i>Total Assets</i>	<u>30,748,104</u>	<u>16,828,802</u>	<u>47,576,906</u>	<u>2,567,824</u>
Liabilities				
Accounts Payable	94,950	44,712	139,662	0
Contracts Payable	187,368	39,577	226,945	0
Accrued Wages and Benefits	365,957	69,158	435,115	497
Due to Other Governments	536,103	16,018	552,121	0
Deferred Revenue	1,799,101	0	1,799,101	11,099
Deposits Held and Due to Others	5,095	0	5,095	0
Accrued Interest Payable	4,904	44,099	49,003	0
Due to Primary Government	0	0	0	97,484
Long-Term Liabilities:				
Due Within One Year	1,639,628	498,801	2,138,429	25,664
Due Within More Than One Year	2,032,928	3,629,476	5,662,404	626,946
<i>Total Liabilities</i>	<u>6,666,034</u>	<u>4,341,841</u>	<u>11,007,875</u>	<u>761,690</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	19,022,629	10,343,268	29,365,897	1,133,898
Restricted for:				
Capital Projects	917,675	0	917,675	0
Debt Service	141,267	0	141,267	0
Community Development	1,073,682	0	1,073,682	0
Sanitation	719,258	0	719,258	0
Street Maintenance and Repair	97,528	0	97,528	0
Other Purposes	797,701	0	797,701	0
Unrestricted	1,312,330	2,143,693	3,456,023	672,236
<i>Total Net Assets</i>	<u>\$24,082,070</u>	<u>\$12,486,961</u>	<u>\$36,569,031</u>	<u>\$1,806,134</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Activities
For the Year Ended December 31, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$3,586,747	\$175,970	\$15,251	\$139,058
Judicial System	1,151,790	804,117	15,687	34,295
Security of Persons and Property:				
Police	3,887,527	88,807	49,140	0
Fire	3,047,444	55,518	35,966	0
Public Health Services	370,326	187,267	25,483	0
Street Maintenance and Repairs	2,231,818	15,694	317,571	0
Housing and Community Development	983,231	221,622	59,900	453,831
Sanitation Services	2,004,214	1,799,928	46,536	0
Leisure Time Activities	106,271	14,280	0	0
Interest and Fiscal Charges	39,292	0	0	0
<i>Total Governmental Activities</i>	17,408,660	3,363,203	565,534	627,184
Business-Type Activity				
Wastewater Treatment	4,596,123	3,871,973	0	950,371
<i>Total Primary Government</i>	<u>\$22,004,783</u>	<u>\$7,235,176</u>	<u>\$565,534</u>	<u>\$1,577,555</u>
Component Unit				
Asthtabula Port Authority	<u>\$1,281,321</u>	<u>\$23,772</u>	<u>\$1,485,494</u>	<u>\$55,178</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

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
(\$3,256,468)	\$0	(\$3,256,468)	\$0
(297,691)	0	(297,691)	0
(3,749,580)	0	(3,749,580)	0
(2,955,960)	0	(2,955,960)	0
(157,576)	0	(157,576)	0
(1,898,553)	0	(1,898,553)	0
(247,878)	0	(247,878)	0
(157,750)	0	(157,750)	0
(91,991)	0	(91,991)	0
(39,292)	0	(39,292)	0
(12,852,739)	0	(12,852,739)	0
0	226,221	226,221	0
(12,852,739)	226,221	(12,626,518)	0
0	0	0	283,123
1,064,331	0	1,064,331	0
588,302	0	588,302	0
1,421	0	1,421	0
452,535	0	452,535	0
6,105,678	0	6,105,678	0
667,685	0	667,685	0
2,217,714	0	2,217,714	12,718
152,306	0	152,306	4,804
404,117	0	404,117	0
11,654,089	0	11,654,089	17,522
162,820	(162,820)	0	0
11,816,909	(162,820)	11,654,089	17,522
(1,035,830)	63,401	(972,429)	300,645
25,117,900	12,423,560	37,541,460	1,505,489
\$24,082,070	\$12,486,961	\$36,569,031	\$1,806,134

City of Ashtabula, Ohio

Balance Sheet

Governmental Funds

December 31, 2008

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
Assets					
Equity in Pooled Cash and Cash Equivalents	\$203,804	\$224,120	\$16,739	\$60,272	\$36,696
Cash and Cash Equivalents In Segregated Accounts	169,856	0	0	0	0
Receivables:					
Property Taxes	914,858	0	0	0	0
Income Taxes	1,474,835	0	0	0	0
Accounts	55,653	285,151	1,028,116	50,130	0
Special Assessments	0	0	0	0	133,634
Due from Other Governments	816,416	469,415	0	319,362	0
Materials and Supplies Inventory	14,217	0	0	10,626	0
Prepaid Items	73,385	0	0	336	0
Due from Component Unit	0	97,484	0	0	0
Loans Receivable	0	143,663	0	0	0
<i>Total Assets</i>	\$3,723,024	\$1,219,833	\$1,044,855	\$440,726	\$170,330
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$69,769	\$0	\$20,564	\$4,127	\$0
Contracts Payable	840	122,522	50,177	0	0
Accrued Wages	285,193	5,214	31,011	41,684	0
Due to Other Governments	152,303	780	7,736	10,262	0
Deferred Revenue	2,696,820	754,566	952,830	267,163	133,634
Deposits Held and Due to Others	0	0	0	0	0
<i>Total Liabilities</i>	3,204,925	883,082	1,062,318	323,236	133,634
Fund Balances					
Reserved for Encumbrances	41,038	27,982	6,950	9,271	0
Reserved for Inventory	14,217	0	0	10,626	0
Reserved for Loans Receivable	0	233,747	0	0	0
Unreserved:					
Designated for Roadway Improvements	0	0	0	0	0
Undesignated, Reported in:					
General Fund	462,844	0	0	0	0
Special Revenue Funds (Deficit)	0	75,022	(24,413)	97,593	0
Debt Service Fund	0	0	0	0	36,696
Capital Projects Funds (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	518,099	336,751	(17,463)	117,490	36,696
<i>Total Liabilities and Fund Balances</i>	\$3,723,024	\$1,219,833	\$1,044,855	\$440,726	\$170,330

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, 2008*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			Total Governmental Funds Balances	\$2,362,919
			<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$671,009	\$889,231	\$2,101,871	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	19,459,907
0	0	169,856		
501,467	651,300	2,067,625	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
163,871	0	1,638,706	Property Taxes	\$292,051
0	2,644	1,421,694	Charges for Services	1,293,026
0	0	133,634	Income Tax	1,178,640
24,202	72,028	1,701,423	Intergovernmental	1,471,473
0	0	24,843	Special Assessments	133,634
6,279	348	80,348	Total	4,368,824
0	0	97,484	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.	1,283,177
0	0	143,663		
<u>\$1,366,828</u>	<u>\$1,615,551</u>	<u>\$9,581,147</u>		
			In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due	(4,904)
\$0	\$333	\$94,793		
13,829	0	187,368	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	2,855	365,957	General Obligation Bonds	(300,796)
0	226,009	397,090	Special Assessments	(136,482)
643,533	719,379	6,167,925	Compensated Absences	(2,950,575)
0	5,095	5,095	Total	(3,387,853)
<u>657,362</u>	<u>953,671</u>	<u>7,218,228</u>	<i>Net Assets of Governmental Activities</i>	<u>\$24,082,070</u>
457,578	269,082	811,901		
0	0	24,843		
0	0	233,747		
412,000	0	412,000		
0	0	462,844		
0	389,487	537,689		
0	0	36,696		
(160,112)	3,311	(156,801)		
709,466	661,880	2,362,919		
<u>\$1,366,828</u>	<u>\$1,615,551</u>	<u>\$9,581,147</u>		

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
Revenues					
Property Taxes	\$1,065,992	\$0	\$0	\$0	\$1,144
Municipal Income Tax	6,091,737	0	0	0	0
Charges for Services	179,039	0	1,634,704	16,463	0
Licenses and Permits	99,298	0	0	0	0
Fines and Forfeitures	746,400	0	0	0	0
Intergovernmental	1,572,536	887,621	40,000	809,199	133
Special Assessments	0	0	0	0	37,417
Interest	88,908	5,988	0	38,259	0
Rentals	68,645	0	0	0	0
Other	400,801	0	9,433	49,230	0
<i>Total Revenues</i>	<u>10,313,356</u>	<u>893,609</u>	<u>1,684,137</u>	<u>913,151</u>	<u>38,694</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,998,770	0	0	0	1,313
Judicial System	981,509	0	0	0	0
Security of Persons and Property:					
Police	3,201,269	0	0	0	0
Fire	2,434,684	0	0	0	0
Public Health Services	233,401	0	0	0	0
Street Maintenance and Repairs	4,083	0	0	1,506,711	0
Housing and Community Development	58,946	969,481	0	0	0
Sanitation Services	5,674	0	1,834,527	0	0
Leisure Time Activities	22,000	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	102,228	0	0	0	32,860
Interest and Fiscal Charges	3,087	0	0	0	1,842
<i>Total Expenditures</i>	<u>10,045,651</u>	<u>969,481</u>	<u>1,834,527</u>	<u>1,506,711</u>	<u>36,015</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>267,705</u>	<u>(75,872)</u>	<u>(150,390)</u>	<u>(593,560)</u>	<u>2,679</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	75,000	646,000	0
Transfers Out	(501,100)	0	0	0	(751,800)
<i>Total Other Financing Sources (Uses)</i>	<u>(501,100)</u>	<u>0</u>	<u>75,000</u>	<u>646,000</u>	<u>(751,800)</u>
<i>Net Change in Fund Balances</i>	(233,395)	(75,872)	(75,390)	52,440	(749,121)
<i>Fund Balances Beginning of Year</i>	757,618	412,623	57,927	67,343	785,817
Decrease in Reserve for Inventory	(6,124)	0	0	(2,293)	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$518,099</u>	<u>\$336,751</u>	<u>(\$17,463)</u>	<u>\$117,490</u>	<u>\$36,696</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, 2008*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds	
			Net Change in Fund Balances - Total Governmental Funds (\$1,225,899)
			<i>Amounts reported for governmental activities in the statement of activities are different because</i>
\$453,251	\$589,226	\$2,109,613	Governmental funds report capital outlays as expenditures. However, in
666,136	0	6,757,873	the statement of activities, the cost of those assets is allocated over
0	55,919	1,886,125	their estimated useful lives as depreciation expense. This is the amount
0	229,375	328,673	by which capital outlay exceeded depreciation in the current period.
34,295	102,938	883,633	Capital Outlay \$1,579,258
140,842	419,834	3,870,165	Depreciation (1,447,436)
0	0	37,417	Total 131,822
12,190	6,961	152,306	
61,445	0	130,090	Governmental funds only report the disposal of capital assets to the
0	0	459,464	extent proceeds are received from the sale. In the statement of
			statement of activities, a gain or loss is reported for each disposal. (59,256)
1,368,159	1,404,253	16,615,359	
			Revenues in the statement of activities that do not provide current
			financial resources are not reported as revenues in the funds.
			Property Taxes (3,024)
			Municipal Income Tax 15,490
0	15,251	3,015,334	Charges for Services 79,473
0	54,968	1,036,477	Intergovernmental (460,590)
			Special Assessments (37,417)
0	427,290	3,628,559	Total (406,068)
0	388,604	2,823,288	
0	150,085	383,486	Repayment of long-term obligations is an expenditure in the
0	42,219	1,553,013	governmental funds, but the repayment reduces long-term
0	151,448	1,179,875	liabilities in the statement of net assets. 861,691
0	6,536	1,846,737	
0	22,637	44,637	In the statement of activities, interest is accrued on outstanding
1,361,496	196,088	1,557,584	bonds, whereas in governmental funds, an interest expenditure is
			reported when due. 39,505
726,603	0	861,691	
73,868	0	78,797	Some expenses reported in the statement of activities, do not require
			the use of current financial resources and therefore are not reported
2,161,967	1,455,126	18,009,478	as expenditures in governmental funds
			Compensated absences (206,198)
(793,808)	(50,873)	(1,394,119)	Change in Inventory (8,417)
			Total (214,615)
			The internal service funds used by management to charge the costs of
5,400	0	5,400	insurance and workers' compensation to individual funds are not
914,620	71,100	1,706,720	reported in the city-wide statement of activities. Governmental fund
(200,000)	(91,000)	(1,543,900)	expenditures and related internal service fund revenues are eliminated.
			The net revenue (expense) of the internal service funds are allocated
720,020	(19,900)	168,220	among the governmental activities. (163,010)
(73,788)	(70,773)	(1,225,899)	<i>Change in Net Assets of Governmental Activities</i> (\$1,035,830)
783,254	732,653	3,597,235	
0	0	(8,417)	
\$709,466	\$661,880	\$2,362,919	

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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,078,000	\$1,078,000	\$1,065,992	(\$12,008)
Municipal Income Tax	5,909,500	5,871,500	6,114,764	243,264
Charges for Services	177,435	177,435	179,039	1,604
Licenses and Permits	69,250	69,250	99,298	30,048
Fines and Forfeitures	815,956	815,956	748,986	(66,970)
Intergovernmental	1,842,881	1,902,881	1,538,502	(364,379)
Interest	208,000	208,000	88,908	(119,092)
Rentals	65,400	65,400	68,645	3,245
Other	207,157	377,157	400,452	23,295
<i>Total Revenues</i>	<u>10,373,579</u>	<u>10,565,579</u>	<u>10,304,586</u>	<u>(260,993)</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	3,045,084	3,052,151	3,016,214	35,937
Judicial System	1,029,736	992,239	987,806	4,433
Security of Persons and Property:				
Police	3,014,137	3,218,158	3,201,743	16,415
Fire	2,459,674	2,438,116	2,420,200	17,916
Public Health Services	250,940	237,642	235,432	2,210
Street Maintenance and Repairs	4,171	4,193	4,083	110
Housing and Community Development	57,874	59,876	58,946	930
Sanitation Services	7,675	7,694	5,674	2,020
Leisure Time Activities	20,000	22,000	22,000	0
Debt Service:				
Principal Retirement	102,228	102,228	102,228	0
Interest and Fiscal Charges	3,087	3,087	3,087	0
<i>Total Expenditures</i>	<u>9,994,606</u>	<u>10,137,384</u>	<u>10,057,413</u>	<u>79,971</u>
<i>Excess of Revenues Over Expenditures</i>	378,973	428,195	247,173	(181,022)
Other Financing Uses				
Transfers Out	(426,100)	(501,100)	(501,100)	0
<i>Net Change in Fund Balance</i>	(47,127)	(72,905)	(253,927)	(181,022)
<i>Fund Balance Beginning of Year</i>	365,662	365,662	365,662	0
Prior Year Encumbrances Appropriated	47,127	47,127	47,127	0
<i>Fund Balance End of Year</i>	<u>\$365,662</u>	<u>\$339,884</u>	<u>\$158,862</u>	<u>(\$181,022)</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,417,890	\$1,817,890	\$899,959	(\$917,931)
Interest	0	0	16,968	16,968
<i>Total Revenues</i>	1,417,890	1,817,890	916,927	(900,963)
Expenditures				
Current:				
Housing and Community Development	1,426,340	1,826,340	1,016,069	810,271
<i>Net Change in Fund Balance</i>	(8,450)	(8,450)	(99,142)	(90,692)
<i>Fund Balance Beginning of Year</i>	160,707	160,707	160,707	0
Prior Year Encumbrances Appropriated	8,450	8,450	8,450	0
<i>Fund Balance End of Year</i>	<u>\$160,707</u>	<u>\$160,707</u>	<u>\$70,015</u>	<u>(\$90,692)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,603,500	\$1,724,500	\$1,650,902	(\$73,598)
Intergovernmental	45,000	45,000	40,000	(5,000)
Other	35,808	10,808	9,433	(1,375)
<i>Total Revenues</i>	1,684,308	1,780,308	1,700,335	(79,973)
Expenditures				
Current:				
Sanitation Services	1,694,853	1,838,253	1,828,516	9,737
<i>Excess of Revenues Under Expenditures</i>	(10,545)	(57,945)	(128,181)	(70,236)
Other Financing Sources				
Transfers In	0	75,000	75,000	0
<i>Net Change in Fund Balance</i>	(10,545)	17,055	(53,181)	(70,236)
<i>Fund Balance Beginning of Year</i>	52,425	52,425	52,425	0
Prior Year Encumbrances Appropriated	10,545	10,545	10,545	0
<i>Fund Balance End of Year</i>	<u>\$52,425</u>	<u>\$80,025</u>	<u>\$9,789</u>	<u>(\$70,236)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$0	\$15,563	\$15,563
Intergovernmental	820,000	820,000	813,588	(6,412)
Interest	50,000	50,000	38,352	(11,648)
Other	18,000	18,000	0	(18,000)
<i>Total Revenues</i>	888,000	888,000	867,503	(20,497)
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works	1,350,506	1,563,306	1,518,452	44,854
<i>Excess of Revenues Under Expenditures</i>	(462,506)	(675,306)	(650,949)	24,357
Other Financing Sources				
Transfers In	444,500	644,500	646,000	1,500
<i>Net Change in Fund Balance</i>	(18,006)	(30,806)	(4,949)	25,857
<i>Fund Balance Beginning of Year</i>	37,944	37,944	37,944	0
Prior Year Encumbrances Appropriated	18,006	18,006	18,006	0
<i>Fund Balance End of Year</i>	<u>\$37,944</u>	<u>\$25,144</u>	<u>\$51,001</u>	<u>\$25,857</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2008

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$791,022	\$1,707,050
Accounts Receivable	1,888,394	0
Materials and Supplies Inventory	4,069	0
Prepaid Items	37,288	0
<i>Total Current Assets</i>	<u>2,720,773</u>	<u>1,707,050</u>
Noncurrent Assets		
Capital Assets, Nondepreciable	3,194,098	0
Capital Assets, Depreciable, Net	10,913,931	0
<i>Total Noncurrent Assets</i>	<u>14,108,029</u>	<u>0</u>
<i>Total Assets</i>	<u>16,828,802</u>	<u>1,707,050</u>
Liabilities		
Current Liabilities:		
Accounts Payable	44,712	157
Contracts Payable	39,577	0
Accrued Wages	69,158	0
Compensated Absences Payable	121,590	0
Due to Other Governments	16,018	139,013
Accrued Interest Payable	44,099	0
Claims Payable	0	192,203
Loans Payable	377,211	0
<i>Total Current Liabilities</i>	<u>712,365</u>	<u>331,373</u>
Long-Term Liabilities:		
Compensated Absences Payable	241,926	0
Claims Payable	0	92,500
Loans Payable	3,387,550	0
<i>Total Long-Term Liabilities</i>	<u>3,629,476</u>	<u>92,500</u>
<i>Total Liabilities</i>	<u>4,341,841</u>	<u>423,873</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	10,343,268	0
Unrestricted	2,143,693	1,283,177
<i>Total Net Assets</i>	<u>\$12,486,961</u>	<u>\$1,283,177</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, 2008*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
Operating Revenues		
Charges for Services	\$3,871,973	\$2,335,017
<i>Total Revenues</i>	<u>3,871,973</u>	<u>2,335,017</u>
Operating Expenses		
Personal Services	1,933,818	0
Contractual Services	1,018,055	486,915
Materials and Supplies	983,807	0
Depreciation	521,350	0
Claims	0	2,011,112
<i>Total Operating Expenses</i>	<u>4,457,030</u>	<u>2,498,027</u>
<i>Operating Loss</i>	<u>(585,057)</u>	<u>(163,010)</u>
Non Operating Revenues (Expenses)		
Loss on Disposal of Capital Assets	(392)	0
Interest and Fiscal Charges	(138,701)	0
<i>Total Non Operating Revenue (Expenses)</i>	<u>(139,093)</u>	<u>0</u>
<i>Loss Before Contributions and Transfers</i>	(724,150)	(163,010)
Capital Contributions	950,371	0
Transfers Out	(162,820)	0
<i>Change in Net Assets</i>	63,401	(163,010)
<i>Net Assets Beginning of Year</i>	<u>12,423,560</u>	<u>1,446,187</u>
<i>Net Assets End of Year</i>	<u><u>\$12,486,961</u></u>	<u><u>\$1,283,177</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, 2008

	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	\$3,740,284	\$0
Cash Received from Other Funds	0	2,335,017
Cash Payments Received from Other Operating Sources	0	0
Cash Payments to Suppliers for Goods and Services	(1,112,788)	(498,958)
Cash Payments for Claims	0	(2,000,278)
Cash Payments for Employee Services and Benefits	(1,890,217)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>737,279</u>	<u>(164,219)</u>
Cash Flows from Noncapital Financing Activities		
Transfers Out	(162,820)	0
Cash Flows from Capital and Related Financing Activities		
Tap-In Fees	63,330	0
Proceeds of Loan	661,989	0
Acquisition of Capital Assets	(2,479,714)	0
Principal Paid OWDA Loan	(113,234)	0
Principal Paid EQ Basin Loan	(214,969)	0
Interest Paid on OWDA Loan	(95,169)	0
Interest Paid on EQ Basin Loan	(48,253)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(2,226,020)</u>	<u>0</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	(1,651,561)	(164,219)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,442,583</u>	<u>1,871,269</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$791,022</u></u>	<u><u>\$1,707,050</u></u>

(continued)

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2008

	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>	(\$585,057)	(\$163,010)
Adjustments:		
Depreciation	521,350	0
(Increase)/ Decrease in Assets:		
Accounts Receivable	(131,689)	0
Materials and Supplies Inventory	8,671	0
Prepaid Items	3,024	5,313
Increase/ (Decrease) in Liabilities:		
Accounts Payable	964,933	0
Contracts Payable	(87,553)	0
Accrued Wages	23,639	0
Compensated Absences Payable	21,846	0
Due to Other Governments	(1,885)	(17,356)
Claims Payable	0	10,834
	<u>0</u>	<u>10,834</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$737,279</u>	<u>(\$164,219)</u>

Noncash Capital Financing Activities

During 2008, OPWC paid \$487,041 directly to contractors on behalf of the Wastewater Treatment fund and \$400,000 was paid by the Community Development Block Grant fund for capital assets. The Wastewater Treatment fund contributed \$200,000 for City infrastructure. During 2008, the Wasterwater Treatment fund had \$69,325 of capital asset additions related to a reclassification.

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2008

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$44,516</u>
<i>Total Assets</i>	<u><u>\$44,516</u></u>
Liabilities	
Deposits Held and Due to Others	<u>\$44,516</u>
<i>Total Liabilities</i>	<u><u>\$44,516</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, 2008

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 are the city manager, members of council, and the city solicitor. All serve four-year terms.

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable (See Note 18). 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 City Port Authority The Ashtabula City Port Authority is a legally separate entity, statutorily created under Section 4582.02 of the Ohio Revised Code, served by a seven-member board of directors appointed by the City Manager with the approval of City Council. Charged with the responsibility of industrial development and the improvement of Ashtabula's interconnecting waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City. On November 1, 1999, the Port Authority borrowed \$150,000 from the City's Revolving Loan Fund to finance the construction of a new housing facility for the United States Coast Guard Station located within the city limits. The Coast Guard signed a twenty year lease with the Port Authority. The City of Ashtabula was the co-signer on a fifteen year, \$375,000 Rural Industrial Park loan, taken out by the Port Authority for the infrastructure installation in the new 38 acre Industrial Park located at the end of State Route 11. The loan was through the Ohio Department of Development. The Port Authority is planning on selling the lots to businesses and applying the proceeds on repayment of the loan. The loan has no interest, principal, or service fee payments for the first sixty months. Thereafter the Port Authority will pay interest at the rate of 3 percent plus a .25 percent service fee per annum. Financial statements can be obtained from J. A. Valentic & Company Inc., 517 West Prospect Road, Ashtabula, Ohio.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the Ashtabula City Port Authority is presented in Note 19.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

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 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 enterprise fund. The more 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. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

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:

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 restricted 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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

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

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.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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, 2008, but which were levied to finance year 2009 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 department and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2008.

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, 2008

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. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2008, investments were limited to 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, 2008.

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

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2008 amounted to \$88,908, which includes \$19,374 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, 2008, 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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

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.

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

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
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

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

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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

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.

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.

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 goods or

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

service that is the primary activity of the fund. Revenues and expenses which do not meet these definitions are reported as non-operating.

P. Contributions of Capital

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

Q. Interfund Activity

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

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

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 – Change in Accounting Principles

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”, GASB Statement No. 49, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of this Statement did not result in any change to the City’s financial statements.

Note 4 - 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:

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. 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	\$ (233,395)	\$ (75,872)	\$ (75,390)	\$ 52,440
Net Adjustment for Revenue Accruals	(8,770)	26,919	16,198	(45,648)
Ending Unrecorded Cash	0	(3,601)	0	0
Net Adjustment for Expenditure Accruals	33,180	103,916	12,961	(2,470)
Encumbrances	(44,942)	(150,504)	(6,950)	(9,271)
Budget Basis	<u>\$ (253,927)</u>	<u>\$ (99,142)</u>	<u>\$ (53,181)</u>	<u>\$ (4,949)</u>

Note 5 - Deposits and Investments

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
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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. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available.

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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

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.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$1,843,271 and the bank balance was \$1,555,546. Of the bank balance \$742,247 was covered by Federal depository insurance and \$813,299 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the City's name.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of December 31, 2008, the City had the following investments:

	Fair Value	Maturity
STAROhio	\$2,971,044	Average 55 Days
Total Portfolio	\$2,971,044	

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

Credit Risk STAROhio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

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

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The City's investment policy places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2008:

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

Investment Issuer	Percentage of Investments
STAROhio	100.00 %

Note 6 - Receivables

Receivables at December 31, 2008, 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. All receivables, except property taxes, loans and special assessments are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Loans expected to be collected in more than one year amount to \$138,213.

Special assessments expected to be collected in more than one year amount to \$133,634 in the Debt Service Fund. At December 31, 2008 the amount of delinquent special assessments was \$318.

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 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009. 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.

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. 2008 public utility property taxes which became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

The full tax rate for all City operations for the year ended December 31, 2008, was \$9.31 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$202,501,770
Public Utility Property	19,626,430
Tangible Personal Property	14,967,220
Total Valuation	<u>\$237,095,420</u>

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, 2008 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 2008 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 capital assets. As a result, this portion of the revenue is placed in the permanent improvement capital projects fund. The remaining ninety percent is unrestricted and is credited to the City's general fund.

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

In accordance with the City Charter, any income tax ordinance must be approved by a majority vote at a City election prior to the ordinance becoming effective. The current income tax levy has been renewed through December 2010.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

City of Ashtabula, Ohio
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For the Year Ended December 31, 2008

	Amounts
Governmental Activities	
Local Government	\$683,100
Grants	504,014
Gasoline and Excise Tax	307,449
Homestead and Rollback Taxes	112,023
Permissive Tax	52,479
Estate Tax	38,336
Liquor License	4,022
Total	\$1,701,423

Note 7 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008, the City contracted with Argonaut Insurance Company for various types of insurance as follows:

Type of Coverage	Coverage Amounts	Deductible
General Liability	\$2,000,000	\$1,000
Law Enforcement Liability	2,000,000	25,000
Business Auto - Comprehensive	1,000,000	500
Business Auto - Collision	Actual cash value	100
Public Officials' Liability	2,000,000	2,500

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 2008, a total of \$2,348,516 was expensed in benefits and administrative costs. The liability for unpaid claims cost of \$74,801, reported in the self insurance internal service fund at December 31, 2008, 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 2009 which were incurred in 2008.

The City participates in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for employees injured. Incurred but not reported claims of \$185,000 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2008 based on an estimate by the City Auditor.

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$262,936	\$2,004,959	(\$2,006,562)	\$261,333
2008	261,333	2,023,648	(2,000,278)	284,703

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balance 12/31/2007	Additions	Deductions	Balance 12/31/2008
Governmental Activities:				
Capital Assets, Non-depreciable:				
Land	\$1,881,668	\$120,000	\$0	\$2,001,668
Construction in Progress	1,728,995	647,225	(7,415)	2,368,805
Total Capital Assets, Non-depreciable	<u>3,610,663</u>	<u>767,225</u>	<u>(7,415)</u>	<u>4,370,473</u>
Capital Assets, Depreciable:				
Buildings and Improvements	10,981,008	68,989	(26,660)	11,023,337
Equipment	2,512,161	78,700	(113,692)	2,477,169
Vehicles	3,973,112	132,089	(117,418)	3,987,783
Furniture and Fixtures	5,200	0	0	5,200
Infrastructure:				
Bridges	4,155,266	102,953	(46,477)	4,211,742
Roads	9,237,619	407,580	(130,576)	9,514,623
Storm Sewers	2,533,404	0	0	2,533,404
Traffic Lights	547,103	29,137	(20,036)	556,204
Total Capital Assets, Depreciable	<u>33,944,873</u>	<u>819,448</u>	<u>(454,859)</u>	<u>34,309,462</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(\$4,589,438)	(\$390,413)	\$24,282	(\$4,955,569)
Equipment	(1,706,694)	(205,626)	113,352	(1,798,968)
Vehicles	(2,846,215)	(242,136)	117,419	(2,970,932)
Furniture and Fixtures	(4,722)	(478)	0	(5,200)
Infrastructure:				
Bridges	(1,389,216)	(42,019)	37,048	(1,394,187)
Roads	(6,440,428)	(535,965)	100,184	(6,876,209)
Storm Sewers	(1,106,068)	(25,241)	0	(1,131,309)
Traffic Lights	(85,414)	(5,558)	3,318	(87,654)
Total Accumulated Depreciation	<u>(18,168,195)</u>	<u>(1,447,436)</u>	<u>395,603</u>	<u>(19,220,028)</u>
Total Capital Assets, Depreciable, net	<u>15,776,678</u>	<u>(627,988)</u>	<u>(59,256)</u>	<u>15,089,434</u>
Governmental Activities Capital Assets, Net	<u>\$19,387,341</u>	<u>\$139,237</u>	<u>(\$66,671)</u>	<u>\$19,459,907</u>
Business-Type Activities:				
Capital Assets, Non-depreciable:				
Land	\$57,763	\$0	\$0	\$57,763
Construction in Progress	1,518,846	2,207,524	(590,035)	3,136,335
Total Capital Assets, Non-depreciable	<u>1,576,609</u>	<u>2,207,524</u>	<u>(590,035)</u>	<u>3,194,098</u>
Capital Assets, Depreciable:				
Buildings and Improvements	6,620,282	18,143	0	6,638,425
Equipment	1,832,542	64,198	(4,931)	1,891,809
Vehicles	400,577	0	(7,619)	392,958
Infrastructure:				
Sanitary Sewer System	10,667,177	710,559	0	11,377,736
Total Capital Assets, Depreciable	<u>19,520,578</u>	<u>792,900</u>	<u>(12,550)</u>	<u>20,300,928</u>

City of Ashtabula, Ohio
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	Balance 12/31/2007	Additions	Deductions	Balance 12/31/2008
Less Accumulated Depreciation:				
Buildings and Improvements	(3,472,601)	(157,401)	0	(3,630,002)
Equipment	(1,096,912)	(162,350)	4,539	(1,254,723)
Vehicles	(359,503)	(13,055)	7,619	(364,939)
Infrastructure:				
Sanitary Sewer System	(3,945,839)	(188,544)	0	(4,134,383)
Total Accumulated Depreciation	(8,874,855)	(521,350)	12,158	(9,384,047)
Total Capital Assets, Depreciable, net	10,645,723	268,600	(392)	10,913,931
Business Type Activities				
Capital Assets, Net	\$12,222,332	\$2,476,124	(\$590,427)	\$14,108,029

* Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$249,515
Judicial	85,163
Security of Persons and Property	
Police	159,554
Fire	107,577
Public Health Services	3,670
Street Maintenance and Repair	720,225
Sanitation	78,276
Leisure Time Activities	43,456
Total Depreciation Expense	\$1,447,436

Note 9 - Long-Term Debt

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

	Original Issue Date	Interest Rate	Original Issue Amount
Governmental Activities:			
General Obligation Debt Issues:			
Building Improvement	2006	4.3%	\$1,200,000
Special Assessments			
OPWC Loan – Harbor Heights	2000	0.00	195,647
Mareddy Estates	2002	3.93	150,000
Business Type Activities:			
Wastewater Plant Renovation	1999	4.35	1,964,178
Equalization Basin	2007	4.20	2,500,000
OPWC - Morton Drive Siphon Improvement	2008	0.00	161,989
OPWC - Michigan Avenue – EQ Basin	2008	0.00	500,000

During 2008 the City continued construction on a one million gallon retention basin. This basin should stop any overflow of sanitary and storm water from flowing into the Ashtabula River. The overflows and backup into household basements only occur during very heavy rain. The retention basin is projected to cost approximately \$3,000,000 plus any interest expense. The City is hopeful that the County will participate in the project and pay twenty percent or approximately \$600,000 towards the equalization basin as our engineers have determined through flow studies that twenty percent of the flow to the City's wastewater treatment plant

City of Ashtabula, Ohio
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For the Year Ended December 31, 2008

is from non City users. Ohio Public Works Commission (OPWC) general obligation debt is for the West/Lake Avenues Bridge. The 2008 OPWC loans for the business-type activities are for improvements to areas of the City's sanitary sewer collection system.

A schedule of changes in bonds and other long-term obligations of the City during 2008 follows:

	Principal Outstanding 12/31/2007	Additions	Deletions	Principal Outstanding 12/31/2008	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
4.30%					
Building Improvement	\$1,027,399	\$0	\$726,603	\$300,796	\$146,572
Total General Obligation Bonds	1,027,399	0	726,603	300,796	146,572
Special Assessments					
OPWC Loan - Harbor Heights	122,281	0	9,783	112,498	9,782
Mareddy Estates	47,061	0	23,077	23,984	23,984
Total Special Assessments	169,342	0	32,860	136,482	33,766
Police and Fire Loan	102,228	0	102,228	0	0
Claims Payable	261,333	2,023,648	2,000,278	284,703	192,203
Compensated Absences	2,744,377	1,267,087	1,060,889	2,950,575	1,267,087
<i>Total Governmental Activities</i>	<u>\$4,304,679</u>	<u>\$3,290,735</u>	<u>\$3,922,858</u>	<u>\$3,672,556</u>	<u>\$1,639,628</u>
Business Type Activities					
OWDA Loan					
4.35% Wastewater Plant Renovation	\$1,137,279	\$0	\$113,234	\$1,024,045	\$118,214
EQ Basin Loan					
4.20% Equalization Basin	2,293,696	0	214,969	2,078,727	223,997
OPWC 0% Loan					
Morton Drive Siphon Improvement	0	161,989	0	161,989	10,000
OPWC 0% Loan					
Michigan Avenue - EQ Basin	0	500,000	0	500,000	25,000
Compensated Absences	341,670	121,590	99,744	363,516	121,590
<i>Total Business Type Activities</i>	<u>\$3,772,645</u>	<u>\$783,579</u>	<u>\$427,947</u>	<u>\$4,128,277</u>	<u>\$498,801</u>

All bonds are secured by the full faith and credit of the City. General obligation bonds are to be repaid from general property taxes levied on all taxable property located within the City. The OPWC loan is secured by the future collection of special assessments. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City. The amounts due the Ohio Water Development Authority, Ohio Public Works Commission loans, and for the EQ Basin loan are payable solely from sewer revenues. The City has pledged future revenues to repay the four loans. The loans are payable solely from net revenues and are payable through 2028. Annual principal and interest payments on the loans are expected to require .1 percent of net revenues and 12.1 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$4,363,578. Principal and interest paid for the current year were \$471,625, total net revenues were \$89,881 and total revenues were \$3,871,973. 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, special revenue funds and wastewater treatment fund. Claims payable will be paid from the internal service funds (See Note 7).

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

The City's overall legal debt margin was \$24,630,919 at December 31, 2008. Principal and interest requirements to retire OWDA loan, Equalization Basin loan, OPWC loan, general obligation bonds, building improvements loan, and the police and fire pension loan payable at December 31, 2008, are as follows:

	Governmental Activities						Governmental Activities Totals
	General Obligation Bonds		Mareddy Estate Special Assessment		OPWC Loan		
	Principal	Interest	Principal	Interest	Harbor Htgs		
2009	\$146,572	\$1,410	\$23,984	\$943	\$9,782	\$182,691	
2010	145,463	1,381	0	0	9,782	156,626	
2011	8,761	86	0	0	9,783	18,630	
2012	0	0	0	0	9,783	9,783	
2013	0	0	0	0	9,782	9,782	
2014 - 2018	0	0	0	0	48,912	48,912	
2019 - 2023	0	0	0	0	14,674	14,674	
Total	\$300,796	\$2,877	\$23,984	\$943	\$112,498	\$441,098	

	Business Type Activities						Total Primary Government
	OWDA Loan		Equalization Basin Loan		OPWC Loans	Business Type Activities Totals	
	Principal	Interest	Principal	Interest			
2009	\$118,214	\$43,274	\$223,997	\$87,307	\$35,000	\$507,792	\$690,483
2010	123,412	38,076	233,405	77,899	35,000	507,792	664,418
2011	128,839	32,649	243,208	68,095	35,000	507,791	526,421
2012	134,504	26,984	253,423	57,881	35,000	507,792	517,575
2013	140,418	21,069	264,067	47,237	35,000	507,791	517,573
2014 - 2018	378,658	25,062	860,627	73,284	175,000	1,512,631	1,561,543
2019 - 2023	0	0	0	0	175,000	175,000	189,674
2024 - 2028	0	0	0	0	136,989	136,989	136,989
Total	\$1,024,045	\$187,114	\$2,078,727	\$411,703	\$661,989	\$4,363,578	\$4,804,676

Note 10 - 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 are paid as used by employees or paid upon separation from the 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 2008.

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

City of Ashtabula, Ohio
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For the Year Ended December 31, 2008

Note 11 - Leases

The City, as a lessor, has entered into an agreement to assume the former Dairy Queen Inc. lease by Czup Fowler Limited, dba Hoffman's Pharmacy. The building, owned by the City was razed. The land is being leased to Czup Fowler Ltd for 30 years with five 10-year options to extend the lease. The City is also a lessor of thirteen and one half percent of a building to Keybank National Corporation. The lease with Keybank is for ten years with a five-year extension at Keybank's option, which was exercised in 2008. The following schedule provides an analysis of the leased property at December 31, 2008:

	Czup Fowler Limited, dba Hoffman's Pharmacy	Keybank National Corporation
Land	\$3,415	\$0
Building	0	99,201
Leased property, total value	3,415	99,201
Less: Accumulated Depreciation	0	(19,242)
Leased property, net of depreciation	<u>\$3,415</u>	<u>\$79,959</u>

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2008:

Year ending December 31,	Hoffman's Pharmacy	Keybank National Corp
2009	\$7,200	\$134,062
2010	7,200	150,820
2011	7,200	154,172
2012	7,200	154,172
2013	8,400	154,172
2014 - 2018	43,200	179,867
2019 - 2023	49,200	0
2024 - 2028	55,200	0
2029 - 2033	61,200	0
2034 - 2037	52,800	0
Total minimum lease payments	<u>\$298,800</u>	<u>\$927,265</u>

Note 12 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll, public safety and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.4 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, 2008, 2007, and 2006 were \$365,054, \$466,045, and \$422,384 respectively; 91.46 percent has been contributed for 2008 and 100 percent for 2007 and 2006. There were no contributions to the member-directed plan for 2008.

B. Ohio Police and Fire Pension Fund

Plan Description – 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2008, a portion of the City's contributions equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's contributions to OP&F for police and firefighters were \$369,657 and \$378,688 for the year ended December 31, 2008, \$359,795 and \$373,871 for the year ended December 31, 2007, and \$355,821 and \$355,046 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 69.55 percent has been contributed for police and 70.33 percent has been contributed for firefighters for 2008.

Note 13 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

City of Ashtabula, Ohio
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For the Year Ended December 31, 2008

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, state and local government employers contributed at a rate of 14.0 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$365,054, \$273,149, and \$206,601 respectively; 91.46 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

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

B. Police and Firemen's Disability and Pension Fund

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

OP&F provides access to post-retirement health care coverage for 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.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy – OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$127,958 and \$106,506 for the year ended December 31, 2008, \$124,544 and \$105,151 for the year ended December 31, 2007, and \$141,416 and \$114,650 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 69.55 percent has been contributed for police and 70.33 percent has been contributed for firefighters for 2008.

Note 14 - Contingent Liabilities

A. Litigation

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

There is an issue outstanding as of December 31, 2008 regarding the non-collection of tap-in fees. However, the results of this issue are not yet known. The item is deemed immaterial to the overall correctness of the Financial Statements 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.

Note 15 - Related Party Transactions

The Ashtabula Port Authority, a discretely presented component unit of the City of Ashtabula, receives contributions from the City for salaries for the administration, implementation and supervision of its projects. In 2008, these contributions totaled \$12,175. The City of Ashtabula cosigns for debt that the Ashtabula Port Authority issues and also appoints the board of the Ashtabula Port Authority.

Note 16 – Contractual Commitments

At December 31, 2008 the City of Ashtabula had contractual commitments for engineering services with GGJ, Incorporated for \$594 for the Equalization Basin/Morton Drive Siphon project and \$91,550 for the West/Lake Avenues Bridge Rehab, LJB Incorporated for \$2,650 for professional services for traffic

City of Ashtabula, Ohio
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For the Year Ended December 31, 2008

signalization. Commitments for construction include Savcon Incorporated for the Equalization Basin in the amount of \$127,090, \$27,423 to AAA Pipe Cleaning Corporation for the Siphon Cleaning project and to Valley Electrical Incorporated for improvements to the Wastewater Treatment Plant for \$18,567.

Note 17 – Interfund Transfers

Interfund transfers for the year ended December 31, 2008, consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>						<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Motor Vehicle License Tax</u>	<u>State Highway</u>	<u>Wastewater Treatment</u>	
Major Funds:							
Sanitation	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
Street Maintenance and Repair	355,000	0	200,000	41,000	50,000	0	646,000
Permanent Improvement	<u>0</u>	<u>751,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>162,820</u>	<u>914,620</u>
Total Major Funds	<u>430,000</u>	<u>751,800</u>	<u>200,000</u>	<u>41,000</u>	<u>50,000</u>	<u>162,820</u>	<u>1,635,620</u>
Other Governmental Funds:							
Fire Pension	18,000	0	0	0	0	0	18,000
Food Service	30,100	0	0	0	0	0	30,100
Police Pension	18,000	0	0	0	0	0	18,000
Walnut Beach	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
Total Other Governmental Funds	<u>71,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>71,100</u>
Total Transfers	<u>\$501,100</u>	<u>\$751,800</u>	<u>\$200,000</u>	<u>\$41,000</u>	<u>\$50,000</u>	<u>\$162,820</u>	<u>\$1,706,720</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations; to segregate money for anticipated capital projects; 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 – Compliance

The following wastewater treatment fund object had expenditures plus encumbrances in excess of appropriations contrary to Section 5705.41 of the Ohio Revised Code.

	<u>Final Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Wastewater Treatment Fund:			
Capital Outlay	\$2,496,061	\$2,921,325	\$425,264

Although these violations were not corrected by yearend, management has indicated that appropriations will be closely monitored to ensure no future violations.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

Note 19 - Ashtabula City Port Authority

A. Description of Reporting Entity

The Ashtabula City Port Authority is a legally separate entity, statutorily created under Section 4582.02 of the Ohio Revised Code, served by a seven-member board of directors appointed by the City Manager with the approval of City Council. Charged with the responsibility of industrial development and the improvement of Ashtabula's interconnecting waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The Ashtabula City Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City (See Note 1).

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

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

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

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

C. Deposits and Investments

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

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$638,079 and the bank balance was \$638,287. Federal Depository Insurance covered the bank balance of \$638,287.

For the purpose of classification under GASB Statement No. 40, the Ashtabula Port Authority did not have any investments at year-end.

D. Capital Assets

A summary of the Ashtabula City Port Authority's capital assets at December 31, 2008 follows:

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2008

	Balance 12/31/2007	Additions	Deductions	Balance 12/31/2008
Governmental Activities				
Capital Assets, Non-depreciable				
Land	\$1,532,485	\$30,013	\$0	\$1,562,498
Capital Assets, Depreciable				
Improvements	538,516	0	0	538,516
Less Accumulated Depreciation				
Improvements	(189,096)	(27,926)	0	(217,022)
Total Assets, Depreciable, Net	349,420	(27,926)	0	321,494
Governmental Activities				
Capital Assets, Net	\$1,881,905	\$2,087	\$0	\$1,883,992

E. Long-term Debt

On August 30, 2008 Ohio Water Development Authority approved a loan that will enable the Ashtabula City Port Authority to install the waterlines at the City's Industrial Park. The loan is for \$284,000 with an interest rate of 3 percent and semi-annual payments of \$16,542 for ten years. The first payment will be due January 1, 2009. In 2006 the Ashtabula City Port Authority received a State of Ohio Rural Industrial Park loan from the Ohio Department of Development for the City's Industrial Park, in the amount of \$375,000. This loan bears no interest for years one through five with no payments due. Years six through fifteen bear interest at three percent. The City has loaned the Ashtabula City Port Authority money in the amount of \$150,000. As of December 31, 2008, \$52,516 of the City's loan has been repaid leaving a balance of \$97,484. The following are repayment schedules for the loans:

	City of Ashtabula - Loan		Industrial Park Loan		Ohio Water Development Authority Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$7,173	\$4,214	\$0	\$0	\$25,664	\$7,420
2010	7,503	3,885	0	0	25,496	7,588
2011	7,847	3,540	21,657	7,311	25,266	7,817
2012	8,208	3,180	33,308	10,145	26,060	7,023
2013	8,585	2,803	34,321	9,132	26,878	6,205
2014-2018	49,716	7,223	187,911	29,350	148,246	17,171
2019-2021	8,452	90	97,803	3,585	0	0
Total	\$97,484	\$24,935	\$375,000	\$59,523	\$277,610	\$53,224

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.

FEMA Grant Fund - To account for reimbursement of expenses received from the Federal Emergency Management Agency and Ohio Emergency Management Agency.

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 persons' 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.

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds

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

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

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

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, 2008

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Assets				
Equity in Pooled Cash and Cash Equivalents	\$71,989	\$285,558	\$3,850	\$16,530
Receivables:				
Property Taxes	0	325,650	0	0
Accounts	2,644	0	0	0
Due from Other Governments	0	15,731	0	0
Prepaid Items	0	0	290	0
<i>Total Assets</i>	<u>\$74,633</u>	<u>\$626,939</u>	<u>\$4,140</u>	<u>\$16,530</u>
 Liabilities and Fund Balances				
Accounts Payable	\$183	\$0	\$150	\$0
Accrued Wages	0	0	2,395	0
Due to Other Governments	0	112,349	1,007	0
Deferred Revenue	2,644	341,381	0	0
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>2,827</u>	<u>453,730</u>	<u>3,552</u>	<u>0</u>
 Fund Balances				
Reserved for Encumbrances	11,280	123,409	278	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	60,526	49,800	310	16,530
Capital Projects Fund	0	0	0	0
<i>Total Fund Balances</i>	<u>71,806</u>	<u>173,209</u>	<u>588</u>	<u>16,530</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$74,633</u>	<u>\$626,939</u>	<u>\$4,140</u>	<u>\$16,530</u>

(continued)

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2008

	Law Enforcement Trust	Marina	Motor Vehicle License Tax	Municipal Probation Services	Police Pension
Assets					
Equity in Pooled Cash and Cash Equivalents	\$518	\$3,980	\$67	\$114,731	\$328,559
Receivables:					
Property Taxes	0	0	0	0	325,650
Accounts	0	0	0	0	0
Due from Other Governments	0	0	17,466	0	15,731
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$518</u>	<u>\$3,980</u>	<u>\$17,533</u>	<u>\$114,731</u>	<u>\$669,940</u>
Liabilities and Fund Balances					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0	0
Due to Other Governments	0	0	0	0	112,563
Deferred Revenue	0	0	14,663	0	341,381
Deposits Held and Due to Others	0	0	0	5,095	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>14,663</u>	<u>5,095</u>	<u>453,944</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	133,487
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	518	3,980	2,870	109,636	82,509
Capital Projects Fund	0	0	0	0	0
<i>Total Fund Balances</i>	<u>518</u>	<u>3,980</u>	<u>2,870</u>	<u>109,636</u>	<u>215,996</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$518</u>	<u>\$3,980</u>	<u>\$17,533</u>	<u>\$114,731</u>	<u>\$669,940</u>

<u>Public Health Nursing</u>	<u>State Highway</u>	<u>Walnut Beach</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Nonmajor Construction Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$49,302	\$4,788	\$6,048	\$885,920	\$3,311	\$889,231
0	0	0	651,300	0	651,300
0	0	0	2,644	0	2,644
0	23,100	0	72,028	0	72,028
58	0	0	348	0	348
<u>\$49,360</u>	<u>\$27,888</u>	<u>\$6,048</u>	<u>\$1,612,240</u>	<u>\$3,311</u>	<u>\$1,615,551</u>
\$0	\$0	\$0	\$333	\$0	\$333
460	0	0	2,855	0	2,855
90	0	0	226,009	0	226,009
0	19,310	0	719,379	0	719,379
0	0	0	5,095	0	5,095
<u>550</u>	<u>19,310</u>	<u>0</u>	<u>953,671</u>	<u>0</u>	<u>953,671</u>
628	0	0	269,082	0	269,082
48,182	8,578	6,048	389,487	0	389,487
0	0	0	0	3,311	3,311
<u>48,810</u>	<u>8,578</u>	<u>6,048</u>	<u>658,569</u>	<u>3,311</u>	<u>661,880</u>
<u>\$49,360</u>	<u>\$27,888</u>	<u>\$6,048</u>	<u>\$1,612,240</u>	<u>\$3,311</u>	<u>\$1,615,551</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Code Enforcement	FEMA Grant	Fire Pension	Food Service
Revenues				
Property Taxes	\$0	\$0	\$294,613	\$0
Charges for Services	0	0	0	0
Licenses and Permits	171,554	0	0	45,646
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	245,194	37,126	1,608
Interest	0	0	0	0
<i>Total Revenues</i>	<u>171,554</u>	<u>245,194</u>	<u>331,739</u>	<u>47,254</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	15,251	0	0
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	388,604	0
Public Health Services	0	0	0	87,214
Street Maintenance and Repairs	0	27,319	0	0
Housing and Community Development	151,448	0	0	0
Sanitation Services	0	6,536	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	196,088	0	0
<i>Total Expenditures</i>	<u>151,448</u>	<u>245,194</u>	<u>388,604</u>	<u>87,214</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>20,106</u>	<u>0</u>	<u>(56,865)</u>	<u>(39,960)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	18,000	30,100
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>18,000</u>	<u>30,100</u>
<i>Net Change in Fund Balances</i>	20,106	0	(38,865)	(9,860)
<i>Fund Balances Beginning of Year</i>	<u>51,700</u>	<u>0</u>	<u>212,074</u>	<u>10,448</u>
<i>Fund Balances End of Year</i>	<u>\$71,806</u>	<u>\$0</u>	<u>\$173,209</u>	<u>\$588</u>

Indigent Alcohol	Law Enforcement Trust	Marina	Motor Vehicle License Tax	Municipal Probation Services	Police Pension	Public Health Nursing
\$0	\$0	\$0	\$0	\$0	\$294,613	\$0
0	0	0	0	0	0	55,919
0	0	12,175	0	0	0	0
11,593	45,221	0	0	46,124	0	0
0	0	0	39,566	0	37,126	0
0	0	0	0	0	0	0
<u>11,593</u>	<u>45,221</u>	<u>12,175</u>	<u>39,566</u>	<u>46,124</u>	<u>331,739</u>	<u>55,919</u>
0	0	0	0	0	0	0
13,461	0	0	0	41,507	0	0
0	48,199	0	0	0	379,091	0
0	0	0	0	0	0	0
0	0	0	0	0	0	62,871
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	12,175	0	0	0	0
0	0	0	0	0	0	0
<u>13,461</u>	<u>48,199</u>	<u>12,175</u>	<u>0</u>	<u>41,507</u>	<u>379,091</u>	<u>62,871</u>
<u>(1,868)</u>	<u>(2,978)</u>	<u>0</u>	<u>39,566</u>	<u>4,617</u>	<u>(47,352)</u>	<u>(6,952)</u>
0	0	0	0	0	18,000	0
0	0	0	(41,000)	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(41,000)</u>	<u>0</u>	<u>18,000</u>	<u>0</u>
(1,868)	(2,978)	0	(1,434)	4,617	(29,352)	(6,952)
<u>18,398</u>	<u>3,496</u>	<u>3,980</u>	<u>4,304</u>	<u>105,019</u>	<u>245,348</u>	<u>55,762</u>
<u>\$16,530</u>	<u>\$518</u>	<u>\$3,980</u>	<u>\$2,870</u>	<u>\$109,636</u>	<u>\$215,996</u>	<u>\$48,810</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, 2008

	State Highway	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues					
Property Taxes	\$0	\$0	\$589,226	\$0	\$589,226
Charges for Services	0	0	55,919	0	55,919
Licenses and Permits	0	0	229,375	0	229,375
Fines and Forfeitures	0	0	102,938	0	102,938
Intergovernmental	59,214	0	419,834	0	419,834
Interest	6,961	0	6,961	0	6,961
<i>Total Revenues</i>	<u>66,175</u>	<u>0</u>	<u>1,404,253</u>	<u>0</u>	<u>1,404,253</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	0	0	15,251	0	15,251
Judicial System	0	0	54,968	0	54,968
Security of Persons and Property:					
Police	0	0	427,290	0	427,290
Fire	0	0	388,604	0	388,604
Public Health Services	0	0	150,085	0	150,085
Street Maintenance and Repairs	14,900	0	42,219	0	42,219
Housing and Community Development	0	0	151,448	0	151,448
Sanitation Services	0	0	6,536	0	6,536
Leisure Time Activities	0	10,462	22,637	0	22,637
Capital Outlay	0	0	196,088	0	196,088
<i>Total Expenditures</i>	<u>14,900</u>	<u>10,462</u>	<u>1,455,126</u>	<u>0</u>	<u>1,455,126</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>51,275</u>	<u>(10,462)</u>	<u>(50,873)</u>	<u>0</u>	<u>(50,873)</u>
Other Financing Sources (Uses)					
Transfers In	0	5,000	71,100	0	71,100
Transfers Out	(50,000)	0	(91,000)	0	(91,000)
<i>Total Other Financing Sources and Uses</i>	<u>(50,000)</u>	<u>5,000</u>	<u>(19,900)</u>	<u>0</u>	<u>(19,900)</u>
<i>Net Change in Fund Balances</i>	1,275	(5,462)	(70,773)	0	(70,773)
<i>Fund Balances Beginning of Year</i>	7,303	11,510	729,342	3,311	732,653
<i>Fund Balances End of Year</i>	<u>\$8,578</u>	<u>\$6,048</u>	<u>\$658,569</u>	<u>\$3,311</u>	<u>\$661,880</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, 2008

	Self Insurance	Workers' Compensation	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$254,119	\$1,452,931	\$1,707,050
<i>Total Assets</i>	<u>254,119</u>	<u>1,452,931</u>	<u>1,707,050</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	0	157	157
Due to Other Governments	0	139,013	139,013
Claims Payable	74,801	117,402	192,203
<i>Total Current Liabilities</i>	<u>74,801</u>	<u>256,572</u>	<u>331,373</u>
Long-Term Liabilities:			
Claims Payable	<u>0</u>	<u>92,500</u>	<u>92,500</u>
<i>Total Liabilities</i>	<u>74,801</u>	<u>349,072</u>	<u>423,873</u>
Net Assets			
Unrestricted	<u>179,318</u>	<u>1,103,859</u>	<u>1,283,177</u>
<i>Total Net Assets</i>	<u>\$179,318</u>	<u>\$1,103,859</u>	<u>\$1,283,177</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, 2008*

	Self Insurance	Workers' Compensation	Total
Revenues			
Charges for Services	\$2,240,017	\$95,000	\$2,335,017
<i>Total Revenues</i>	<u>2,240,017</u>	<u>95,000</u>	<u>2,335,017</u>
Operating Expenses			
Contractual Services	485,388	1,527	486,915
Claims	1,863,128	147,984	2,011,112
<i>Total Operating Expenses</i>	<u>2,348,516</u>	<u>149,511</u>	<u>2,498,027</u>
<i>Change in Net Assets</i>	(108,499)	(54,511)	(163,010)
<i>Net Assets Beginning of Year</i>	<u>287,817</u>	<u>1,158,370</u>	<u>1,446,187</u>
<i>Net Assets End of Year</i>	<u><u>\$179,318</u></u>	<u><u>\$1,103,859</u></u>	<u><u>\$1,283,177</u></u>

City of Ashtabula, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008

	Self Insurance	Workers' Compensation	Total
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Other Funds	\$2,240,017	\$95,000	\$2,335,017
Cash Payments to Suppliers for Goods and Services	(480,075)	(18,883)	(498,958)
Cash Payments for Claims	(1,800,863)	(199,415)	(2,000,278)
<i>Net Decrease In Cash and Cash Equivalents</i>	(40,921)	(123,298)	(164,219)
<i>Cash and Cash Equivalents Beginning of Year</i>	295,040	1,576,229	1,871,269
<i>Cash and Cash Equivalents End of Year</i>	<u>\$254,119</u>	<u>\$1,452,931</u>	<u>\$1,707,050</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
<i>Operating Loss</i>	(\$108,499)	(\$54,511)	(\$163,010)
(Increase) Decrease in Assets:			
Prepaid Items	5,313	0	5,313
Increase (Decrease) in Liabilities:			
Due to Other Governments	0	(17,356)	(17,356)
Claims Payable	62,265	(51,431)	10,834
<i>Net Cash Used for Operating Activities</i>	<u>(\$40,921)</u>	<u>(\$123,298)</u>	<u>(\$164,219)</u>

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, 2008

	Balance 1/1/2008	Additions	Reductions	Balance 12/31/2008
<i>Fire Deposits</i>				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$39,824	\$48,437	\$44,300	\$43,961
Liabilities				
Deposits Held and Due to Others	\$39,824	\$48,437	\$44,300	\$43,961
<i>Law Library</i>				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$2,516	\$34,162	\$36,678	\$0
Liabilities				
Due to Other Governments	\$2,516	\$34,162	\$36,678	\$0
<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	\$42,895	\$82,599	\$80,978	\$44,516
Liabilities				
Due to Other Governments	\$2,516	\$34,162	\$36,678	\$0
Deposits Held and Due to Others	40,379	48,437	44,300	44,516
<i>Total Liabilities</i>	\$42,895	\$82,599	\$80,978	\$44,516

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances/Equity - 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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$1,078,000	\$1,078,000	\$1,065,992	(\$12,008)
Municipal Income Tax	5,909,500	5,871,500	6,114,764	243,264
Charges for Services	177,435	177,435	179,039	1,604
Licenses and Permits	69,250	69,250	99,298	30,048
Fines and Forfeitures	815,956	815,956	748,986	(66,970)
Intergovernmental	1,842,881	1,902,881	1,538,502	(364,379)
Interest	208,000	208,000	88,908	(119,092)
Rentals	65,400	65,400	68,645	3,245
Other	207,157	377,157	400,452	23,295
<i>Total Revenues</i>	10,373,579	10,565,579	10,304,586	(260,993)
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	169,607	172,048	171,198	850
Materials and Supplies	5,001	5,251	4,891	360
Contractual Services	2,500	2,144	2,144	0
Total Council	177,108	179,443	178,233	1,210
Administration:				
Personal Services	224,092	212,419	210,814	1,605
Materials and Supplies	5,046	5,046	4,496	550
Contractual Services	5,000	2,750	2,750	0
Total Administration	234,138	220,215	218,060	2,155
Auditor:				
Personal Services	273,009	269,092	268,582	510
Materials and Supplies	13,496	14,146	13,727	419
Contractual Services	4,000	4,000	4,000	0
Total Auditor	290,505	287,238	286,309	929
Treasurer:				
Personal Services	62,380	64,565	64,511	54
Materials and Supplies	3,500	3,500	3,252	248
Total Treasurer	\$65,880	\$68,065	\$67,763	\$302

(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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
City Income Tax:				
Personal Services	\$192,561	\$200,448	\$200,326	\$122
Materials and Supplies	20,695	21,345	20,536	809
Total City Income Tax	213,256	221,793	220,862	931
Solicitor:				
Personal Services	298,872	283,977	283,735	242
Materials and Supplies	8,500	6,700	6,386	314
Total Solicitor	307,372	290,677	290,121	556
Motor Maintenance:				
Personal Services	191,609	199,316	196,674	2,642
Materials and Supplies	16,000	16,500	13,828	2,672
Total Motor Maintenance	207,609	215,816	210,502	5,314
Engineering:				
Personal Services	181,647	191,657	191,294	363
Materials and Supplies	25,200	23,950	22,658	1,292
Contractual Services	1,000	1,000	856	144
Total Engineering	207,847	216,607	214,808	1,799
Affirmative Action:				
Personal Services	2,529	2,629	2,535	94
Materials and Supplies	250	150	0	150
Total Affirmative Action	2,779	2,779	2,535	244
County Auditor Deductions:				
Contractual Services	149,850	141,550	141,182	368
General Services:				
Street and Viaduct Lighting	363,200	378,015	377,320	695
Legal Advertising	5,500	5,500	4,804	696
Photocopy Machine	2,500	2,500	1,813	687
Bus Subsidy	31,000	31,000	31,000	0
Indigent Burials	5,000	3,000	3,000	0
Settlement of Claims	58,500	70,000	66,268	3,732
Membership Fees	9,700	7,486	7,486	0
Visitors Guide	1,250	1,147	985	162
Bank Fees	6,000	12,500	12,235	265
Total General Services	\$482,650	\$511,148	\$504,911	\$6,237

(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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service:				
Personal Services	\$12,180	\$12,273	\$11,848	\$425
Materials and Supplies	20,000	7,200	7,187	13
Total Civil Service	32,180	19,473	19,035	438
Lands and Buildings:				
Personal Services	187,205	187,716	187,221	495
Materials and Supplies	285,577	78,577	78,514	63
Contractual Services	110,000	317,000	302,333	14,667
Total Lands and Buildings	582,782	583,293	568,068	15,225
Systems Analyst:				
Personal Services	83,162	85,315	85,276	39
Materials and Supplies	5,000	5,750	5,632	118
Total Systems Analyst	88,162	91,065	90,908	157
Water Pollution:				
Personal Services	2,966	2,989	2,917	72
Total Legislative and Executive	3,045,084	3,052,151	3,016,214	35,937
Judicial System:				
Municipal Court/Probation:				
Personal Services	934,486	899,989	899,104	885
Materials and Supplies	81,000	73,500	70,921	2,579
Contractual Services	14,250	18,750	17,781	969
Total Judicial System	1,029,736	992,239	987,806	4,433
Total General Government	4,074,820	4,044,390	4,004,020	40,370
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,687,194	2,878,992	2,874,361	4,631
Materials and Supplies	315,943	321,666	310,588	11,078
Contractual Services	11,000	17,500	16,794	706
Total Police	\$3,014,137	\$3,218,158	\$3,201,743	\$16,415

(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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire:				
Fire Prevention:				
Personal Services	\$2,359,658	\$2,356,555	\$2,338,752	\$17,803
Materials and Supplies	83,016	36,261	36,174	87
Contractual Services	17,000	45,300	45,274	26
Total Fire	2,459,674	2,438,116	2,420,200	17,916
Total Security of Persons and Property	5,473,811	5,656,274	5,621,943	34,331
Public Health Services:				
Health:				
Personal Services	198,540	194,742	194,302	440
Materials and Supplies	4,900	4,900	4,894	6
Contractual Services	47,500	38,000	36,236	1,764
Total Public Health Services	250,940	237,642	235,432	2,210
Street Maintenance and Repairs:				
Street:				
Personal Services	4,171	4,193	4,083	110
Housing and Community Development:				
Housing Inspection:				
Personal Services	57,874	59,876	58,946	930
Sanitation Services:				
Sanitation:				
Personal Services	7,675	7,694	5,674	2,020
Leisure Time Activities:				
Recreation:				
Materials and Supplies	20,000	22,000	22,000	0
Debt Service:				
Principal Retirement	102,228	102,228	102,228	0
Interest and Fiscal Charges	3,087	3,087	3,087	0
<i>Total Expenditures</i>	<i>\$9,994,606</i>	<i>\$10,137,384</i>	<i>\$10,057,413</i>	<i>\$79,971</i>

(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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Over Expenditures</i>	\$378,973	\$428,195	\$247,173	(\$181,022)
Other Financing Uses				
Transfers Out	<u>(426,100)</u>	<u>(501,100)</u>	<u>(501,100)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(47,127)	(72,905)	(253,927)	(181,022)
<i>Fund Balance Beginning of Year</i>	365,662	365,662	365,662	0
Prior Year Encumbrances Appropriated	<u>47,127</u>	<u>47,127</u>	<u>47,127</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$365,662</u>	<u>\$339,884</u>	<u>\$158,862</u>	<u>(\$181,022)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,417,890	\$1,817,890	\$899,959	(\$917,931)
Interest	0	0	16,968	16,968
<i>Total Revenues</i>	<u>1,417,890</u>	<u>1,817,890</u>	<u>916,927</u>	<u>(900,963)</u>
Expenditures				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Personal Services	88,690	98,690	72,061	26,629
Materials and Supplies	33,900	37,900	2,852	35,048
Contractual Services	1,303,750	1,689,750	941,156	748,594
<i>Total Expenditures</i>	<u>1,426,340</u>	<u>1,826,340</u>	<u>1,016,069</u>	<u>810,271</u>
<i>Net Change in Fund Balance</i>	(8,450)	(8,450)	(99,142)	(90,692)
<i>Fund Balance Beginning of Year</i>	160,707	160,707	160,707	0
Prior Year Encumbrances Appropriated	8,450	8,450	8,450	0
<i>Fund Balance End of Year</i>	<u>\$160,707</u>	<u>\$160,707</u>	<u>\$70,015</u>	<u>(\$90,692)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,603,500	\$1,724,500	\$1,650,902	(\$73,598)
Intergovernmental	45,000	45,000	40,000	(5,000)
Other	35,808	10,808	9,433	(1,375)
<i>Total Revenues</i>	<u>1,684,308</u>	<u>1,780,308</u>	<u>1,700,335</u>	<u>(79,973)</u>
Expenditures				
Current:				
Sanitation Services:				
Sanitation:				
Personal Services	1,066,319	1,064,969	1,058,365	6,604
Materials and Supplies	166,034	205,234	204,440	794
Contractual Services	462,500	568,050	565,711	2,339
<i>Total Expenditures</i>	<u>1,694,853</u>	<u>1,838,253</u>	<u>1,828,516</u>	<u>9,737</u>
<i>Excess of Revenues Under Expenditures</i>	(10,545)	(57,945)	(128,181)	(70,236)
Other Financing Sources				
Transfers In	0	75,000	75,000	0
<i>Net Change in Fund Balance</i>	(10,545)	17,055	(53,181)	(70,236)
<i>Fund Balance Beginning of Year</i>	52,425	52,425	52,425	0
Prior Year Encumbrances Appropriated	10,545	10,545	10,545	0
<i>Fund Balance End of Year</i>	<u>\$52,425</u>	<u>\$80,025</u>	<u>\$9,789</u>	<u>(\$70,236)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$0	\$15,563	\$15,563
Intergovernmental	820,000	820,000	813,588	(6,412)
Interest	50,000	50,000	38,352	(11,648)
Other	18,000	18,000	0	(18,000)
<i>Total Revenues</i>	888,000	888,000	867,503	(20,497)
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	969,698	1,025,498	1,022,402	3,096
Materials and Supplies	55,308	487,808	463,185	24,623
Contractual Services	325,500	50,000	32,865	17,135
<i>Total Expenditures</i>	1,350,506	1,563,306	1,518,452	44,854
<i>Excess of Revenues Under Expenditures</i>	(462,506)	(675,306)	(650,949)	24,357
Other Financing Sources				
Transfers In	444,500	644,500	646,000	1,500
<i>Net Change in Fund Balance</i>	(18,006)	(30,806)	(4,949)	25,857
<i>Fund Balance Beginning of Year</i>	37,944	37,944	37,944	0
Prior Year Encumbrances Appropriated	18,006	18,006	18,006	0
<i>Fund Balance End of Year</i>	\$37,944	\$25,144	\$51,001	\$25,857

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$10,800	\$10,800	\$1,144	(\$9,656)
Intergovernmental	751,000	751,000	133	(750,867)
Special Assessments	38,500	38,500	37,417	(1,083)
<i>Total Revenues</i>	<u>800,300</u>	<u>800,300</u>	<u>38,694</u>	<u>(761,606)</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Contractual Services	11,000	11,000	1,313	9,687
Total General Government	<u>11,000</u>	<u>11,000</u>	<u>1,313</u>	<u>9,687</u>
Debt Service:				
Principal Retirement	34,100	34,100	32,860	1,240
Interest and Fiscal Charges	3,400	3,400	1,842	1,558
Total Debt Service	<u>37,500</u>	<u>37,500</u>	<u>34,702</u>	<u>2,798</u>
<i>Total Expenditures</i>	<u>48,500</u>	<u>48,500</u>	<u>36,015</u>	<u>12,485</u>
<i>Excess of Revenues Over Expenditures</i>	751,800	751,800	2,679	(749,121)
Other Financing Uses				
Operating Transfers - Out	(751,800)	(751,800)	(751,800)	0
<i>Net Change in Fund Balance</i>	0	0	(749,121)	(749,121)
<i>Fund Balance Beginning of Year</i>	<u>785,817</u>	<u>785,817</u>	<u>785,817</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$785,817</u>	<u>\$785,817</u>	<u>\$36,696</u>	<u>(\$749,121)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$465,000	\$465,000	\$453,251	(\$11,749)
Municipal Income Tax	655,000	655,000	668,694	13,694
Fines and Forfeitures	36,000	36,000	34,408	(1,592)
Intergovernmental	707,500	772,500	140,842	(631,658)
Investment Income	0	0	12,190	12,190
Rentals	68,000	68,000	61,445	(6,555)
<i>Total Revenues</i>	1,931,500	1,996,500	1,370,830	(625,670)
Expenditures				
Capital Outlay:				
Materials and Supplies	1,217,527	1,217,527	1,037,072	180,455
Contractual Services	54,000	54,000	52,976	1,024
Capital Outlay	701,207	1,276,007	1,275,690	317
<i>Total Capital Outlay</i>	1,972,734	2,547,534	2,365,738	181,796
Debt Service:				
Principal Retirement	726,604	726,604	726,603	1
Interest and Fiscal Charges	73,869	73,869	73,868	1
<i>Total Debt Service</i>	800,473	800,473	800,471	2
<i>Total Expenditures</i>	2,773,207	3,348,007	3,166,209	181,798
<i>Excess of Revenues Under Expenditures</i>	(841,707)	(1,351,507)	(1,795,379)	(443,872)
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	5,400	5,400
Proceeds of Loan	0	500,000	500,000	0
Transfers In	801,800	915,149	914,620	(529)
Transfers Out	0	(200,000)	(200,000)	0
<i>Total Other Financing Sources (Uses)</i>	801,800	1,215,149	1,220,020	4,871
<i>Net Change in Fund Balance</i>	(39,907)	(136,358)	(575,359)	(439,001)
<i>Fund Balance Beginning of Year</i>	746,456	746,456	746,456	0
Prior Year Encumbrances Appropriated	39,906	39,906	39,906	0
<i>Fund Balance End of Year</i>	\$746,455	\$650,004	\$211,003	(\$439,001)

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$3,730,528	\$3,743,526	\$3,740,284	(\$3,242)
Tap-In Fees	100,000	100,000	63,330	(36,670)
<i>Total Revenues</i>	<u>3,830,528</u>	<u>3,843,526</u>	<u>3,803,614</u>	<u>(39,912)</u>
Expenses				
Personal Services	1,697,476	1,910,925	1,903,624	7,301
Contractual Services	539,500	533,819	518,401	15,418
Materials and Supplies	359,313	449,312	447,316	1,996
Capital Outlay	2,288,380	2,496,061	2,921,325	(425,264)
Debt Service:				
Principal Retirement	445,204	414,754	328,203	86,551
Interest and Fiscal Charges	144,589	144,589	143,422	1,167
<i>Total Expenses</i>	<u>5,474,462</u>	<u>5,949,460</u>	<u>6,262,291</u>	<u>(312,831)</u>
<i>Excess of Revenues Under Expenses</i>	(1,643,934)	(2,105,934)	(2,458,677)	(352,743)
Other Financing Sources (Uses)				
OPWC Loan Proceeds	0	0	661,989	661,989
Transfers Out	(50,000)	(162,820)	(162,820)	0
<i>Net Change in Fund Equity</i>	(1,693,934)	(2,268,754)	(1,959,508)	309,246
<i>Fund Equity Beginning of Year</i>	748,649	748,649	748,649	0
Prior Year Encumbrances Appropriated	1,693,934	1,693,934	1,693,934	0
<i>Fund Equity End of Year</i>	<u>\$748,649</u>	<u>\$173,829</u>	<u>\$483,075</u>	<u>\$309,246</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, 2008

	<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	\$155,000	\$155,000	\$171,554	\$16,554
Interest	300	300	0	(300)
<i>Total Revenues</i>	<u>155,300</u>	<u>155,300</u>	<u>171,554</u>	<u>16,254</u>
Expenditures				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	126,000	141,000	137,323	3,677
Materials and Supplies	9,900	19,900	12,951	6,949
Contractual Services	20,000	25,000	12,358	12,642
<i>Total Expenditures</i>	<u>155,900</u>	<u>185,900</u>	<u>162,632</u>	<u>23,268</u>
<i>Net Change in Fund Balance</i>	(600)	(30,600)	8,922	39,522
<i>Fund Balance Beginning of Year</i>	51,187	51,187	51,187	0
Prior Year Encumbrances Appropriated	600	600	600	0
<i>Fund Balance End of Year</i>	<u>\$51,187</u>	<u>\$21,187</u>	<u>\$60,709</u>	<u>\$39,522</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$10,000	\$435,000	\$245,194	(\$189,806)
<i>Total Revenues</i>	<u>10,000</u>	<u>435,000</u>	<u>245,194</u>	<u>(189,806)</u>
Expenditures				
Current:				
General Government				
L & E - General				
Personal Services	10,000	15,251	15,251	0
Total General Government	<u>10,000</u>	<u>15,251</u>	<u>15,251</u>	<u>0</u>
Street Repairs and Maintenance				
Public Works				
Personal Services	0	100,000	11,310	88,690
Materials and Supplies	0	100,000	16,009	83,991
Total Street Repairs and Maintenance	<u>0</u>	<u>200,000</u>	<u>27,319</u>	<u>172,681</u>
Sanitation Services				
Sanitation				
Materials and Supplies	0	4,357	4,357	0
Total Sanitation	<u>0</u>	<u>4,357</u>	<u>4,357</u>	<u>0</u>
Water Pollution				
Water Pollution				
Materials and Supplies	0	15,392	2,179	13,213
Total Water Pollution	<u>0</u>	<u>15,392</u>	<u>2,179</u>	<u>13,213</u>
Capital Outlay	0	200,000	196,088	3,912
<i>Total Expenditures</i>	<u>10,000</u>	<u>435,000</u>	<u>245,194</u>	<u>189,806</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$293,500	\$293,500	\$294,613	\$1,113
Intergovernmental	90,500	90,500	37,126	(53,374)
<i>Total Revenues</i>	<u>384,000</u>	<u>384,000</u>	<u>331,739</u>	<u>(52,261)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	535,601	535,601	498,299	37,302
Contractual Services	7,000	7,000	6,001	999
<i>Total Expenditures</i>	<u>542,601</u>	<u>542,601</u>	<u>504,300</u>	<u>38,301</u>
<i>Excess of Revenues Under Expenditures</i>	(158,601)	(158,601)	(172,561)	(13,960)
Other Financing Sources				
Transfers In	18,000	18,000	18,000	0
<i>Net Change in Fund Balance</i>	(140,601)	(140,601)	(154,561)	(13,960)
<i>Fund Balance Beginning of Year</i>	176,109	176,109	176,109	0
Prior Year Encumbrances Appropriated	140,601	140,601	140,601	0
<i>Fund Balance End of Year</i>	<u><u>\$176,109</u></u>	<u><u>\$176,109</u></u>	<u><u>\$162,149</u></u>	<u><u>(\$13,960)</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Year Ended December 31, 2008

	<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	\$55,056	\$55,056	\$45,646	(\$9,410)
Intergovernmental	0	0	1,608	1,608
Total Revenues	<u>55,056</u>	<u>55,056</u>	<u>47,254</u>	<u>(7,802)</u>
Expenditures				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	74,748	75,014	75,011	3
Materials and Supplies	5,000	7,598	6,598	1,000
Contractual Services	6,200	5,944	5,864	80
Total Expenditures	<u>85,948</u>	<u>88,556</u>	<u>87,473</u>	<u>1,083</u>
Excess of Revenues Under Expenditures	(30,892)	(33,500)	(40,219)	(6,719)
Other Financing Sources				
Transfers In	30,100	30,100	30,100	0
Net Change in Fund Balance	(792)	(3,400)	(10,119)	(6,719)
Fund Balance Beginning of Year	12,621	12,621	12,621	0
Prior Year Encumbrances Appropriated	792	792	792	0
Fund Balance End of Year	<u>\$12,621</u>	<u>\$10,013</u>	<u>\$3,294</u>	<u>(\$6,719)</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Alcohol Fund
For the Year Ended December 31, 2008

	<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	\$25,000	\$25,000	\$11,463	(\$13,537)
Expenditures				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	<u>25,000</u>	<u>25,000</u>	<u>13,461</u>	<u>11,539</u>
<i>Net Change in Fund Balance</i>	0	0	(1,998)	(1,998)
<i>Fund Balance Beginning of Year</i>	<u>18,178</u>	<u>18,178</u>	<u>18,178</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,178</u></u>	<u><u>\$18,178</u></u>	<u><u>\$16,180</u></u>	<u><u>(\$1,998)</u></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, 2008

	<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	\$50,000	\$50,000	\$45,221	(\$4,779)
Expenditures				
Current:				
Security of Persons and Property				
Law Enforcement Trust:				
Materials and Supplies	50,000	50,000	48,199	1,801
<i>Net Change in Fund Balance</i>	0	0	(2,978)	(2,978)
<i>Fund Balance Beginning of Year</i>	3,496	3,496	3,496	0
<i>Fund Balance End of Year</i>	<u>\$3,496</u>	<u>\$3,496</u>	<u>\$518</u>	<u>(\$2,978)</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, 2008

	<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	\$14,000	\$14,000	\$12,175	(\$1,825)
Expenditures				
Current:				
Leisure Time Activities:				
Marina:				
Contractual Services	14,000	14,000	12,175	1,825
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	3,980	3,980	3,980	0
<i>Fund Balance End of Year</i>	<u>\$3,980</u>	<u>\$3,980</u>	<u>\$3,980</u>	<u>\$0</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$44,000	\$44,000	\$39,784	(\$4,216)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	44,000	44,000	39,784	(4,216)
Other Financing Uses				
Transfers Out	<u>(44,000)</u>	<u>(44,000)</u>	<u>(41,000)</u>	<u>3,000</u>
<i>Net Change in Fund Balance</i>	0	0	(1,216)	(1,216)
<i>Fund Balance Beginning of Year</i>	<u>1,283</u>	<u>1,283</u>	<u>1,283</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,283</u></u>	<u><u>\$1,283</u></u>	<u><u>\$67</u></u>	<u><u>(\$1,216)</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, 2008

	<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	\$82,000	\$82,000	\$44,633	(\$37,367)
Expenditures				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Materials and Supplies	<u>82,000</u>	<u>82,000</u>	<u>41,507</u>	<u>40,493</u>
<i>Net Change in Fund Balance</i>	0	0	3,126	3,126
<i>Fund Balance Beginning of Year</i>	<u>102,415</u>	<u>102,415</u>	<u>102,415</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$102,415</u></u>	<u><u>\$102,415</u></u>	<u><u>\$105,541</u></u>	<u><u>\$3,126</u></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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$293,500	\$293,500	\$294,613	\$1,113
Intergovernmental	90,500	90,500	37,126	(53,374)
<i>Total Revenues</i>	<u>384,000</u>	<u>384,000</u>	<u>331,739</u>	<u>(52,261)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	550,663	550,663	501,911	48,752
Contractual Services	7,000	7,000	6,000	1,000
<i>Total Expenditures</i>	<u>557,663</u>	<u>557,663</u>	<u>507,911</u>	<u>49,752</u>
<i>Excess of Revenues Under Expenditures</i>	(173,663)	(173,663)	(176,172)	(2,509)
Other Financing Sources				
Transfers In	18,000	18,000	18,000	0
<i>Net Change in Fund Balance</i>	(155,663)	(155,663)	(158,172)	(2,509)
<i>Fund Balance Beginning of Year</i>	197,582	197,582	197,582	0
Prior Year Encumbrances Appropriated	155,662	155,662	155,662	0
<i>Fund Balance End of Year</i>	<u>\$197,581</u>	<u>\$197,581</u>	<u>\$195,072</u>	<u>(\$2,509)</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Health Nursing Fund
For the Year Ended December 31, 2008

	<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	\$47,400	\$47,400	\$55,919	\$8,519
Intergovernmental	1,000	1,000	0	(1,000)
Total Revenues	<u>48,400</u>	<u>48,400</u>	<u>55,919</u>	<u>7,519</u>
Expenditures				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	14,400	18,775	14,380	4,395
Materials and Supplies	39,422	49,864	48,476	1,388
Total Expenditures	<u>53,822</u>	<u>68,639</u>	<u>62,856</u>	<u>5,783</u>
Net Change in Fund Balance	(5,422)	(20,239)	(6,937)	13,302
Fund Balance Beginning of Year	50,189	50,189	50,189	0
Prior Year Encumbrances Appropriated	5,422	5,422	5,422	0
Fund Balance End of Year	<u>\$50,189</u>	<u>\$35,372</u>	<u>\$48,674</u>	<u>\$13,302</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$60,000	\$60,000	\$59,515	(\$485)
Interest	4,900	4,900	6,961	2,061
<i>Total Revenues</i>	64,900	64,900	66,476	1,576
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	14,900	14,900	14,900	0
<i>Excess of Revenues Over Expenditures</i>	50,000	50,000	51,576	1,576
Other Financing Uses				
Transfers Out	(50,000)	(50,000)	(50,000)	0
<i>Net Change in Fund Balance</i>	0	0	1,576	1,576
<i>Fund Balance Beginning of Year</i>	3,212	3,212	3,212	0
<i>Fund Balance End of Year</i>	<u>\$3,212</u>	<u>\$3,212</u>	<u>\$4,788</u>	<u>\$1,576</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Materials and Supplies	5,000	11,000	10,462	538
<i>Excess of Revenues Under Expenditures</i>	(5,000)	(11,000)	(10,462)	538
Other Financing Sources				
Transfers In	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	0	(6,000)	(5,462)	538
<i>Fund Balance Beginning of Year</i>	11,510	11,510	11,510	0
<i>Fund Balance End of Year</i>	<u>11,510</u>	<u>5,510</u>	<u>6,048</u>	<u>538</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, 2008

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

City of Ashtabula, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,463,200	\$2,458,200	\$2,240,017	(\$218,183)
Expenses				
Contractual Services	480,075	480,075	480,075	0
Claims	1,983,125	1,978,125	1,800,863	177,262
<i>Total Expenses</i>	<u>2,463,200</u>	<u>2,458,200</u>	<u>2,280,938</u>	<u>177,262</u>
<i>Net Change in Fund Equity</i>	0	0	(40,921)	(40,921)
<i>Fund Equity Beginning of Year</i>	<u>295,040</u>	<u>295,040</u>	<u>295,040</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$295,040</u></u>	<u><u>\$295,040</u></u>	<u><u>\$254,119</u></u>	<u><u>(\$40,921)</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, 2008

	<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	\$685,000	\$685,000	\$95,000	(\$590,000)
Intergovernmental	500	500	0	(500)
Total Revenues	<u>685,500</u>	<u>685,500</u>	<u>95,000</u>	<u>(590,500)</u>
Expenses				
Contractual Services	18,883	18,883	18,883	0
Claims	666,617	666,617	200,355	466,262
Total Expenses	<u>685,500</u>	<u>685,500</u>	<u>219,238</u>	<u>466,262</u>
<i>Net Change in Fund Equity</i>	0	0	(124,238)	(124,238)
<i>Fund Equity Beginning of Year</i>	<u>1,576,229</u>	<u>1,576,229</u>	<u>1,576,229</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,576,229</u></u>	<u><u>\$1,576,229</u></u>	<u><u>\$1,451,991</u></u>	<u><u>(\$124,238)</u></u>

STATISTICAL SECTION

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Statistical Section

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

Contents	Page(s)
Financial Trends	S2-S13
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	S14-S19
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
Debt Capacity	S20-S27
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt in the future.	
Economic and Demographic Information	S28-S30
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	S31-S36
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 1999; schedules presenting government-wide information include information beginning in that year.

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

	2008	2007	2006	2005
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$19,022,629	\$17,985,793	\$17,179,586	\$16,519,641
Restricted:				
Capital Projects	917,675	992,414	1,257,245	768,188
Debt Service	141,267	927,528	842,539	617,568
Community Development	1,073,682	1,466,762	755,325	795,158
Sanitation	719,258	648,455	743,242	696,513
Street Maintenance and Repair	97,528	138,087	293,245	327,342
Other Purposes	797,701	880,874	912,937	635,520
Unrestricted	1,312,330	1,871,948	2,283,621	2,971,359
<i>Total Governmental Activities Net Assets</i>	<u>24,082,070</u>	<u>24,911,861</u>	<u>24,267,740</u>	<u>23,331,289</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	10,343,268	8,637,769	9,968,685	9,632,357
Unrestricted	2,143,693	3,632,203	1,340,098	1,487,653
<i>Total Business-Type Activities Net Assets</i>	<u>12,486,961</u>	<u>12,269,972</u>	<u>11,308,783</u>	<u>11,120,010</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	29,365,897	26,623,562	27,148,271	26,151,998
Restricted	3,747,111	5,054,120	4,804,533	3,840,289
Unrestricted	3,456,023	5,504,151	3,623,719	4,459,012
<i>Total Primary Government Net Assets</i>	<u>\$36,569,031</u>	<u>\$37,181,833</u>	<u>\$35,576,523</u>	<u>\$34,451,299</u>

2004	2003	2002	2001	2000	1999
\$16,072,672	\$14,824,413	\$14,016,961	\$13,777,856	\$13,648,047	\$12,518,234
704,115	1,041,588	865,251	1,403,316	823,962	656,266
926,146	776,956	1,609,519	1,234,947	1,092,829	973,194
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
2,200,932	2,230,814	1,812,974	2,328,379	3,046,617	1,934,811
2,721,642	2,535,254	3,437,987	3,327,649	4,383,893	3,256,697
<u>22,625,507</u>	<u>21,409,025</u>	<u>21,742,692</u>	<u>22,072,147</u>	<u>22,995,348</u>	<u>19,339,202</u>
8,753,780	8,759,633	7,936,963	7,874,120	8,177,824	8,430,490
1,690,631	1,225,137	1,094,561	1,337,358	1,669,377	1,781,184
<u>10,444,411</u>	<u>9,984,770</u>	<u>9,031,524</u>	<u>9,211,478</u>	<u>9,847,201</u>	<u>10,211,674</u>
24,826,452	23,584,046	21,953,924	21,651,976	21,825,871	20,948,724
3,831,193	4,049,358	4,287,744	4,966,642	4,963,408	3,564,271
4,412,273	3,760,391	4,532,548	4,665,007	6,053,270	5,037,881
<u>\$33,069,918</u>	<u>\$31,393,795</u>	<u>\$30,774,216</u>	<u>\$31,283,625</u>	<u>\$32,842,549</u>	<u>\$29,550,876</u>

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

	2008	2007	2006	2005
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$175,970	\$209,086	\$197,913	\$408,108
Judicial System	804,117	773,601	676,782	632,431
Security of Persons and Property:				
Police	88,807	60,398	23,140	18,126
Fire	55,518	53,790	47,862	42,679
Public Health Services	187,267	201,688	196,130	180,368
Street Maintenance and Repairs	15,694	25,485	42,047	11,958
Housing and Community Development	221,622	252,889	133,221	127,042
Sanitation Services	1,799,928	1,656,815	1,353,756	1,335,405
Leisure Time Activities	14,280	14,455	15,392	15,837
Subtotal - Charges for Services	<u>3,363,203</u>	<u>3,248,207</u>	<u>2,686,243</u>	<u>2,771,954</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	15,251	0	0	0
Judicial System	15,687	15,189	0	0
Security of Persons and Property:				
Police	49,140	4,110	14,963	28,038
Fire	35,966	0	1,000	12,081
Public Health Services	25,483	34,604	17,677	4,125
Street Maintenance and Repairs	317,571	97,960	99,012	99,130
Housing and Community Development	59,900	86,300	25,946	133,135
Sanitation Services	46,536	43,513	39,000	44,765
Leisure Time Activities	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>565,534</u>	<u>281,676</u>	<u>197,598</u>	<u>321,274</u>
Capital Grants and Contributions:				
General Government:				
Legislative and Executive	139,058	0	633,000	0
Judicial System	34,295	36,140	30,632	0
Security of Persons and Property:				
Police	0	0	664	59,040
Fire	0	0	28,368	0
Public Health Services	0	0	0	814,152
Street Maintenance and Repairs	0	875,500	402,400	1,012,062
Housing and Community Development	453,831	840,080	113,343	50,000
Sanitation Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>627,184</u>	<u>1,751,720</u>	<u>1,208,407</u>	<u>1,935,254</u>
<i>Total Governmental Activities Program Revenues</i>	<u>\$4,555,921</u>	<u>\$5,281,603</u>	<u>\$4,092,248</u>	<u>\$5,028,482</u>

2004	2003	2002	2001	2000	1999
\$215,617	\$68,975	\$225,179	\$239,782	\$15,003	\$62,473
605,898	732,927	732,161	649,760	\$569,670	\$603,895
73,923	3,967	0	0	61,199	2,948
67,511	0	0	0	0	0
148,884	65,937	75,159	59,714	106,715	105,463
3,073	4,188	1,705	4,739	0	0
86,289	85,366	171,881	80,320	208,061	140,019
1,304,215	1,184,414	1,100,258	1,115,302	992,689	999,603
13,650	13,650	14,375	14,475	23,023	22,657
<u>2,519,060</u>	<u>2,159,424</u>	<u>2,320,718</u>	<u>2,164,092</u>	<u>1,976,360</u>	<u>1,937,058</u>
0	0	0	0	0	0
0	0	0	0	0	0
14,789	125,104	264,793	125,508	200,466	208,908
11,000	42,943	16,195	0	0	0
32,504	10,712	8,034	0	0	0
106,575	96,616	108,139	456,533	695,556	787,659
461,510	484,623	184,646	45,667	688,844	83,325
74,596	36,781	67,041	40,326	35,044	72,795
0	0	0	0	0	0
<u>700,974</u>	<u>796,779</u>	<u>648,848</u>	<u>668,034</u>	<u>1,619,910</u>	<u>1,152,687</u>
0	0	0	500,099	0	0
21,565	28,793	33,600	19,934	9,368	23,000
0	0	0	0	6,344	0
0	8,640	27,000	0	0	0
61,089	3,831	0	0	0	0
0	0	184,271	212,000	256,399	216,255
0	0	0	800	0	0
0	0	0	25,000	0	0
0	0	24,325	0	0	34,728
<u>82,654</u>	<u>41,264</u>	<u>269,196</u>	<u>757,833</u>	<u>272,111</u>	<u>273,983</u>
<u>\$3,302,688</u>	<u>\$2,997,467</u>	<u>\$3,238,762</u>	<u>\$3,589,959</u>	<u>\$3,868,381</u>	<u>\$3,363,728</u>

(continued)

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

	2008	2007	2006	2005
Business-Type Activities:				
Charges for Services:				
Wastewater Treatment	\$3,871,973	\$3,770,834	\$3,092,660	\$3,051,895
Capital Grants and Contributions				
Wastewater Treatment	950,371	470,322	276,649	523,003
<i>Total Business-Type Activities Program Revenues</i>	<u>4,822,344</u>	<u>4,241,156</u>	<u>3,369,309</u>	<u>3,574,898</u>
<i>Total Primary Government Program Revenues</i>	<u>\$9,378,265</u>	<u>\$9,522,759</u>	<u>\$7,461,557</u>	<u>\$8,603,380</u>
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	\$3,586,747	\$4,135,051	\$3,174,447	\$3,049,175
Judicial System	1,151,790	1,090,892	1,030,659	977,279
Security of Persons and Property:				
Police	3,887,527	3,882,495	3,677,304	3,527,950
Fire	3,047,444	2,987,810	2,936,033	2,581,467
Public Health Services	370,326	357,245	331,826	306,416
Street Maintenance and Repairs	2,231,818	1,986,728	2,015,378	3,201,483
Housing and Community Development	983,231	486,457	376,820	680,192
Sanitation Services	2,004,214	1,839,276	1,861,734	1,567,216
Leisure Time Activities	106,271	86,083	110,002	90,413
Interest and Fiscal Charges	39,292	56,083	54,634	68,093
<i>Total Governmental Activities Expenses</i>	<u>17,408,660</u>	<u>16,908,120</u>	<u>15,568,837</u>	<u>16,049,684</u>
Business-Type Activities				
Wastewater Treatment	4,596,123	3,160,731	3,130,536	3,174,442
<i>Total Business-Type Activities Expenses</i>	<u>4,596,123</u>	<u>3,160,731</u>	<u>3,130,536</u>	<u>3,174,442</u>
<i>Total Primary Government Program Expenses</i>	<u>22,004,783</u>	<u>20,068,851</u>	<u>18,699,373</u>	<u>19,224,126</u>
Net (Expense)/Revenue				
Governmental Activities	(12,852,739)	(11,626,517)	(11,476,589)	(11,021,202)
Business-Type Activities	226,221	1,080,425	238,773	400,456
<i>Total Primary Government Net Expense</i>	<u>(\$12,626,518)</u>	<u>(\$10,546,092)</u>	<u>(\$11,237,816)</u>	<u>(\$10,620,746)</u>

2004	2003	2002	2001	2000	1999
\$2,879,182	\$2,871,360	\$2,801,467	\$2,587,575	\$2,687,820	\$2,655,841
618,318	697,293	360,753	256,900	326,365	616,129
3,497,500	3,568,653	3,162,220	2,844,475	3,014,185	3,271,970
\$6,800,188	\$6,566,120	\$6,400,982	\$6,434,434	\$6,882,566	\$6,635,698
\$3,025,729	\$3,037,163	\$2,867,586	\$2,744,011	\$2,691,145	\$2,224,923
912,233	963,286	964,850	954,289	800,945	699,673
3,253,101	3,666,800	3,696,384	3,743,382	3,358,629	3,145,679
2,688,346	2,750,698	2,652,673	2,629,702	2,450,731	2,308,578
289,136	285,124	260,491	255,630	193,544	185,638
1,296,150	1,472,369	2,001,502	1,956,370	1,316,927	1,460,414
649,653	617,274	512,695	920,839	573,471	928,177
1,263,037	1,383,682	1,437,356	1,455,940	1,351,543	1,735,442
137,588	134,896	185,589	165,605	68,253	45,216
99,458	128,486	195,014	202,381	206,424	228,614
13,614,431	14,439,778	14,774,140	15,028,149	13,011,612	12,962,354
2,989,254	3,130,885	3,290,299	3,407,377	3,327,758	3,144,965
2,989,254	3,130,885	3,290,299	3,407,377	3,327,758	3,144,965
16,603,685	17,570,663	18,064,439	18,435,526	16,339,370	16,107,319
(10,311,743)	(11,442,311)	(11,535,378)	(11,438,190)	(9,143,231)	(9,598,626)
508,246	437,768	(128,079)	(562,902)	(313,573)	127,005
(\$9,803,497)	(\$11,004,543)	(\$11,663,457)	(\$12,001,092)	(\$9,456,804)	(\$9,471,621)

(continued)

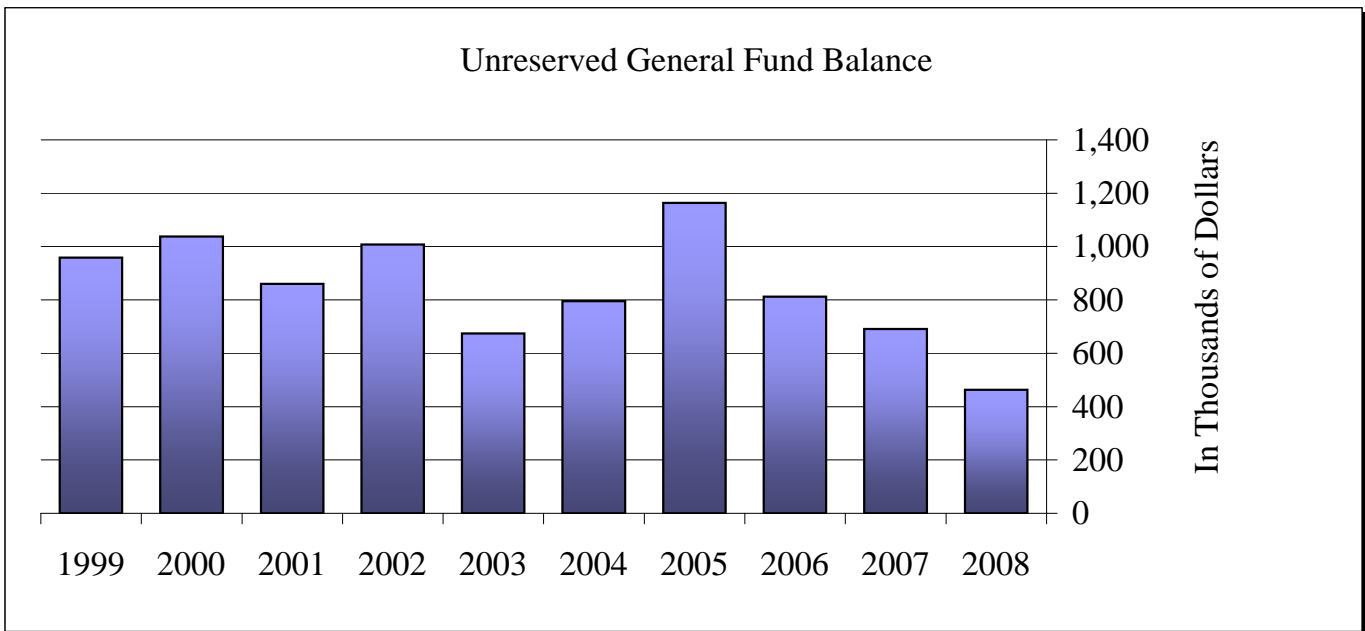
City of Ashtabula, Ohio
Changes in Net Assets (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$1,064,331	\$1,062,359	\$1,109,720	\$989,460
Fire and Police Pension	588,302	631,644	616,830	548,288
Debt Service	1,421	346,265	409,341	374,170
Capital Outlay	452,535	486,482	473,334	418,575
Income Taxes Levied for:				
General Purposes	6,105,678	6,191,921	5,662,945	6,034,703
Capital Outlay	667,685	684,045	622,457	662,464
Grants and Entitlements not Restricted to				
Specific Programs	2,217,714	2,484,064	2,660,157	2,741,453
Investment Earnings	152,306	325,184	339,503	212,687
Other	404,117	214,713	268,753	20,327
Transfers	162,820	50,000	50,000	(275,143)
<i>Total Governmental Activities</i>	<u>11,816,909</u>	<u>12,476,677</u>	<u>12,213,040</u>	<u>11,726,984</u>
Business-Type Activities				
Investment Earnings	0	84,352	0	0
Other	0	0	0	0
Transfers	(162,820)	(50,000)	(50,000)	275,143
<i>Total Business-Type Activities Expenses</i>	<u>(162,820)</u>	<u>34,352</u>	<u>(50,000)</u>	<u>275,143</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>11,654,089</u>	<u>12,511,029</u>	<u>12,163,040</u>	<u>12,002,127</u>
Change in Net Assets				
Governmental Activities	(1,035,830)	850,160	736,451	705,782
Business-Type Activities	63,401	1,114,777	188,773	675,599
<i>Total Primary Government Change in Net Assets</i>	<u>(\$972,429)</u>	<u>\$1,964,937</u>	<u>\$925,224</u>	<u>\$1,381,381</u>

2004	2003	2002	2001	2000	1999
\$1,118,036	\$1,131,816	\$1,100,934	\$1,080,441	\$1,021,888	\$929,688
356,657	529,950	444,167	454,740	443,196	450,779
537,367	458,839	505,826	504,298	501,142	514,786
392,721	407,987	395,293	420,359	391,919	353,342
5,537,537	5,270,568	5,206,572	5,034,519	5,365,368	5,504,629
610,803	589,127	580,967	593,497	613,795	617,626
2,608,872	2,828,530	2,555,737	1,647,229	2,705,913	1,967,337
82,469	128,801	184,076	426,662	541,246	301,463
233,763	241,484	180,476	280,423	283,158	555,547
50,000	(515,478)	51,875	72,821	87,000	87,000
<u>11,528,225</u>	<u>11,071,624</u>	<u>11,205,923</u>	<u>10,514,989</u>	<u>11,954,625</u>	<u>11,282,197</u>
0	0	0	0	0	0
1,395	0	0	0	0	89,401
(50,000)	515,478	(51,875)	(72,821)	(87,000)	(87,000)
<u>(48,605)</u>	<u>515,478</u>	<u>(51,875)</u>	<u>(72,821)</u>	<u>(87,000)</u>	<u>2,401</u>
<u>11,479,620</u>	<u>11,587,102</u>	<u>11,154,048</u>	<u>10,442,168</u>	<u>11,867,625</u>	<u>11,284,598</u>
1,216,482	(370,687)	(329,455)	(923,201)	2,811,394	1,683,571
459,641	953,246	(179,954)	(635,723)	(400,573)	129,406
<u>\$1,676,123</u>	<u>\$582,559</u>	<u>(\$509,409)</u>	<u>(\$1,558,924)</u>	<u>\$2,410,821</u>	<u>\$1,812,977</u>

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

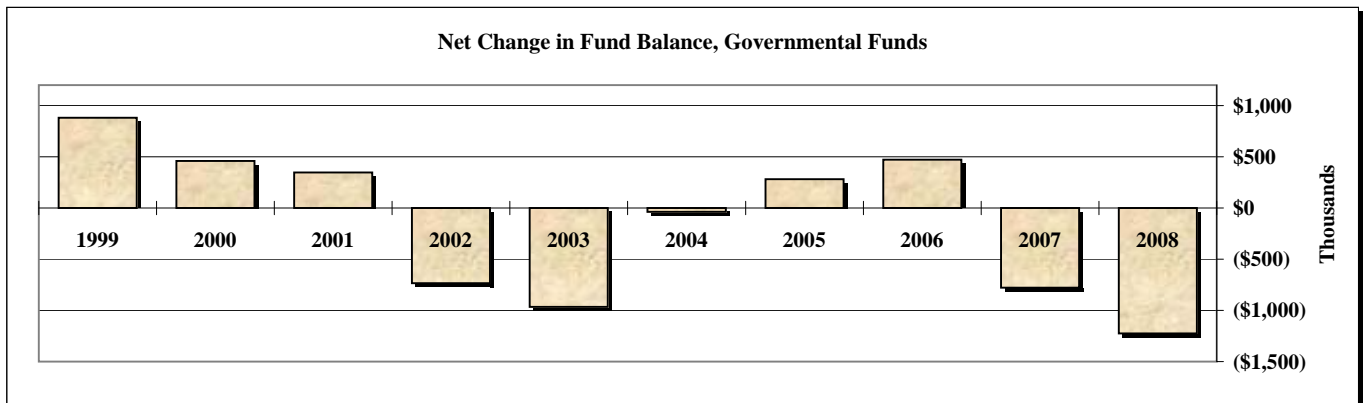
	2008	2007	2006	2005
General Fund				
Reserved	\$55,255	\$66,842	\$73,709	\$33,338
Unreserved	462,844	690,776	811,664	1,163,327
Total General Fund	518,099	757,618	885,373	1,196,665
All Other Governmental Funds				
Reserved	1,015,236	615,157	721,549	912,667
Unreserved, Designated	412,000	412,000	212,000	212,000
Unreserved, Undesignated, Reported in:				
Special Revenue funds	537,689	681,268	1,069,536	1,127,787
Debt Service funds	36,696	785,817	571,960	347,597
Capital Projects funds	(156,801)	345,375	943,790	115,636
Total All Other Governmental Funds	1,844,820	2,839,617	3,518,835	2,715,687
Total Governmental Funds	\$2,362,919	\$3,597,235	\$4,404,208	\$3,912,352



2004	2003	2002	2001	2000	1999
\$60,258	\$66,593	\$97,124	\$143,493	\$98,221	\$106,285
795,266	674,111	1,008,123	860,350	1,037,188	958,303
855,524	740,704	1,105,247	1,003,843	1,135,409	1,064,588
786,323	682,950	756,756	1,212,384	751,404	694,458
212,000	212,000	212,000	212,000	0	0
1,063,429	1,288,284	1,336,378	1,798,754	1,905,558	1,634,896
590,065	408,641	1,217,065	1,020,925	832,275	927,300
125,109	548,257	228,473	341,304	619,137	455,232
2,776,926	3,140,132	3,750,672	4,585,367	4,108,374	3,711,886
\$3,632,450	\$3,880,836	\$4,855,919	\$5,589,210	\$5,243,783	\$4,776,474

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

	2008	2007	2006	2005	2004
Revenues					
Property Taxes	\$2,109,613	\$2,480,053	\$2,577,355	\$2,320,850	\$2,414,271
Municipal Income Taxes	6,757,873	6,775,495	6,445,095	6,532,764	6,067,735
Charges for Services	1,886,125	1,810,849	1,568,521	1,515,901	1,486,186
Licenses and Permits	328,673	282,135	228,358	178,677	204,762
Fines and Forfeitures	883,633	818,035	726,855	650,045	577,652
Intergovernmental	3,870,165	3,684,953	4,155,912	5,008,052	3,290,131
Special Assessments	37,417	36,476	35,490	56,489	56,100
Interest	152,306	325,184	339,503	212,687	82,469
Rentals	130,090	139,462	136,002	149,115	117,563
Other	459,464	239,657	268,753	223,645	233,763
<i>Total Revenues</i>	<u>16,615,359</u>	<u>16,592,299</u>	<u>16,481,844</u>	<u>16,848,225</u>	<u>14,530,632</u>
Expenditures					
Current:					
General Government					
Legislative and Executive	3,015,334	3,047,990	2,914,379	2,653,576	2,653,009
Judicial System	1,036,477	967,152	919,440	858,153	843,475
Security of Persons and Property:					
Police	3,628,559	3,622,601	3,448,319	3,292,317	3,257,335
Fire	2,823,288	2,739,876	2,807,075	2,520,738	2,509,403
Public Health Services	383,486	369,150	324,010	303,789	282,206
Street Maintenance and Repairs	1,553,013	1,424,511	1,920,884	1,141,728	1,091,528
Housing and Community Development	1,179,875	483,606	436,879	1,145,514	645,029
Sanitation Services	1,846,737	1,638,743	1,582,296	1,419,457	1,291,793
Leisure Time Activities	44,637	36,076	40,385	35,203	63,520
Capital Outlay	1,557,584	2,547,869	2,398,576	2,266,481	1,437,938
Debt Service:					
Principal Retirement	861,691	503,837	435,167	906,514	447,489
Interest and Fiscal Charges	78,797	43,237	38,842	72,703	103,418
<i>Total Expenditures</i>	<u>18,009,478</u>	<u>17,424,648</u>	<u>17,266,252</u>	<u>16,616,173</u>	<u>14,626,143</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,394,119)</u>	<u>(832,349)</u>	<u>(784,408)</u>	<u>232,052</u>	<u>(95,511)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	5,400	4,500	6,800	0	6,639
General Obligation Bonds Issued	0	0	0	0	0
Proceeds of Loan	0	0	1,200,000	0	0
Proceeds of OPWC Loan	0	0	0	0	0
Inception of Capital Lease	0	0	0	0	0
Transfers In	1,706,720	720,829	813,500	877,986	641,986
Transfers Out	(1,543,900)	(670,829)	(763,500)	(827,986)	(591,986)
<i>Total Other Financing Sources (Uses)</i>	<u>168,220</u>	<u>54,500</u>	<u>1,256,800</u>	<u>50,000</u>	<u>56,639</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$1,225,899)</u></u>	<u><u>(\$777,849)</u></u>	<u><u>\$472,392</u></u>	<u><u>\$282,052</u></u>	<u><u>(\$38,872)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	5.8%	3.5%	2.9%	6.8%	4.4%



2003	2002	2001	2000	1999
\$2,504,284	\$2,417,214	\$2,349,312	\$2,354,599	\$2,248,595
5,872,015	5,969,526	5,819,277	5,991,283	5,918,121
1,218,014	1,185,472	1,150,630	1,054,206	1,047,848
168,752	173,739	173,059	188,927	171,639
656,719	765,761	669,694	651,581	603,895
3,572,612	3,225,243	4,035,772	3,349,156	3,894,883
22,493	21,613	27,179	19,757	15,418
128,801	184,076	426,662	550,508	391,187
127,279	115,262	138,870	0	0
241,484	180,476	483,552	283,158	249,324
<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>
2,604,032	2,672,685	2,533,191	2,481,183	2,304,022
850,465	858,364	823,341	721,227	630,085
3,504,702	3,565,496	3,589,835	3,201,760	3,233,705
2,469,614	2,448,741	2,453,589	2,408,233	2,220,244
275,209	247,001	234,922	196,790	190,748
1,070,944	1,148,641	1,057,238	1,113,876	1,010,610
982,658	502,248	902,070	576,470	934,074
1,309,650	1,358,517	1,343,669	1,063,289	1,329,128
68,120	75,684	112,933	103,308	55,703
877,867	1,647,616	2,277,423	1,084,132	1,525,562
1,356,140	447,484	248,777	944,244	310,260
159,274	201,762	178,157	209,974	230,968
<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>
<u>(1,016,222)</u>	<u>(935,857)</u>	<u>(481,138)</u>	<u>338,689</u>	<u>565,801</u>
0	0	0	30,873	20,722
0	150,000	750,000	0	0
0	0	0	0	0
0	0	0	0	195,647
0	0	3,690	3,328	12,634
934,881	579,045	799,107	1,595,000	1,548,958
<u>(885,494)</u>	<u>(527,170)</u>	<u>(726,286)</u>	<u>(1,508,000)</u>	<u>(1,461,958)</u>
<u>49,387</u>	<u>201,875</u>	<u>826,511</u>	<u>121,201</u>	<u>316,003</u>
<u>(\$966,835)</u>	<u>(\$733,982)</u>	<u>\$345,373</u>	<u>\$459,890</u>	<u>\$881,804</u>
11.5%	5.0%	3.3%	9.7%	4.5%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial		Assessed Value	Estimated Actual Value
2008	\$145,229,490	\$57,272,280	\$578,576,486	\$19,626,430	\$22,302,761
2007	145,005,660	55,991,290	574,277,000	20,032,840	22,764,591
2006	143,492,870	54,692,450	566,243,771	20,029,930	22,761,284
2005	146,829,390	51,818,020	567,564,029	20,403,000	23,185,227
2004	130,673,080	51,290,690	519,896,486	19,956,700	22,678,068
2003	129,384,880	51,654,980	517,256,743	20,640,590	23,455,216
2002	135,524,390	45,600,600	517,499,971	18,870,460	21,443,705
2001	111,252,730	45,461,130	447,753,886	20,506,010	23,302,284
2000	114,094,590	42,235,040	446,656,086	22,207,110	25,235,352
1999	111,152,080	41,539,320	436,261,143	20,542,780	23,344,068

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

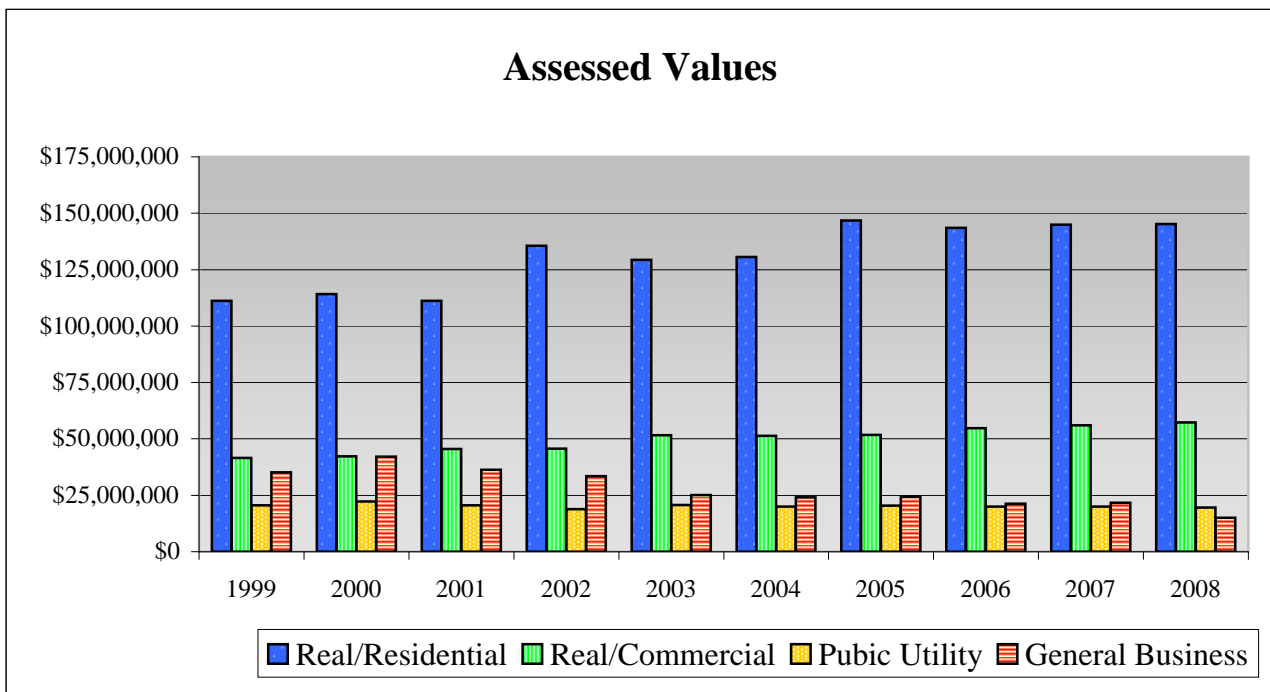
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The percentage was 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. In the 2006 collection year, the 10% rollback for commercial/industrial property was eliminated.

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property

General Business		Total			Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$14,967,220	\$119,737,760	\$237,095,420	\$720,617,007	34.98%	\$9.31
21,710,950	173,687,600	242,740,740	770,729,191	31.49	9.31
21,268,940	113,434,347	239,484,190	702,439,402	34.09	11.11
24,410,140	97,640,560	243,460,550	688,389,816	35.37	11.11
24,088,000	96,352,000	226,008,470	638,926,554	35.37	11.11
25,041,220	104,338,417	226,721,670	645,050,375	35.15	12.61
33,520,280	134,081,120	233,515,730	673,024,796	34.70	12.61
36,306,920	145,227,680	213,526,790	616,283,850	34.65	12.31
42,143,680	168,574,720	220,680,420	640,466,158	34.46	12.31
35,194,640	140,778,560	208,428,820	600,383,771	34.72	12.31



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

	2008	2007	2006	2005	2004
Unvoted Millage					
Operating	\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700
Fire Pension	1.3000	1.3000	1.3000	1.3000	1.3000
Police Pension	1.3000	1.3000	1.3000	1.3000	1.3000
<i>Total Unvoted Millage</i>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>
Charter Millage					
General Fund	4.1400	4.1400	4.1400	4.1400	4.1400
Permanent Improvement Fund	2.0000	2.0000	2.0000	2.0000	2.0000
Justice Center (Debt Service)	0.0000	0.0000	1.8000	1.8000	1.8000
Senior Citizens	0.3000	0.3000	0.3000	0.3000	0.3000
<i>Total Charter Millage</i>	<u>6.4400</u>	<u>6.4400</u>	<u>8.2400</u>	<u>8.2400</u>	<u>8.2400</u>
Total Millage	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>	<u><u>\$11.1100</u></u>	<u><u>\$11.1100</u></u>	<u><u>\$11.1100</u></u>

Overlapping Rates by Taxing District

Ashtabula Area City Schools					
Residential/Agricultural Real	\$31.4015	\$32.4762	\$32.5174	\$32.0119	\$33.8579
Commerical/Industrial and Public Utility Real	36.9317	37.8697	37.7254	37.1955	38.6735
General Business and Public Utility Personal	52.5000	52.5000	52.5000	52.0000	52.0000
Ashtabula County Commissioner					
Residential/Agricultural Real	8.5375	8.9779	8.4057	8.4062	9.0059
Commerical/Industrial and Public Utility Real	9.2656	9.0000	9.4487	9.4450	9.8485
General Business and Public Utility Personal	11.0300	11.0300	11.0300	11.0300	11.0300
Special Taxing Districts (2)					
Residential/Agricultural Real	1.1063	1.0790	1.0769	1.0767	1.1040
Commerical/Industrial and Public Utility Real	1.1126	1.1229	1.1307	1.1304	1.1393
General Business and Public Utility Personal	1.1800	1.1800	1.1800	1.1800	1.1800

Source: Ashtabula County Auditor

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

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

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

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

- (1) Information prior to 2004 is not available
(2) Ashtabula Township Park

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2008	\$2,081,658	\$1,962,658	94.28 %	\$118,999	\$2,081,657	100.00 %	\$132,806	6.38 %
2007	2,479,512	2,340,288	94.38	131,671	2,471,959	99.69	270,956	10.92
2006	2,457,892	2,312,705	94.09	131,820	2,444,525	99.46	245,861	10.00
2005	3,180,491	3,043,735	95.70	143,695	3,187,430	100.22	220,549	6.93
2004	3,233,136	3,014,061	93.22	44,238	3,058,299	94.59	327,785	10.14
2003	2,956,252	2,804,509	94.87	99,856	2,904,365	98.24	273,875	9.26
2002	2,945,300	2,797,393	94.98	150,618	2,948,011	100.09	199,186	6.76
2001	2,961,620	2,790,577	94.22	90,090	2,880,667	97.27	191,148	6.45
2000	2,634,161	2,559,951	97.18	73,816	2,633,767	99.99	106,576	4.05
1999	2,643,590	2,547,540	96.37	61,049	2,608,589	98.68	95,378	3.61

Source: Ashtabula County, Ohio; County Auditor

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

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

City of Ashtabula, Ohio
Principal Real Property Taxpayers
 2008 and 1999

<i>January 1, 2008</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio American Water	\$13,036,430	6.44 %
Cleveland Electric Illuminating	5,936,210	2.93
Pinney Dock	2,516,370	1.24
Molded Fiber Glass	1,671,020	0.83
Ashtabula Care Center	1,429,580	0.71
Ash-L Associates	1,264,380	0.62
Ashtabula Towers	1,098,800	0.54
Ashtabula Homes II LLC	1,087,454	0.54
Hupco Inc	991,520	0.49
Reliance Business Park	825,310	0.41
Total	\$29,857,074	14.74 %
Total Assessed Valuation	\$202,501,770	

<i>January 1, 1999</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illuminating	\$6,429,350	3.71 %
Western Reserve Telephone	6,342,670	3.66
Ohio American Water	4,493,120	2.59
Consolidated Rail	4,405,740	2.54
Pinney Dock	2,844,290	1.64
East Ohio Gas	1,763,352	1.02
Molded Fiber Glass	1,414,580	0.82
Reliance	959,530	0.55
Ashtabula Care Center	952,230	0.55
Iten - Hupco	933,790	0.54
Total	\$30,538,652	17.63 %
Total Assessed Valuation	\$173,234,180	

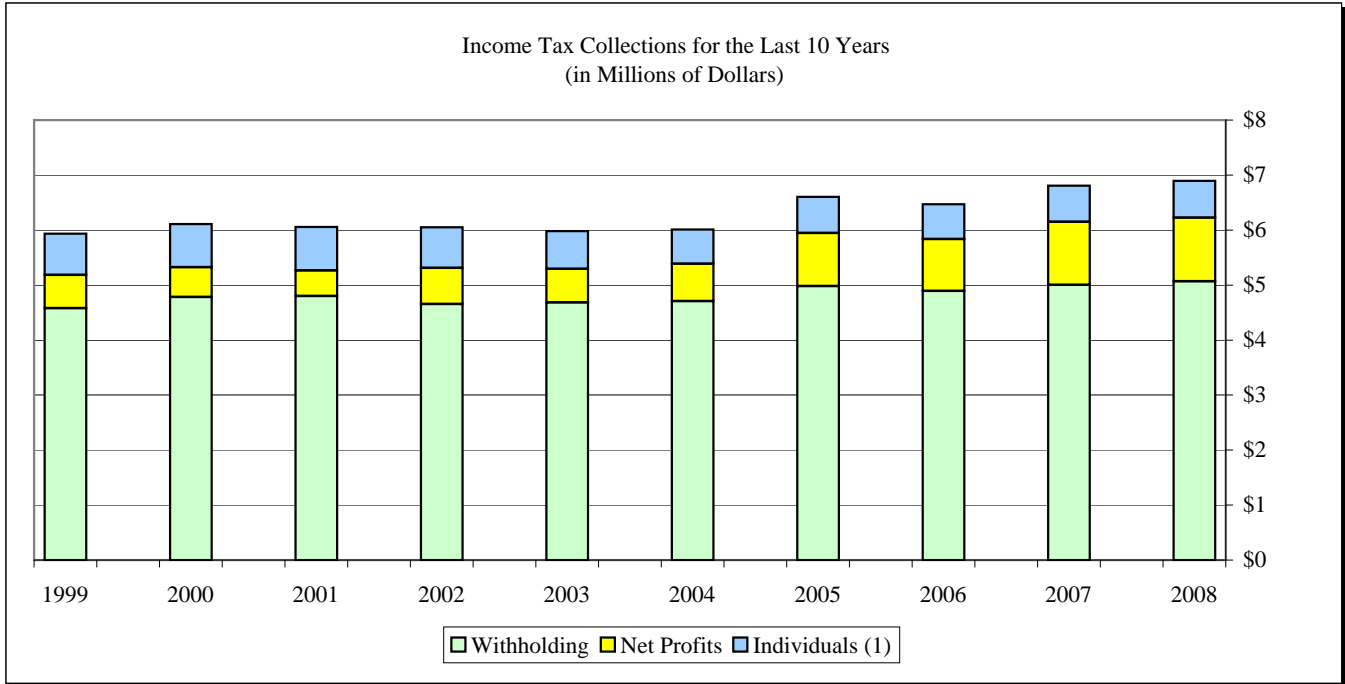
Source: Ashtabula County Auditor

NOTE: Amounts represent assessed values upon which 2008 and 1999 collections were based.

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals (1)	Percentage of Taxes from Individuals
2008	1.80 %	\$6,896,798	\$5,068,292	73.49%	\$1,155,334	16.75%	\$673,172	9.76%
2007	1.80	6,809,681	5,001,739	73.45	1,148,864	16.87	659,078	9.68
2006	1.80	6,472,417	4,891,466	75.57	946,007	14.62	634,944	9.81
2005	1.80	6,602,325	4,979,834	75.43	964,776	14.61	657,715	9.96
2004	1.80	6,009,039	4,705,472	78.31	681,872	11.35	621,695	10.35
2003	1.80	5,983,929	4,683,572	78.27	610,621	10.20	689,736	11.53
2002	1.80	6,050,220	4,654,319	76.93	659,986	10.91	735,915	12.16
2001	1.80	6,057,069	4,797,845	79.21	465,020	7.68	794,204	13.11
2000	1.80	6,107,170	4,780,903	78.28	544,764	8.92	781,503	12.80
1999	1.80	5,934,989	4,579,785	77.17	605,938	10.21	749,266	12.62

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



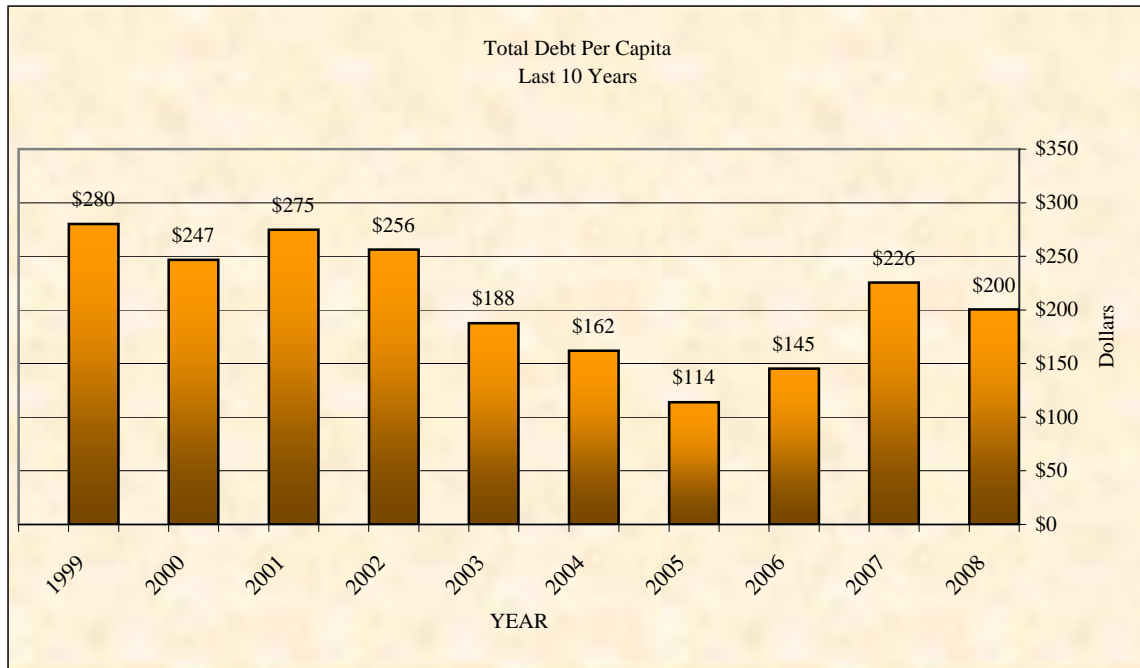
City of Ashtabula, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities					
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	OPWC Loans	Police & Fire Loan	Capital Leases
2008	\$300,796	\$0	\$23,984	\$112,498	\$0	\$0
2007	1,027,399	0	47,061	122,281	102,228	0
2006	1,469,266	0	0	132,063	201,477	0
2005	592,558	0	10,000	136,954	297,824	637
2004	1,379,848	0	20,000	151,627	391,354	1,658
2003	1,719,311	0	30,000	156,518	481,610	4,537
2002	3,046,293	0	40,000	171,192	472,929	9,021
2001	3,240,000	0	50,000	180,974	553,080	12,865
2000	2,640,000	0	60,000	190,756	628,998	12,252
1999	2,785,000	410,000	70,000	195,647	700,805	11,470

(1) Personal Income and Population Data are located on S28

Business Type Activities

<u>Equalization Basin Loan</u>	<u>OWDA Loans</u>	<u>OPWC Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income(1)</u>	<u>Per Capita(1)</u>
\$2,078,727	\$1,024,045	\$661,989	\$4,202,039	1.43 %	\$200
2,293,696	1,137,279	0	4,729,944	1.61	226
0	1,245,743	0	3,048,549	1.04	145
0	1,349,639	0	2,387,612	0.81	114
0	1,449,159	0	3,393,646	1.15	162
0	1,544,487	0	3,936,463	1.34	188
0	1,635,801	0	5,375,236	1.83	256
0	1,723,268	0	5,760,187	1.96	275
0	1,807,051	0	5,339,057	2.63	247
0	1,887,305	0	6,060,227	2.98	280



City of Ashtabula, Ohio

Legal Debt Margin

Last Ten Years

	2008	2007	2006	2005
Total Assessed Property Value	<u>\$237,095,420</u>	<u>\$242,740,740</u>	<u>\$239,484,190</u>	<u>\$243,460,550</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$300,796	\$1,027,399	\$1,469,266	\$592,558
Equalization Basin Loan	2,078,727	2,293,696	0	0
OWDA Loans	1,024,045	1,137,279	1,245,743	1,349,639
Revenue Bonds	0	0	0	0
OPWC Loans	774,487	122,281	132,063	136,954
Special Assessment Bonds	23,984	47,061	0	10,000
Total Gross Indebtedness	<u>4,202,039</u>	<u>4,627,716</u>	<u>2,847,072</u>	<u>2,089,151</u>
Less:				
Equalization Basin Loan	(2,078,727)	(2,293,696)	0	0
OWDA Loans	(1,024,045)	(1,137,279)	(1,245,743)	(1,349,639)
Revenue Bonds	0	0	0	0
OPWC Loans	(774,487)	(122,281)	(132,063)	(136,954)
Special Assessment Bonds	(23,984)	(47,061)	0	(10,000)
General Obligation Bond Retirement Fund Balance	<u>(36,696)</u>	<u>(785,817)</u>	<u>(571,960)</u>	<u>(347,597)</u>
Total Net Debt Applicable to Debt Limit	<u>264,100</u>	<u>241,582</u>	<u>897,306</u>	<u>244,961</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>24,895,019</u>	<u>25,487,778</u>	<u>25,145,840</u>	<u>25,563,358</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$24,630,919</u>	<u>\$25,246,196</u>	<u>\$24,248,534</u>	<u>\$25,318,397</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.94%	99.05%	96.43%	99.04%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$13,040,248</u>	<u>\$13,350,741</u>	<u>\$13,171,630</u>	<u>\$13,390,330</u>
Total Gross Indebtedness	4,202,039	4,627,716	2,847,072	2,089,151
Less:				
Equalization Basin Loan	(2,078,727)	(2,293,696)	0	0
OWDA Loans	(1,024,045)	(1,137,279)	(1,245,743)	(1,349,639)
Revenue Bonds	0	0	0	0
OPWC Loans	(774,487)	(122,281)	(132,063)	(136,954)
Special Assessment Bonds	(23,984)	(47,061)	0	(10,000)
General Obligation Bond Retirement Fund Balance	<u>(36,696)</u>	<u>(785,817)</u>	<u>(571,960)</u>	<u>(347,597)</u>
Net Debt Within 5 ½ % Limitations	<u>264,100</u>	<u>241,582</u>	<u>897,306</u>	<u>244,961</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$12,776,148</u>	<u>\$13,109,159</u>	<u>\$12,274,324</u>	<u>\$13,145,369</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	97.97%	98.19%	93.19%	98.17%

Source: City Financial Records

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

2004	2003	2002	2001	2000	1999
<u>\$226,008,470</u>	<u>\$226,721,670</u>	<u>\$233,515,730</u>	<u>\$213,526,790</u>	<u>\$220,680,420</u>	<u>\$208,428,820</u>
\$1,379,848	\$1,719,311	\$3,046,293	\$3,240,000	\$2,640,000	\$2,785,000
0	0	0	0	0	0
1,449,159	1,544,487	1,635,801	1,723,268	1,807,051	1,887,305
0	0	0	0	0	410,000
151,627	156,518	171,192	180,974	190,756	195,647
20,000	30,000	40,000	50,000	60,000	70,000
<u>3,000,634</u>	<u>3,450,316</u>	<u>4,893,286</u>	<u>5,194,242</u>	<u>4,697,807</u>	<u>5,347,952</u>
0	0	0	0	0	0
(1,449,159)	(1,544,487)	(1,635,801)	(1,723,268)	(1,807,051)	(1,887,305)
0	0	0	0	0	(410,000)
(151,627)	(156,518)	(171,192)	(180,974)	(190,756)	(195,647)
(20,000)	(30,000)	(40,000)	(50,000)	(60,000)	(70,000)
(590,065)	(408,641)	(1,217,065)	(1,020,925)	(832,275)	(455,697)
<u>789,783</u>	<u>1,310,670</u>	<u>1,829,228</u>	<u>2,219,075</u>	<u>1,807,725</u>	<u>2,329,303</u>
<u>23,730,889</u>	<u>23,805,775</u>	<u>24,519,152</u>	<u>22,420,313</u>	<u>23,171,444</u>	<u>21,885,026</u>
<u>\$22,941,106</u>	<u>\$22,495,105</u>	<u>\$22,689,924</u>	<u>\$20,201,238</u>	<u>\$21,363,719</u>	<u>\$19,555,723</u>
96.67%	94.49%	92.54%	90.10%	92.20%	89.36%
<u>\$12,430,466</u>	<u>\$12,469,692</u>	<u>\$12,843,365</u>	<u>\$11,743,973</u>	<u>\$12,137,423</u>	<u>\$11,463,585</u>
3,000,634	3,450,316	4,893,286	5,194,242	4,697,807	5,347,952
0	0	0	0	0	0
(1,449,159)	(1,544,487)	(1,635,801)	(1,723,268)	(1,807,051)	(1,887,305)
0	0	0	0	0	(410,000)
(151,627)	(156,518)	(171,192)	(180,974)	(190,756)	(195,647)
(20,000)	(30,000)	(40,000)	(50,000)	(60,000)	(70,000)
(590,065)	(408,641)	(1,217,065)	(1,020,925)	(832,275)	(455,697)
<u>789,783</u>	<u>1,310,670</u>	<u>1,829,228</u>	<u>2,219,075</u>	<u>1,807,725</u>	<u>2,329,303</u>
<u>\$11,640,683</u>	<u>\$11,159,022</u>	<u>\$11,014,137</u>	<u>\$9,524,898</u>	<u>\$10,329,698</u>	<u>\$9,134,282</u>
93.65%	89.49%	85.76%	81.10%	85.11%	79.68%

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

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2008	20,962	a	\$720,617,006	\$300,796	0.04 %	\$14.35
2007	20,962	a	770,729,191	1,027,399	0.13	49.01
2006	20,962	a	702,439,402	1,469,266	0.21	70.09
2005	20,962	a	688,390,189	592,558	0.09	28.27
2004	20,962	a	638,926,554	1,379,848	0.22	65.83
2003	20,962	a	645,336,090	1,719,311	0.27	82.02
2002	20,962	a	674,310,511	3,046,293	0.45	145.32
2001	20,962	a	616,283,850	3,240,000	0.53	154.57
2000	21,630	b	640,466,158	2,640,000	0.41	122.05
1999	21,472	b	600,383,771	2,785,000	0.46	129.70

Sources:

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

- (2) Ashtabula County Auditor

City of Ashtabula, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2008

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashtabula
Direct - City of Ashtabula			
General Obligation Bonds	\$300,796	100.00%	\$300,796
OPWC Loans	112,498	100.00%	112,498
Special Assessments Bonds	<u>23,984</u>	100.00%	<u>23,984</u>
<i>Total Direct Debt</i>	<u>437,278</u> *		<u>437,278</u>
Overlapping			
Ashtabula Area City School District			
General Obligation Bonds	40,170,432	53.40%	21,451,011
Ashtabula County			
General Obligation Bonds	<u>4,470,767</u>	13.30%	<u>594,612</u>
<i>Total Overlapping Debt</i>	<u>44,641,199</u>		<u>22,045,623</u>
Total	<u><u>\$45,078,477</u></u>		<u><u>\$22,482,901</u></u>

Source: Ashtabula County, Ohio; County Auditor

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

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

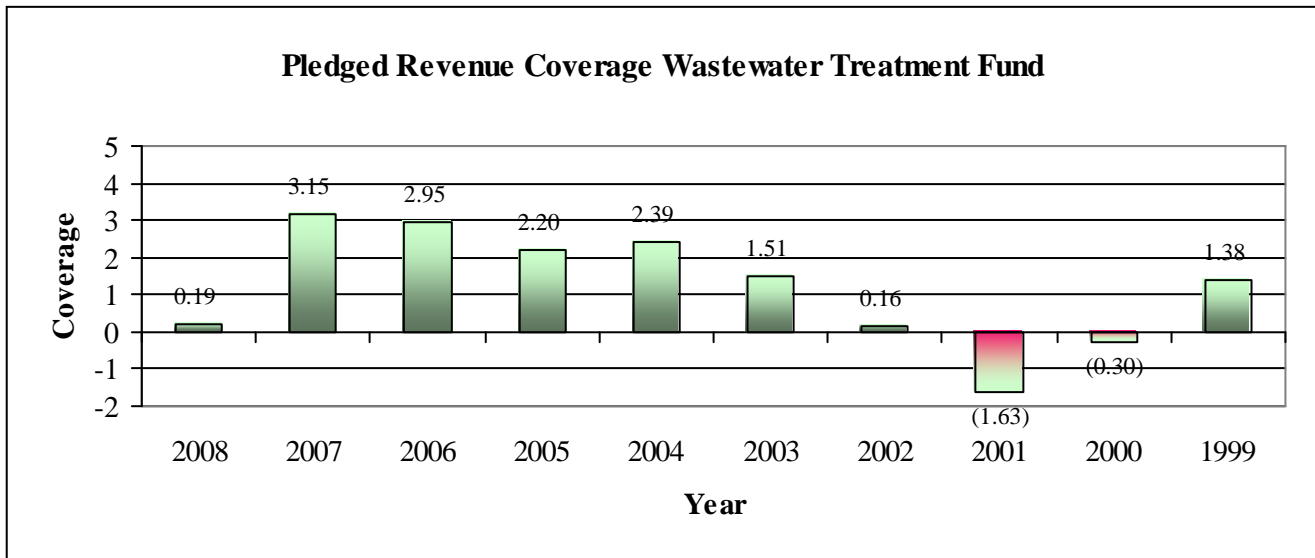
City of Ashtabula, Ohio
Pledged Revenue Coverage Wastewater Treatment Fund
Last Ten Years

	2008	2007	2006	2005
Wastewater Treatment Fund				
Operating Revenues (1)	\$3,871,973	\$3,855,186	\$3,092,660	\$3,051,895
Less: Operating Expenses (2)	<u>3,935,680</u>	<u>2,527,057</u>	<u>2,617,005</u>	<u>2,696,070</u>
Net Available Revenue	<u>(63,707)</u>	<u>1,328,129</u>	<u>475,655</u>	<u>355,825</u>
Debt Service				
Principal	328,203	314,769	103,896	99,520
Interest	<u>143,422</u>	<u>106,981</u>	<u>57,592</u>	<u>61,968</u>
Total Debt Service	<u>471,625</u>	<u>421,750</u>	<u>161,488</u>	<u>161,488</u>
Coverage	(0.14)	3.15	2.95	2.20

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

(2) Operating expenses do not include depreciation.

Source: Ashtabula City Auditor's office

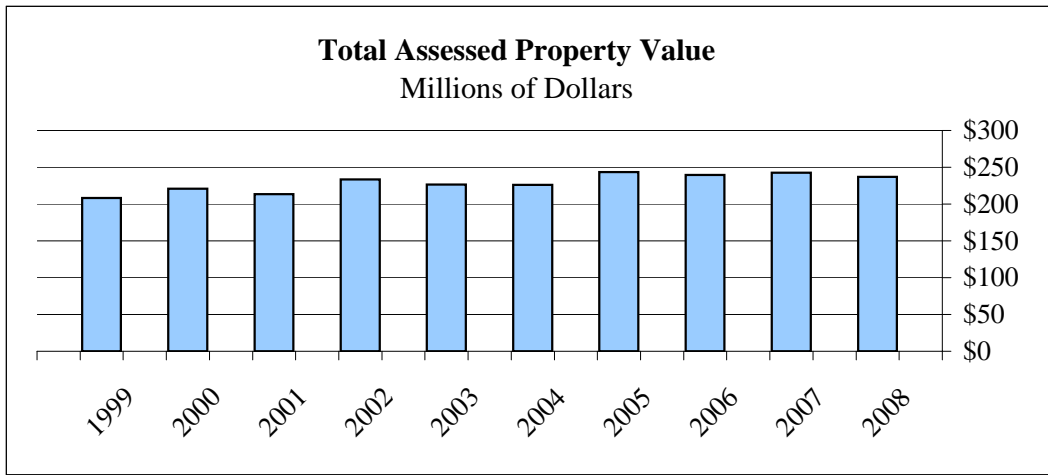


2004	2003	2002	2001	2000	1999
\$2,880,449	\$2,871,360	\$2,801,467	\$2,587,575	\$2,687,820	\$2,745,717
2,493,765	2,628,308	2,774,960	2,850,199	2,736,821	2,522,524
386,684	243,052	26,507	(262,624)	(49,001)	223,193
95,328	91,314	87,467	83,783	80,254	76,873
66,160	70,174	74,021	77,705	81,234	84,615
161,488	161,488	161,488	161,488	161,488	161,488
2.39	1.51	0.16	(1.63)	(0.30)	1.38

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

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2008	20,962	\$294,180,708	\$14,034	\$27,354	34.9
2007	20,962	294,180,708	14,034	27,354	34.9
2006	20,962	294,180,708	14,034	27,354	34.9
2005	20,962	294,180,708	14,034	27,354	34.9
2004	20,962	294,180,708	14,034	27,354	34.9
2003	20,962	294,180,708	14,034	27,354	34.9
2002	20,962	294,180,708	14,034	27,354	34.9
2001	20,962	294,180,708	14,034	27,354	34.9
2000	20,962	294,180,708	14,034	27,354	34.9
1999	21,633	203,155,503	9,391	18,660	32.8

- (1) Source: U. S. Census
 - (a) Years 2000 through 2008 - 2000 Federal Census
 - (b) Year 1999 - 1990 Federal Census
- (2) Computation of per capita personal income multiplied by population
- (3) Ohio Bureau of Employment Services
- (4) Northeast Ohio Multiple Listing Service for Zipcode 44004 (which includes portions of surrounding townships).
- (5) Source: Ashtabula County Auditor



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (3)	Ashtabula County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
10.4	4,701	8.0%	\$40,484	\$237,095,420
10.4	4,662	7.0	54,772	242,740,740
10.4	4,686	7.0	85,300	239,484,190
10.4	4,743	7.3	85,200	243,460,550
10.4	5,057	7.3	84,775	226,008,470
10.4	5,170	8.1	n/a	226,721,670
10.4	5,252	8.1	n/a	233,515,730
10.4	5,270	7.2	n/a	213,526,790
10.4	5,364	5.5	n/a	220,680,420
7.9	5,437	5.7	n/a	208,428,820



City of Ashtabula, Ohio
Principal Employers
Current Year and Eight Years Ago (1)

2008		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,027
Ashtabula Area City Schools	Public Education	817
Molded Fiber Glass	Manufacturing - composites	537
Kent State University - Ashtabula Campus	Public Education/College	270
CHS - Lake Erie	Nursing Home	266
Country Club Retirement Center	Nursing Home	188
Ashtabula Rubber Company	Manufacturing - rubber components	183
City of Ashtabula, Ohio	Municipal Government	182
Plasticolors	Pigment and additive dispersions	164
Newspaper Holding Inc./Star Beacon	Newspaper - Daily	138
Total		<u>3,772</u>
Total Employment within the City		<u>n/a</u>

2000		
Employer	Nature of Activity	Employees
Molded Fiber Glass	Manufacturing - composites	1,262
Ashtabula County Medical Center	Medical Center	1,116
Ashtabula Area City Schools	Public Education	882
CHS - Lake Erie	Nursing Home	284
Ashtabula Rubber Company	Manufacturing - rubber components	281
Zehrco Plastics	Injection molding	263
Country Club Retirement Center	Nursing Home/Assisted Living	261
Carington Park	Nursing Home	258
City of Ashtabula	Municipal Government	236
Kent State University - Ashtabula Campus	Public Education/College	234
Total		<u>5,077</u>
Total Employment within the City		<u>n/a</u>

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

(1) Information prior to 2000 is not available
n/a - Information not available

City of Ashtabula, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
Legislative and Executive							
Council	8	8	8	8	8	8	8
Administration	4	3	3	2	2	2	2
Auditor	7	7	7	6	6	7	7
Treasurer	1	1	1	1	1	1	1
Income Tax	3	3	3	3	3	3	3
Solicitor	4	4	4	4	4	4	4
Motor Maintenance	3	3	3	1	3	3	3
Engineering	3	3	3	3	3	3	3
Civil Service	1	1	1	1	1	1	1
Lands and Buildings	3	3	3	6	6	6	6
Systems Analyst	1	1	1	1	1	1	1
Judicial System							
Municipal Court	13	13	14	12	12	12	13
Probation	4	4	4	4	4	4	4
Security of Persons and Property							
Police	32	32	31	33	34	35	37
Police - Civilian	9	9	9	5	6	9	10
Fire	26	27	25	25	26	26	26
Fire - Civilian	1	1	1	1	1	1	1
Public Health Services							
Food Service	1	1	1	1	1	1	1
Nursing	6	4	4	4	4	4	4
Street Maintenance and Repair							
Public Works	22	22	23	20	21	21	22
Housing and Community Development							
Code Enforcement	2	2	2	2	2	2	2
CDBG	1	2	1	2	2	2	2
Sanitation Services							
Sanitation	16	15	16	14	14	14	15
Leisure Time Activities							
Walnut Beach	0	0	0	0	9	10	9
Business Type Activity							
Wastewater Treatment	14	14	13	13	16	16	18
Totals:	<u>185</u>	<u>183</u>	<u>181</u>	<u>172</u>	<u>190</u>	<u>196</u>	<u>203</u>

(1) Information prior to 2002 not available.

Source: City of Ashtabula, Ohio Payroll

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

City of Ashtabula, Ohio
Operating Indicators by Function/Program
Last Five Years (1)

Function/Program	2008	2007	2006	2005	2004
General Government					
Legislative and Executive					
<i>Council & Clerk</i>					
Number of Ordinances Passed	150	161	192	103	112
Number of Resolutions Passed	47	18	16	15	28
<i>Auditor</i>					
Number of checks/ vouchers issued	3,445	5,248	4,312	4,653	3,627
Amount of checks written	\$12,843,481	\$15,497,472	\$20,919,912	\$20,422,342	\$19,055,341
Number of Budget Adjustments issued		269	248	222	187
Agency Ratings - Standard & Poors	A-	A-	A-	A-	A-
Agency Ratings - Moody's Financial Services	BBA	BBA	BAA	BAA	BAA
Health Insurance Costs vs General Fund Expenditures %	14.50%	13.60%	13.99%	13.32%	13.05%
General Fund Receipts	\$10,304,586	\$10,239,837	\$10,028,364	\$9,981,777	\$9,245,696
General Fund Expenditures	\$10,057,413	\$10,015,243	\$9,536,404	\$8,906,539	\$8,802,912
General Fund Cash Balances	\$373,660	\$627,580	\$657,980	\$708,153	\$354,738
<i>Treasurer</i>					
Number of Pay-Ins issued	1,679	1,441	1,574	1,488	1,484
Interest earnings for fiscal year (cash basis)	\$146,010	\$394,355	\$339,503	\$212,687	\$82,469
<i>Income Tax Department</i>					
Number of Individual Returns	6,775	7,262	8,495	8,677	8,626
Number of Business Returns	1,396	1,484	1,347	1,381	1,410
Number of business withholding accounts	780	735	833	799	816
Amount of Penalties and Interest Collected	\$44,068	\$35,513	\$30,913	\$28,684	\$29,750
Annual number of Corporate withholding forms processed	9,120	9,371	9,440	9,201	8,812
Annual number of balance due statements forms processed	676	749	777	676	885
Annual number of estimated payment forms processed	844	905	856	922	797
Annual number of reconciliations of withholdings processed	19	57	41	389	315
<i>Engineering Department Indicators</i>					
Construction Permits Issued	291	385	374	311	383
Estimated Value of Construction	\$14,004,261	\$3,372,076	\$11,444,149	\$4,898,765	\$8,347,191
Number of permits issued	702	817	727	631	979
Amount of Revenue generated from permits	\$144,385	\$325,886	\$341,215	\$128,302	\$454,917
Number of Planning Commission meetings	7	2	8	8	6
Number of Administrative/Zoning Board meetings	3	1	1	2	5
<i>Civil Service</i>					
Number of police entry tests administered	0	1	0	0	1
Number of fire entry tests administered	1	1	1	0	1
Number of police promotional tests administered	0	2	0	2	0
Number of fire promotional tests administered	0	0	0	4	0
Number of hires of Police Officers from certified lists	0	7	2	1	0
Number of hires of Fire/Medics from certified lists	0	1	2	0	0
Number of promotions from police certified lists	0	2	7	11	13
Number of promotions from fire certified lists	0	0	6	4	1
Judicial System					
<i>Municipal Court</i>					
Number of Civil Cases	1,502	1,588	1,519	1,334	1,409
Number of Criminal cases	9,265	10,062	9,564	6,740	5,916
<i>Probation</i>					
Community Diversion participants	402	143	676	667	745
Community Diversion service hours	5,732	5,815	4,205	3,962	9,429

(continued)

City of Ashtabula, Ohio
Operating Indicators by Function/Program (continued)
Last Five Years (1)

Function/Program	2008	2007	2006	2005	2004
Security of Persons & Property					
<i>Police</i>					
Total Calls for Services	22,485	24,593	21,184	n/a	n/a
Number of traffic citations issued	2,213	2,875	1,936	1,500	n/a
Number of parking citations issued	209	836	360	114	n/a
Number of criminal arrests	1,454	1,718	1,212	1,234	n/a
Operating Motor Vehicle Under the Influence (OMVI) Arrests	121	120	61	58	n/a
Adult Driving Under Suspension (DUS) Arrests	405	549	356	242	n/a
Prisoners	1,002	972	781	705	n/a
Prisoner meal costs	\$49,696	\$41,066	\$46,271	\$36,499	\$29,193
Motor Vehicle Accidents	640	668	476	550	n/a
Fatalities from Motor Vehicle Accidents	1	5	0	2	0
Gasoline costs of fleet	\$91,813	\$67,932	\$87,882	\$93,171	\$94,120
<i>Fire</i>					
EMS/Medical Calls (Mutual Aid, Non Transport)	925	875	852	844	878
Fire Calls	916	800	141	150	125
Fire Fatalities	2	1	0	1	0
Fires with Loss	43	35	31	40	37
Fires with Losses exceeding \$10K	14	11	10	16	20
Fire Losses \$	\$3,539,727	\$451,670	\$515,600	\$2,365,150	\$998,450
Fire Investigations	20	34	34	37	40
Number of times Mutual Aid given to Fire and EMS	44	26	20	38	22
Departmental Training Hours	4,676	4,552	5,787	5,202	5,304
Public Health & Welfare					
Health Department					
Certificates Filed					
Number of Births	526	602	576	636	541
Number of Deaths	274	281	287	338	341
Certificates Issued					
Number of Births	2,642	3,203	3,015	2,816	2,780
Number of Deaths	1,118	1,235	1,226	1,540	1,542
Burial Permits Issued	381	399	416	500	491
Receipts from Certificates Issued	\$71,440	\$84,321	\$81,827	\$74,910	\$66,303
Number of Health Inspections					
Food Service Operations, Licensed/Number of Inspections	97/247	86/182	99/240	101/243	103/245
Food Establishments, Licensed/Number of Inspections	43/81	44/68	44/81	45/85	46/78
Vending Operations, Licensed/Number of Inspections	14/14	15/12	19/17	23/21	22/23
Marinas, Licensed/Number of Inspections	10/10	16/10	10/11	10/10	10/11
Manufactured Home Parks, Licensed/Number of Inspections	3/6	3/3	3/10	3/6	3/6
Campgrounds, Licensed/Number of Inspections	4/4	4/4	4/7	4/4	4/5
Swimming Pools and Spas, Licensed/Number of Inspections	6/11	6/12	6/17	6/12	6/17

(continued)

City of Ashtabula, Ohio
Operating Indicators by Function/Program (continued)
Last Five Years (1)

Function/Program	2008	2007	2006	2005	2004
Street Maintenance and Repair					
Guardrail Repair (hours)	68	129	123	87	176
Paint Striping (hours)	508	510	493	512	518
Street Sweeper (hours)	2,018	2,313	2,240	2,279	2,400
Cold Patch (hours)	4,208	4,085	4,160	4,113	3,978
Snow & Ice Removal regular hours	12,562	11,768	11,520	11,431	12,311
Snow & Ice Removal overtime hours	987	823	880	913	953
Sewer and Sanitary calls for service	1,063	949	963	946	1,012
After hours Sewer Calls (hours)	433	413	416	425	457
Sewer Crew (hours)	2,800	2,908	2,880	2,764	2,899
Sewer jet, Vac-all, other services (hours)	1,700	1,483	1,440	1,456	1,503
Landscaping Stump-Chipper service (hours)	480	410	413	385	395
Leaf collection (hours)	4,833	4,819	4,800	4,768	4,854
Holiday lights setup (hours)	80	80	40	40	40
Equipment repair/body shop (hours)	5,200	5,200	5,200	4,160	5,200
Sign department (hours)	1,400	1,500	1,036	1,058	1,113
Tons of snow melting salt purchased (Jan-Dec)	3,549	3,792	2,490	3,726	3,252
Cost of salt purchased	\$125,698	\$134,588	\$84,069	\$127,411	\$116,567
Housing and Community Development (2)					
Community Development Block Grant					
Grant amounts received	N/S	\$45,834	\$536,000	\$151,000	\$659,000
Code Enforcement					
Number of rental inspections performed	1,345	2,178	480	360	360
Number of exterior inspections	258	1,403	n/a	700	673
Code Enforcement fees collected	N/S	\$158,144	\$98,950	\$44,352	\$50,636
Sanitation					
Residential trash pickup rate (billed every 2 months)	\$15.00	\$15.00	\$15.00	\$12.00	\$13.00
Refuse disposal per year (in tons)	13,610	13,937	12,565	12,106	11,901
Refuse disposal costs per year	\$516,000	\$540,000	\$435,814	\$378,744	\$328,931
Annual recycling tonnage (excluding leaf, and compost items)	480	480	476	476	414
Percentage of waste recycled	3.80%	3.80%	3.65%	3.79%	3.36%
Revenue generated from sale of recyclables	\$9,000	\$15,595	\$5,233	\$6,736	\$3,895
Leisure Time Activities					
<i>Recreation</i>					
Wastewater Treatment					
Sewer Rates per unit of water used (1 unit equals 750 gallons)	\$2.61	\$2.45	\$2.45	\$2.40	\$2.40
Total flow of wastewater treatment plant (Billions of Gallons)	1.977	1.713	1.998	2.540	2.262
Average daily flow (Millions of gallons per day)	5.420	4.693	5.550	6.990	6.170
Tons of dry sludge removed	493.95	510.56	558.24	612.07	421.34

- (1) Information prior to 2004 is not available
(2) No response from department (N/S)

City of Ashtabula, Ohio
Capital Assets Statistics by Function/Program
Last Five Years (1)

Function/Program	2008	2007	2006	2005	2004
General Government					
Square Footage Occupied	95,943	95,943	95,943	95,943	95,943
Administrative Vehicles	2	4	8	6	6
Inspection Vehicles	2	6	4	4	3
Municipal Court Vehicles	2	2	3	2	2
Lands & Buildings Vehicles	4	4	4	4	3
Police					
Stations	1	1	1	1	1
Square Footage of Building	14,491	14,491	14,491	14,491	14,491
Vehicles	40	33	35	44	44
Fire					
Stations	1	1	1	1	1
Square Footage of Building	11,560	11,560	11,560	11,560	11,560
Vehicles	8	8	8	7	7
Street Maintenance and Repairs					
Square Footage of Building	25,050	25,050	25,050	25,050	25,050
Streets (miles)	97	97	97	97	97
Bridges	6	6	6	6	6
Traffic Signals	54	54	54	50	49
Service Vehicles	29	28	30	25	25
Sanitation Services					
Square Footage of Building	9,100	9,100	9,100	9,100	9,100
Vehicles	10	10	10	12	12
Leisure Time Activities					
Number of Parks	8	8	8	8	8
Number of Tennis Courts	2	2	2	2	2
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	4	4	4	4	4
Number of Soccer Fields	1	1	1	1	1
Square Footage of Walnut Beach Building	6,420	6,420	6,420	6,420	6,420
Square Footage of Smith Field Building	336	336	336	336	336
Square Footage of Massucci Building	1,944	1,944	1,944	1,944	n/a
Wastewater Treatment					
Square Footage of Building	22,344	22,344	22,344	22,344	22,344
Sanitary Sewers (miles)	91.94	91.94	91.94	91.94	91.94
Storm Sewers (miles)	76.18	76.18	76.18	76.18	76.18
Vehicles	5	6	11	11	11

(1) Information prior to 2004 is not available

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Sewer Billings (1)	\$2,556,295	\$2,668,957	\$2,669,897	\$2,792,173	\$2,337,816
Residential Trash Billings	<u>1,221,559</u>	<u>1,303,059</u>	<u>1,073,613</u>	<u>1,056,604</u>	<u>927,328</u>
Total Utility Billing	<u>\$3,777,854</u>	<u>\$3,972,016</u>	<u>\$3,743,510</u>	<u>\$3,848,777</u>	<u>\$3,265,144</u>
Sewer Collections (1)(2)	\$2,215,775	\$2,119,014	\$1,989,073	\$2,065,929	\$1,858,330
Residential Trash Collections(2)	<u>995,106</u>	<u>980,335</u>	<u>786,512</u>	<u>833,520</u>	<u>776,486</u>
Total Utility Billing Collections	<u>\$3,210,881</u>	<u>\$3,099,349</u>	<u>\$2,775,585</u>	<u>\$2,899,449</u>	<u>\$2,634,816</u>
Percentage Collected from Billings Before Outstanding Balances are Certified to Property Taxes	84.99%	78.03%	74.14%	75.33%	80.70%
Delinquent Sewer Collections(2)	\$469,732	\$498,674	\$458,820	\$487,751	\$408,230
Delinquent Residential Trash Collections(2)	<u>261,030</u>	<u>257,230</u>	<u>239,361</u>	<u>244,018</u>	<u>207,596</u>
Total Delinquent Collections	<u>\$730,762</u>	<u>\$755,904</u>	<u>\$698,181</u>	<u>\$731,769</u>	<u>\$615,826</u>

Source: City of Ashtabula Auditor's Office

- (1) Amount billed does not include \$2.00 per month service charge or any other special project fees assessed.
- (2) Delinquent collections are one year behind, ie: delinquent amounts collected in 2008 were for the amounts certified in 2007.

Address comments
and suggestions to:

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Special acknowledgement and appreciation goes out to those who helped in the implementation of this GABS compliant report. Thank you to Mary Taylor, Auditor of State, and her staff for their guidance. To Lori Mackey, City Treasurer and Karen Jury, Deputy Auditor whose work on this CAFR ties it all together.

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Mary Taylor, CPA
Auditor of State

CITY OF ASHTABULA

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 15, 2009**