

# *City Of Ashtabula, Ohio*



## Comprehensive Annual Financial Report

For The Year Ended  
December 31, 2011

Prepared by the Offices of Auditor and Treasurer





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the City of Ashtabula, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

December 3, 2012

**This page intentionally left blank.**

---

# **INTRODUCTORY SECTION**

---

**This page intentionally left blank.**

**City of Ashtabula, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2011*  
*Table of Contents*

	<i>Page</i>
<b>I. Introductory Section</b>	
Title Page.....	i
Table of Contents .....	ii
Letter of Transmittal.....	v
Principal Officials.....	xii
Organizational Chart.....	xiii
GFOA Certificate of Achievement.....	xiv
<b>II. Financial Section</b>	
Independent Accountants’ Report .....	1
Management’s Discussion and Analysis .....	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets .....	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	18
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual:	
General Fund.....	20
Community Development Block Grant .....	21
Street Construction, Maintenance and Repair Fund.....	22
Statement of Fund Net Assets – Proprietary Funds .....	23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds.....	27
Notes to the Basic Financial Statements.....	28

***Combining and Individual Fund Statements and Schedules***

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions .....59  
Combining Balance Sheet – Nonmajor Governmental Funds .....60  
Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances – Nonmajor Governmental Funds .....64

Combining Statements – Internal Service Funds:

Fund Descriptions .....67  
Combining Statement of Fund Net Assets - Internal Service Funds .....68  
Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets - Internal Service Funds .....69  
Combining Statement of Cash Flows - Internal Service Funds .....70

Combining Statements – Fiduciary Funds:

Fund Descriptions .....71  
Statement of Changes in Assets and Liabilities – Agency Fund .....72

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

Major Funds

General Fund .....74  
Community Development Block Grant Fund .....78  
Street Construction, Maintenance and Repair Fund .....79  
Debt Service Fund .....80  
Permanent Improvement Fund .....81  
Sanitation Fund .....82  
Wastewater Treatment Fund .....83

Nonmajor Funds

Code Enforcement Fund .....84  
Fire Pension Fund .....85  
Food Service Fund .....86  
Indignet Alcohol Fund .....87  
Law Enforcement Trust Fund .....88  
Motor Vehicle License Tax Fund .....89  
Municipal Probation Services Fund .....90  
Police Pension Fund .....91  
Public Health Nursing Fund .....92  
State Highway Fund .....93  
Walnut Beach Fund .....94  
Construction Fund .....95  
Self Insurance Fund .....96  
Workers' Compensation Fund .....97



### III. Statistical Section

Statistical Section Description.....	S1
Net Assets by Component – Last Ten Years .....	S2
Changes in Net Assets – Last Ten Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years.....	S10
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S12
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years .....	S14
Property Tax Rates – Direct and Overlapping Governments – Last Eight Years .....	S16
Property Tax Levies and Collections – Last Ten Years .....	S18
Principal Real Property Taxpayers – 2011 and 2002 .....	S20
Income Tax Revenue Base and Collections – Last Ten Years .....	S21
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years .....	S22
Legal Debt Margin – Last Ten Years .....	S24
Ratio of General Obligation Bonded Debt to Estimated True Values of Taxable Property and Bonded Debt Per Capita – Last Ten Years .....	S26
Computation of Direct and Overlapping Governmental Activities Debt .....	S27
Pledged Revenue Coverage Revenue Debt - Wastewater Treatment Fund – Last Ten Years .....	S28
Demographic and Economic Statistics – Last Ten Years.....	S30
Principal Employers – Current Year and Five Years Ago .....	S32
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years.....	S34
Operating Indicators by Function/Program – Last Eight Years .....	S36
Capital Assets Statistics by Function/Program – Last Eight Years .....	S42
Sewer and Trash Statistics – Last Eight Years .....	S44



# *City of Ashtabula*

## *Office of the City Auditor*

4717 Main Avenue  
Ashtabula, Ohio 44004  
Phone: 440.992.7107  
Fax: 440.992.9306

*Karen S. Jury*  
*Deputy Auditor*  
[karenj@suite224.net](mailto:karenj@suite224.net)

August 31, 2012

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

We are pleased to present the City of Ashtabula's (the City) Comprehensive Annual Financial Report (CAFR). This CAFR represents the City of Ashtabula's operations and financial position for the calendar year ended December 31, 2011, and accurately details the status of City finances to Ashtabula residents and elected officials, investment banks and underwriters, rating agencies and all other interested parties. 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 un-audited annual report with the Auditor of State within one hundred and fifty days of fiscal year end.

In preparing this report, the 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. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

In accordance with Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. Canter & Associates has issued an unqualified ("clean") opinion on the City of Ashtabula's financial statements for the year ended December 31, 2011. The independent accountants' report is located at the front of the financial section of this report.

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

## **History of Ashtabula and Form of 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. Ashtabula was named by the Indians. The word was originally pronounced "Hash - Ta La," and its name, meaning "River of Many Fish," was first applied to what is now the Ashtabula River. Those who decided to settle on the west bank of the Ashtabula River Gulf in the early 1800's faced the challenge of clearing forest land with crude tools, raising and storing food, and building shelters to protect themselves from the elements. Although the task was formidable, a small number of settlers responded to the challenge and helped the area become a borough, a village, and eventually, a city.

The City's area is 7.6 square miles. The City of Ashtabula is five hundred ninety feet above sea level. According to the 2010 census, the City's population was 19,680. The Ashtabula County area population is now estimated at approximately 100,467.

The City of Ashtabula is a home rule municipal corporation established under the laws of the State of Ohio and operated under its own charter. The current charter, which provides for a City Manager - City Council form of government, was adopted on January 1, 1916. The City Manager and the City Solicitor are elected by a vote of the people and serve for four-year terms. To provide necessary services to its citizens, the City of Ashtabula is divided into departments and financial management and control systems. Services provided include police and fire protection, 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.

Legislative authority is vested in a seven-member Council consisting of five ward and two at-large representatives, and 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. City Council holds its regular bi-monthly council meetings on the first and third Mondays of each month. The Council selects the Clerk of Council, 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.

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

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

**The Service Department** is comprised of several divisions/departments administered by the Superintendent of Public Services. The division of Public Works, division of Sanitation, and Motor Maintenance; as well as the departments of Code Enforcement and Building Maintenance are overseen by the Superintendent. The division of Public Works is responsible for the non-contractual maintenance of the City's roadways, leaf collection, and snow removal in the winter. They take care of the parks and playgrounds within the City. Traffic signalization repairs and maintenance is also handled by Public Works. The Sanitation department is responsible for the City-wide collection and removal of trash, both residential and commercial. They

have a state-of-the-art recycling center which handles all types of recyclables. Motor Maintenance performs routine maintenance and repairs to City vehicles; major repairs are outsourced as needed. The Code Enforcement oversees the residential rental stock in the City. These homes are inspected and landlords pay a rental fee, to ensure their rentals are in compliance with the City's building codes. Building maintenance personnel keep all City buildings clean and safe for employees as well as the public who visit our offices.

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

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

**The Manager's Department** is the administrative arm of the City. The Manager heads the departments of Community Development, and the engineering department. The Community Development Block Grant (CDBG) is responsible for writing grants for major projects. The department works with qualifying residents to improve their housing through CDBG housing grant programs. These programs provide funding for the purchase of homes and repairs to owner occupied homes. The engineering department issues permits and conducts site inspections. The Manager is also the head of the divisions of Police, Fire and Wastewater Treatment. The administrative offices are at 4717 Main Avenue.

**The Solicitor's Department** advises the City Council, the City Manager and all departments on legal matters concerning the City. The department prepares all contract, legislation and legal documents. The Solicitor is the City's Prosecutor and has an assistant solicitor as well as an administrative secretary. Their offices are located in the Annex Building at 110 West 44<sup>th</sup> Street.

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

**The City Council** is the legislative branch of the City. All legislative matters of the City are brought to the Council for their approval. The Council as a whole oversees the Clerk of Council, the Treasurer and the Auditor's departments. The Clerk keeps a permanent record of all proceedings and legislation passed by Council. All offices are located in the KeyBank building at 4717 Main Avenue, 2<sup>nd</sup> floor, Ashtabula, Ohio.

**The Treasurer** is appointed by Council. The Treasurer is the custodian of all monies of the City. All money received by the City is paid in by the Treasurer. Only checks issued by the Auditor may be paid out by the Treasurer. All cash balances are monitored to maintain sufficient balances to meet obligations. The Treasurer works with the Auditor to prepare the Comprehensive Annual Financial Report.

**The Auditor** is responsible for the accurate recording of all receipts and disbursements. The department issues accounts payable checks, bi-weekly payrolls, monitors debt payments, and maintains a capital asset system. The department bills all City residents for trash pickup and for sewage usage. Some township residents are also billed for sewer usage as they are connected to our Wastewater Treatment Plant. The department prepares the Comprehensive Annual Financial Report. The Auditor assists the City Council and City Manager in all financial decisions.

**Income Tax Department** is responsible for the collection of municipal income tax from 6,600 resident returns, 1,400 business net profits returns and the collection from 650 withholding accounts from businesses within the City. The department offers free preparation in house service for the municipal income tax returns. The department is under the general direction of the City Auditor.

## **Accounting Systems and Budgetary Control**

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

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

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.

## **Economic Conditions and Outlook**

The City of Ashtabula is committed to the revitalization of existing resources and the search for new ways to improve the economic outlook of the community. 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 development of the business park has been completed.

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 over twenty years ago, twenty-four viable inquiries have been made, thirteen full applications have been received and eight applicants were approved for funding. The revolving loan program is currently rebuilding its cash reserve.

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

The Port of Ashtabula has also become a fisherman's paradise. The walleye-fishing boom out of Ashtabula has exceeded all expectations. Walleye fishing has been the best the City has seen since the late 1980's. The Port of Ashtabula is one of the area's most valuable assets. A river restoration project was started to enhance the fish habitat in hopes of establishing new spawning grounds for the Rainbow Trout and other species that utilize the Ashtabula River. A dredging project that was completed in late fall of 2008 has provided a twelve-foot deep river and removed all remaining toxins in the river soils. 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, nine years ago, to over 1,000 today. Most marinas' dock space is filled to capacity. The dredging of the Ashtabula River resulted 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.

The Ashtabula Harbor area is host to the Beach Glass Festival held in June, Walleye and Wine Festival held in August of each year as well as Bands at the Beach all summer long. There is a fishing tournament which has over 100 boats participate, a wine tasting event, and foods of many varieties including perch and walleye being deep fried right outdoors. The crowds are huge and many people enjoy the festivals.

In July of 2011, the Ashtabula Downtown Development Association (ADDA) hosted the first Multi-Cultural Festival to celebrate the diversity of Ashtabula's residents. Complete with an ethnic parade, music, exhibits and food from the various cultures, the day was filled with many new experiences. This event was so well received by the community that the 2012 event will be expanded to two days.

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

The Walnut Beach area comprises approximately twenty-two acres with one thousand feet of Lake Erie frontage. This area is important to the City as a prime site for recreation, accommodating over a thousand boats 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, repairs to the boardwalk 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. Bands on the Beach events draw many residents and visitors to the beach during the summer.

The largest employer in the City is the Ashtabula County Medical Center (ACMC), an affiliate of Cleveland Clinic. With over 1,000 employees it is by far the largest medical facility in the county and surrounding area. In a recent study by HealthGrades, a leading healthcare ratings group, ACMC's emergency medicine care is in the top five percent in the nation.

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

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. Windstream Western Reserve provides local telephone service, and Time Warner provides cable television services.

## **Major Initiatives**

Street resurfacing and repair on some of Ashtabula's streets took place during 2011, costing \$464,358. An additional \$55,700 was spent on the major road reconstruction of West Avenue. Phase II of the rehabilitation of the existing West Avenue overpass which spans the main CSX railroad lines. Cost of the engineering is \$19,950 to date, and construction is to commence soon. The roof of the Administration building at 4717 Main Avenue had major repairs to the roof at a cost of \$95,890. The Annex building HVAC was installed for \$126,395 in 2011.

The Wastewater Treatment Plant's Chemical Feed building repairs will be starting in 2012; the engineering costs for this project have been appropriated at \$92,880, with \$9,000 being paid in 2011. Actual cost of the Chemical Feed building rehab project will be \$299,972. The City spent \$34,950 on repairs to the Ohio Avenue sanitary sewer lines.

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. Through the Comprehensive Neighborhood Revitalization Program, six houses were demolished after each structure was determined to be functionally deteriorated to the degree that rehabilitation was not financially feasible; the houses were dangerous to the public and produced an extreme blight to the community. The City spent \$44,854 for asbestos abatement in 2011 before the structures could be demolished. These activities contribute to the health and safety of the community through rehabilitation and code enforcement efforts. The programs offered and administered by the Division of Housing and Community Development demonstrates the City's commitment to safe, decent and sanitary housing within the community.

The Fire Department answered 1,447 alarms in 2011, a slight increase from 1434 in 2010. There were 56 structure fires in 2011, up three from 2010. A grant of \$90,000 was used to update the air packs which replaced aging breathing apparatus. Using Community Development Block Grant funds and permanent improvement funds enabled the department to obtain a 2002 fire engine and a rescue truck for \$135,000.

The 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 costs of \$500,474 for the rubbish collected by our trucks and the rubbish collected at our transfer station. The City constructed a state-of-the-art-recycling center with grant monies from the Ashtabula County Solid Waste District. 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, in excess of 604,527 pounds of recyclable materials and approximately 6,000 tires during 2011. The City sold the recyclable materials for \$15,837 and avoided paying the landfill tipping fees.

The Police Department, in conjunction with a Homeland Security grant, received a boat to be able to assist the US Coast Guard in patrolling our coastline. The grant also provided for salary reimbursement of our officers. In 2011, new vests were purchased for \$20,987 for our officers.

The caseload for the Municipal Court totaled 6,004 in 2011, representing an 822 case decrease from 2010. A majority of the decreases 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 but unfortunately in 2011 less patrolmen just means less hours available to run traffic. Crime and drug related offenses in our City have been top priority with the administration once again during 2011. 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.

#### **Awards and Acknowledgements**

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, 2010. This was the City of Ashtabula's twenty-fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

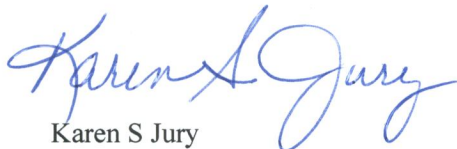
The preparation of this report depends on the contributions of many dedicated employees. Our gratitude of those primarily responsible for its completion is extended to all contributors, especially the employees in the Auditor's office who have spent their time and energy on various parts of the project and to the Local Government Services section of Auditor of State's office for their assistance in the organization and final review of our 2011 Comprehensive Annual Financial Report.

In addition, we would like to thank 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. We would also like to thank the residents and taxpayers of the City of Ashtabula for entrusting us with the administration of their local government.

Respectfully submitted,



Dana Pinkert  
Ashtabula City Auditor



Karen S. Jury  
Ashtabula City Deputy Auditor



Lori G. Mackey  
Ashtabula City Treasurer



**City of Ashtabula, Ohio**  
*List of Principal Officials*  
*December 31, 2011*

---

---

***City Council***

J P Ducro..... President  
Christopher McClure ..... Vice President  
Richard F. Balog ..... Ward I  
August Pugliese ..... Ward II  
Ann Stranman ..... Ward III  
Julie Lattimer ..... Ward IV  
James Trisket ..... Ward V  
LaVette E. Hennigan..... Clerk of Council

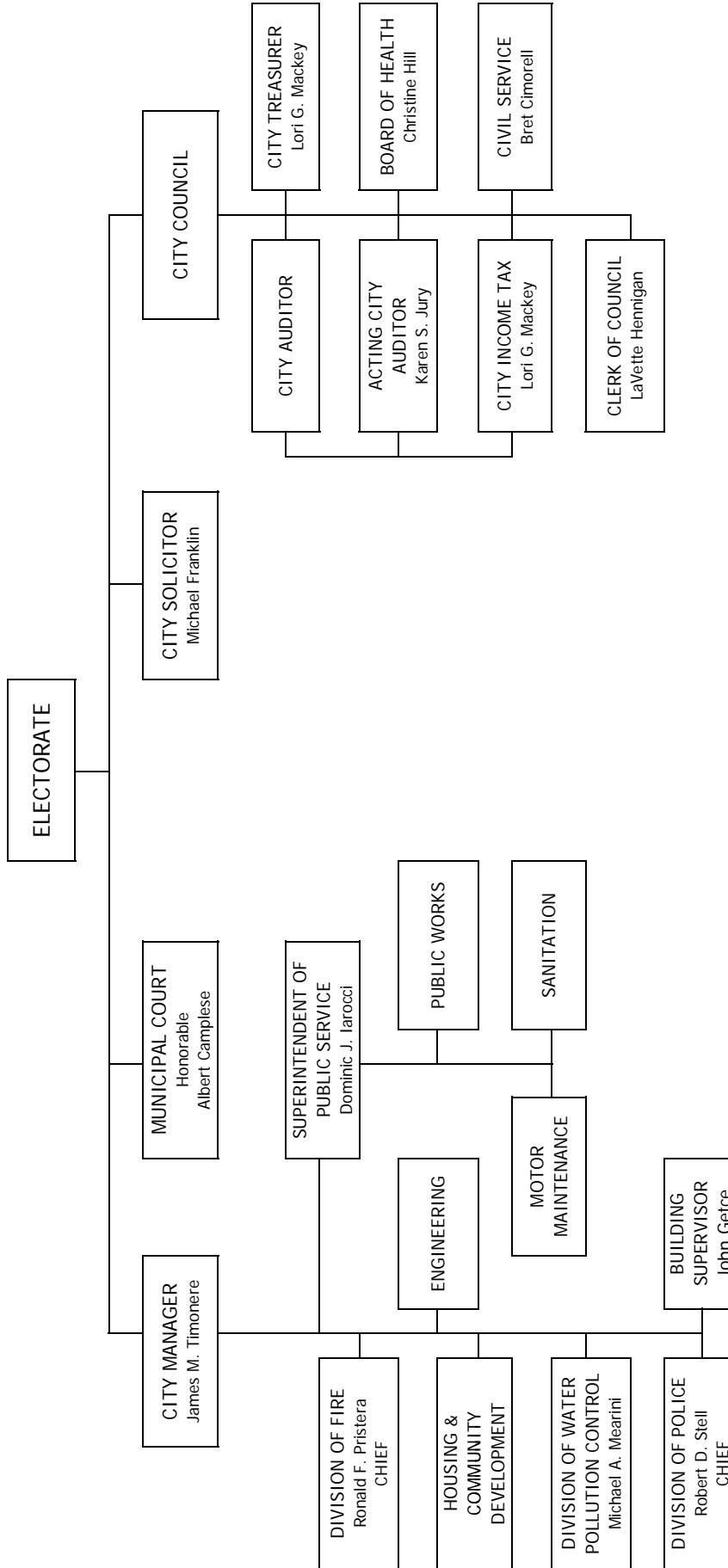
***City Officials***

Albert S. Camplese ..... Municipal Court Judge  
James M Timonere..... City Manager  
Michael Franklin..... City Solicitor  
Dominic J. Iarocci..... Superintendent of Public Works and Sanitation  
Karen S. Jury..... Acting City Auditor\*  
Lori G. Mackey..... City Treasurer  
Michael A. Mearini..... Superintendent of Wastewater Treatment Plant  
Ronald F. Pristera ..... Chief of Fire  
Robert D. Stell ..... Chief of Police

\*Dana Pinkert was hired as the City Auditor effective April 23, 2012.

CITY OF ASHTABULA, OHIO  
 ORGANIZATIONAL CHART

December 31, 2011



# 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, 2010

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.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

---

# **FINANCIAL SECTION**

---



6400 Olde Stone Crossing  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

---

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, Ohio (the City), as of and for the year ended December 31, 2011, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General fund, and Community Development Block Grant fund, and the Street Maintenance and Repair fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during 2011, the City of Ashtabula adopted Governmental Accounting Standards Board Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



**Canter & Associates**  
Poland, Ohio

August 31, 2012

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*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, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

- ◆ During 2011, a number of street improvements were completed throughout the City. The City also purchased two vehicles for the fire department, a fire engine and an ambulance. The income tax department identified delinquent taxpayers and collected the delinquent taxes or set-up payment plans that are closely monitored.
- ◆ During 2011, the new West Avenue overpass south of Route 20 was completed over the Norfolk & Southern railroad tracks in 2011 with a capital contribution of \$4,749,474 from the Ohio Department of Transportation. This overpass added to the safety of the citizens as safety forces are no longer met with the chance of trains blocking this major north-south route through the city.
- ◆ The City is not immune to the economic conditions that have affected the United States. During the past few years, several companies, including the City, have either reduced employees to minimum staffing levels or have decided to close their doors. With the unemployment slowly increasing throughout the County, the City continues to work diligently to keep their finances budgeted.

### **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, "Is the City as a whole better off or worse off as a result of the year's activities during 2011?" 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 takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

---

---

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 the City as a whole and its financial position 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 Plant and the Sanitation Facility.
- ◆ **Business-Type Activities** - These services have a charge based upon 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. The City also charges a fee for residential and commercial trash pickup. The Sanitation facility's operations are covered by these fees as well as their capital expenses.
- ◆ **Component Unit** - The City includes the Ashtabula Port Authority in its report. Although legally separate, this component unit is important because it is fiscally dependent on the City.

***Reporting the City of Ashtabula's Most Significant Funds***

*Fund Financial Statements*

The analysis of the City's major funds begins on page 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, 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.



**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

**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 2011 compared to 2010.

(Table 1)  
 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Assets</b>						
Current and Other Assets	\$8,427,256	\$9,126,850	\$2,872,829	\$3,544,340	\$11,300,085	\$12,671,190
Capital Assets	24,377,247	19,263,904	14,137,741	14,451,303	38,514,988	33,715,207
<i>Total Assets</i>	<u>32,804,503</u>	<u>28,390,754</u>	<u>17,010,570</u>	<u>17,995,643</u>	<u>49,815,073</u>	<u>46,386,397</u>
<b>Liabilities</b>						
Current and Other Liabilities	2,138,012	2,725,262	246,306	290,218	2,384,318	3,015,480
Long-Term Liabilities						
Due Within One Year	1,430,660	1,544,043	664,960	684,002	2,095,620	2,228,045
Due in More Than One Year	2,004,665	2,197,840	2,790,572	3,156,446	4,795,237	5,354,286
<i>Total Liabilities</i>	<u>5,573,337</u>	<u>6,467,145</u>	<u>3,701,838</u>	<u>4,130,666</u>	<u>9,275,175</u>	<u>10,597,811</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	23,867,970	18,695,971	11,224,236	10,615,079	35,092,206	29,311,050
Restricted for:						
Capital Projects	996,559	519,091	0	0	996,559	519,091
Debt Service	108,509	125,280	0	0	108,509	125,280
Community Development	546,108	1,330,094	0	0	546,108	1,330,094
Street Maintenance & Repair	154,647	151,130	0	0	154,647	151,130
Public Safety	389,697	436,726	0	0	389,697	436,726
Municipal Probation	102,650	134,952	0	0	102,650	134,952
Other Purposes	102,874	369,503	0	0	102,874	369,503
Unrestricted	962,152	160,862	2,084,496	3,249,898	3,046,648	3,410,760
<i>Total Net Assets</i>	<u>\$27,231,166</u>	<u>\$21,923,609</u>	<u>\$13,308,732</u>	<u>\$13,864,977</u>	<u>\$40,539,898</u>	<u>\$35,788,586</u>

For the City, total net assets for governmental activities saw an increase. This increase is largely due to an increase in capital assets and a decrease in liabilities. Income taxes received during the year increased due to the efforts of the employees in the department in identifying and collecting delinquent income taxes owed to the City. There was a decrease in intergovernmental revenue as the City's share of local government funds was reduced by the State of Ohio. The City's capital assets in the governmental activities increased during 2011, which reflect major street improvements, the completion of a new railroad overpass bridge and the complete refurbishing of another bridge over the Norfolk & Western railroad tracks. The cost to the City for these bridges was enhanced by the capital contributions of over \$4.5 million. Current liabilities decreased as the City continued to pay down loans and retirements reduced the amount of compensated absences.

The net assets of the City's business type activities decreased in 2011. Current assets decreased as cash decreased. This decrease can be contributed to a decrease in charges for services collections. With the usage rates generating revenue which reasonably matches operating expenses and most capital expenditures annually, the financial condition of the business type activities is relatively constant.

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

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

(Table 2)  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$1,695,250	\$1,666,844	\$4,856,636	\$5,509,338	\$6,551,886	\$7,176,182
Operating Grants, Contributions and Interest	1,123,440	1,194,383	0	0	1,123,440	1,194,383
Capital Grants and Contributions	3,758,972	184,138	40,000	187,860	3,798,972	371,998
Total Program Revenues	<u>6,577,662</u>	<u>3,045,365</u>	<u>4,896,636</u>	<u>5,697,198</u>	<u>11,474,298</u>	<u>8,742,563</u>
General Revenues						
Property Taxes	1,959,443	2,030,473	0	0	1,959,443	2,030,473
Income Taxes	6,567,461	5,363,000	0	0	6,567,461	5,363,000
Grants and Entitlements	1,127,596	1,628,612	0	0	1,127,596	1,628,612
Investment Earnings	144	5,450	0	0	144	5,450
Franchise Fees	273,773	242,362	0	0	273,773	242,362
Gain on Sale of Capital Assets	22,500	15,415	0	0	22,500	15,415
Other	62,855	7,345	0	12,600	62,855	19,945
Total General Revenues	<u>10,013,772</u>	<u>9,292,657</u>	<u>0</u>	<u>12,600</u>	<u>10,013,772</u>	<u>9,305,257</u>
<i>Total Revenues</i>	<u>16,591,434</u>	<u>12,338,022</u>	<u>4,896,636</u>	<u>5,709,798</u>	<u>21,488,070</u>	<u>18,047,820</u>
<b>Program Expenses</b>						
General Government						
Legislative and Executive	2,792,923	2,721,988	0	0	2,792,923	2,721,988
Judicial System	1,084,083	1,149,058	0	0	1,084,083	1,149,058
Security of Persons and Property						
Police	3,548,942	3,704,992	0	0	3,548,942	3,704,992
Fire	2,874,864	2,776,175	0	0	2,874,864	2,776,175
Public Health Services	328,577	404,670	0	0	328,577	404,670
Street Maintenance and Repairs	4,237,406	1,612,921	0	0	4,237,406	1,612,921
Housing and Community						
Development	1,002,021	1,312,203	0	0	1,002,021	1,312,203
Sanitation Services	116,525	160,453	0	0	116,525	160,453
Leisure Time Activities	24,655	75,811	0	0	24,655	75,811
Interest and Fiscal Charges	23,355	14,669	0	0	23,355	14,669
Sanitation	0	0	1,788,036	1,776,030	1,788,036	1,776,030
Wastewater Treatment	0	0	3,664,845	3,641,968	3,664,845	3,641,968
<i>Total Expenses</i>	<u>16,033,351</u>	<u>13,932,940</u>	<u>5,452,881</u>	<u>5,417,998</u>	<u>21,486,232</u>	<u>19,350,938</u>
<i>Increase (Decrease) in Net Assets Before Special Item</i>	558,083	(1,594,918)	(556,245)	291,800	1,838	(1,303,118)
Special Item - Capital Contribution	<u>4,749,474</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,749,474</u>	<u>0</u>
<i>Change in Net Assets</i>	5,307,557	(1,594,918)	(556,245)	291,800	4,751,312	(1,303,118)
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>21,923,609</u>	<u>23,518,527</u>	<u>13,864,977</u>	<u>13,573,177</u>	<u>35,788,586</u>	<u>37,091,704</u>
<i>Net Assets End of Year</i>	<u>27,231,166</u>	<u>21,923,609</u>	<u>13,308,732</u>	<u>13,864,977</u>	<u>40,539,898</u>	<u>35,788,586</u>

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

---

---

***Governmental Activities***

Several revenue sources fund our Governmental Activities with the City income tax being the biggest contributor at 39.6 percent of program and general revenues. The income tax rate of 1.8 percent was renewed by a vote of our citizens in May of 2007 and renewed once again in May of 2010. The renewal will be in effect thru December 31, 2013. In March of 2012 the citizens approved a 50 percent tax credit for residents working outside the City; they previously received a 100 percent credit against their tax liability to the City. This is significant as the City income tax funds approximately 58 percent of all expenses in the Governmental Activities.

The City has seen the income tax collections increase by \$1,204,461 or approximately 18 percent in 2011. The income tax department worked diligently to identify and collect delinquent taxes in 2011. The City of Ashtabula municipal court has also stepped up the collection of uncollected fines by issuing warrants for nonpayment. General revenues from grants and entitlements, such as local government funds, are decreasing as a result of the State's funding of local government funds. The charges for services increased in 2011 as a result of an increase in collections.

***Business-Type Activities***

The City's business-type activities include the Wastewater Treatment Facility and the Sanitation Facility. The Wastewater Treatment Facility receives no support from tax revenues. This plant treats sewage from the City of Ashtabula and surrounding townships. This facility generated charges for service revenues of \$3,280,585 and had expenses of \$3,664,845 during 2011. The City continues looking at ways to improve cash flow by reducing costs 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 2011, 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, Ashtabula Township is seeing some commercial growth. 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 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 area.

The Sanitation Facility receives charges for service revenue from residential rubbish pickup, commercial containers and from individuals dumping at the transfer station. In 2011, the facility generated revenues of \$1,576,051 and expenses of \$1,788,036. Recycling is encouraged because this decreases the landfill costs to the City. The cost of landfill fees was in excess of \$500,000 for 2011. Nonpayment of trash bills is certified to the County Auditor for certification on the property tax bills. Discontinuation of service is not optional as that would create a health hazard and blight the neighborhoods therefore the residential service is continued.

**The City's Funds**

As of December 31, 2011, the City's governmental funds reported a combined fund balance of \$1,943,235. Of that amount, \$278,728 represents unassigned fund balances, which is available for spending at the City's discretion and \$151,676 is nonspendable because it has already been allocated to liquidate contracts and purchases of the prior period. The remaining \$1,512,831 fund balance is reported as restricted, committed or

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

assigned to indicate that it is not available for new spending because it has already been restricted, committed or assigned to a specified purpose or it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year. Information about the City's major governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting.

The City's major governmental funds are the general fund, community development block grant, street maintenance and repair special revenue funds, debt service fund and permanent improvement capital projects fund. The general fund saw a increase in fund balance during the year with revenues exceeding expenditures by \$124,023 in 2011.

The community development block grant revenues exceeded expenditures by \$4,000 in 2011. Grant money was used to demolish a number of homes throughout the City. The street maintenance and repair special revenue fund saw a decrease in fund balance during the year while the debt service fund and permanent improvement capital projects fund increased by \$2,467 and \$273,594 respectively.

***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 2011, 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 (59 percent of the general fund expenses), as well as most legislative and executive activities (27 percent of the general fund expenses), the general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

**Capital Assets and Debt Administration**

***Capital Assets***

Table 3  
 Capital Assets at December 31,

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Capital Assets,</b>						
<b>Non Depreciable</b>						
Land	\$1,972,568	\$1,972,568	\$86,863	\$86,863	\$2,059,431	\$2,059,431
Construction in Progress	223,494	3,173,600	372,548	330,620	596,042	3,504,220
Total Capital Assets,						
Non Depreciable	\$2,196,062	\$5,146,168	\$459,411	\$417,483	\$2,655,473	\$5,563,651

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Capital Assets, Being Depreciated</b>						
Buildings and Improvements	\$10,752,782	\$10,536,557	\$7,610,405	\$7,610,405	\$18,363,187	\$18,146,962
Equipment	2,584,021	2,525,625	2,365,127	2,315,771	4,949,148	4,841,396
Vehicles	3,094,492	3,153,259	1,415,975	1,247,878	4,510,467	4,401,137
Furniture and Fixtures	5,200	5,200	0	0	5,200	5,200
Infrastructure						
Bridges	11,896,281	4,212,612	0	0	11,896,281	4,212,612
Roads	11,318,170	10,331,071	0	0	11,318,170	10,331,071
Storm Sewers	2,533,404	2,533,404	0	0	2,533,404	2,533,404
Traffic Lights	563,138	563,138	0	0	563,138	563,138
Sanitary Sewers	0	0	14,444,633	14,417,148	14,444,633	14,417,148
Total Capital Assets, being Depreciated	42,747,488	33,860,866	25,836,140	25,591,202	68,583,628	59,452,068
Accumulated Depreciation	(20,566,303)	(19,743,130)	(12,157,810)	(11,557,382)	(32,724,113)	(31,300,512)
Total Capital Assets, Depreciable, Net	22,181,185	14,117,736	13,678,330	14,033,820	35,859,515	28,151,556
<b>Total Capital Assets</b>	<b>\$24,377,247</b>	<b>\$19,263,904</b>	<b>\$14,137,741</b>	<b>\$14,451,303</b>	<b>\$38,514,988</b>	<b>\$33,715,207</b>

The primary increases in governmental capital assets occurred in vehicle 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 2011 were our street paving and improvements projects, which cost approximately \$987,000, the roof replacement at the Municipal building for \$95,980 and an upgrade to the HVAC system at the Justice/Annex building for \$126,395. The City also purchased a 2002 fire engine and a 1998 rescue truck for the fire department with Community Development Block Grant funds, Permanent Improvement funds and an older truck used as a trade-in. 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 increase in capital assets in business-type activities was the heating system replacement at the Wastewater Treatment Plant and the lease/purchase of a 2012 Mack truck and trailer for the Sanitation Facility. As a continued step towards the City's plan to renovate and upgrade the entire plant within ten years, the City began the next phase during 2011 with the engineering costs to rehab the chemical feed building at Wastewater Treatment Plant, construction is to begin in 2012.

See Note 12 for additional information about the City's capital assets.

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

**Debt**

Table 4  
 Outstanding Long-term Liabilities at Year End

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$319,257	\$475,000	\$0	\$0	\$319,257	\$475,000
Special Assessments:						
OPWC Loan - Harbor Heights	83,151	92,933	0	0	83,151	92,933
Claims Payable	478,903	409,016	0	0	478,903	409,016
Capital Leases Payable	106,869	0	173,149	0	280,018	0
Compensated Absences	2,447,145	2,764,934	542,027	653,045	2,989,172	3,417,979
OPWC Loans:						
Morton Drive Siphon	0	0	183,659	183,659	183,659	183,659
Michigan Avenue/EQ Basin	0	0	425,000	450,000	425,000	450,000
West/Lake Avenue Bridge	0	0	0	0	0	0
KeyCorp Loan	0	0	100,000	150,000	100,000	150,000
OWDA Loan	0	0	653,580	782,419	653,580	782,419
EQ Basin Loan	0	0	1,378,117	1,621,325	1,378,117	1,621,325
<b>Total Outstanding Debt</b>	<b>\$3,435,325</b>	<b>\$3,741,883</b>	<b>\$3,455,532</b>	<b>\$3,840,448</b>	<b>\$6,890,857</b>	<b>\$7,582,331</b>

The OPWC Loan – Harbor Heights is 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. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City.

The amount due to the Ohio Public Works Commission and the Ohio Water Development Authority 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 \$21,911,239 at December 31, 2011. See Note 13 for additional information about the City's long-term debt.

**Current Related Financial Activities**

The City of Ashtabula has continued to maintain the highest standards of services to the Citizens of Ashtabula while diligently planning expenses, to stay within the City's revenues. As with all cities in the State of Ohio, State funding issues are constantly monitored to determine the impact on the City. As the preceding information shows, the City is heavily reliant on income and property taxpayers. Additional revenues must be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the life of the levies. All of the City's financial abilities will be needed to meet the challenges of the future.

The City of Ashtabula is in a period posing both significant challenges and opportunities. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide excellent services to the residents of the City.

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

---

---

**Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Dana Pinkert, Ashtabula City Auditor, 4717 Main Avenue, Ashtabula, Ohio 44004, telephone 440-992-7107, or e-mail at [auditor@cityofashtabula.com](mailto:auditor@cityofashtabula.com).

---

## Basic Financial Statements

---



**City Of Ashtabula, Ohio**

*Statement of Net Assets*

December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,752,265	\$140,529	\$1,892,794	\$0
Cash and Cash Equivalents in Segregated Accounts	108,292	0	108,292	474,224
Accounts Receivable	295,922	2,997,243	3,293,165	0
Accrued Interest	0	0	0	4,209
Intergovernmental Receivable	1,879,292	0	1,879,292	39,697
Materials and Supplies Inventory	30,726	26,950	57,676	0
Internal Balances	333,449	(333,449)	0	0
Prepaid Items	103,387	41,556	144,943	0
Due from Component Unit	75,060	0	75,060	0
Loans Receivable	18,087	0	18,087	0
Property Taxes Receivable	2,251,363	0	2,251,363	0
Income Taxes Receivable	1,509,966	0	1,509,966	0
Special Assessments Receivable	69,447	0	69,447	0
Capital Assets, Nondepreciable	2,196,062	459,411	2,655,473	1,890,222
Capital Assets, Depreciable, Net	22,181,185	13,678,330	35,859,515	289,470
<i>Total Assets</i>	<u>32,804,503</u>	<u>17,010,570</u>	<u>49,815,073</u>	<u>2,697,822</u>
<b>Liabilities</b>				
Accounts Payable	64,667	13,298	77,965	0
Contracts Payable	1,543	148,074	149,617	0
Accrued Wages	94,331	28,769	123,100	1,264
Intergovernmental Payable	301,004	21,114	322,118	110,000
Deferred Revenue	1,664,994	0	1,664,994	18,984
Deposits Held and Due to Others	1,381	0	1,381	0
Accrued Interest Payable	10,092	35,051	45,143	0
Due to Primary Government	0	0	0	75,060
Long-Term Liabilities:				
Due Within One Year	1,430,660	664,960	2,095,620	61,370
Due Within More Than One Year	2,004,665	2,790,572	4,795,237	490,241
<i>Total Liabilities</i>	<u>5,573,337</u>	<u>3,701,838</u>	<u>9,275,175</u>	<u>756,919</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	23,867,970	11,224,236	35,092,206	1,553,021
Restricted for:				
Capital Projects	996,559	0	996,559	0
Debt Service	108,509	0	108,509	0
Community Development	546,108	0	546,108	0
Street Maintenance and Repair	154,647	0	154,647	0
Public Safety	389,697	0	389,697	0
Municipal Court	102,650	0	102,650	0
Other Purposes	102,874	0	102,874	0
Unrestricted	962,152	2,084,496	3,046,648	387,882
<i>Total Net Assets</i>	<u>\$27,231,166</u>	<u>\$13,308,732</u>	<u>\$40,539,898</u>	<u>\$1,940,903</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2011

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$2,792,923	\$236,006	\$0	\$1,956,961
Judicial System	1,084,083	645,600	15,708	0
Security of Persons and Property:				
Police	3,548,942	387,791	187,228	0
Fire	2,874,864	76,175	42,961	0
Public Health Services	328,577	168,489	9,522	0
Street Maintenance and Repairs	4,237,406	12,176	868,021	1,802,011
Housing and Community Development	1,002,021	137,636	0	0
Sanitation Services	116,525	28,372	0	0
Leisure Time Activities	24,655	3,005	0	0
Interest and Fiscal Charges	23,355	0	0	0
<i>Total Governmental Activities</i>	<u>16,033,351</u>	<u>1,695,250</u>	<u>1,123,440</u>	<u>3,758,972</u>
<b>Business-Type Activities</b>				
Sanitation	1,788,036	1,576,051	0	40,000
Wastewater Treatment	3,664,845	3,280,585	0	0
<i>Total Business-Type Activities</i>	<u>5,452,881</u>	<u>4,856,636</u>	<u>0</u>	<u>40,000</u>
<i>Total Primary Government</i>	<u>\$21,486,232</u>	<u>\$6,551,886</u>	<u>\$1,123,440</u>	<u>\$3,798,972</u>
<b>Component Unit</b>				
Asthtabula Port Authority	<u>\$110,967</u>	<u>\$23,272</u>	<u>\$43,354</u>	<u>\$327,407</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Fire and Police Pension

Capital Outlay

Income Taxes Levied for:

General Purposes

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Franchise Taxes

Gain on Sale of Capital Assets

Other

*Total General Revenues*

**Special Item**

Special Item - Capital Contribution from

Ohio Department of Transportation

*Total General Revenues and Special Item*

Change in Net Assets

*Net Assets Beginning of Year (Restated - See Note3)*

*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 Activities	Total	Component Unit
(\$599,956)	\$0	(\$599,956)	\$0
(422,775)	0	(422,775)	0
(2,973,923)	0	(2,973,923)	0
(2,755,728)	0	(2,755,728)	0
(150,566)	0	(150,566)	0
(1,555,198)	0	(1,555,198)	0
(864,385)	0	(864,385)	0
(88,153)	0	(88,153)	0
(21,650)	0	(21,650)	0
(23,355)	0	(23,355)	0
(9,455,689)	0	(9,455,689)	0
0	(171,985)	(171,985)	
0	(384,260)	(384,260)	0
0	(556,245)	(556,245)	0
(9,455,689)	(556,245)	(10,011,934)	0
0	0	0	283,066
967,282	0	967,282	0
579,508	0	579,508	0
412,653	0	412,653	0
5,902,284	0	5,902,284	0
665,177	0	665,177	0
1,127,596	0	1,127,596	0
144	0	144	565
273,773	0	273,773	0
22,500	0	22,500	0
62,855	0	62,855	0
10,013,772	0	10,013,772	565
4,749,474	0	4,749,474	0
14,763,246	0	14,763,246	565
5,307,557	(556,245)	4,751,312	283,631
21,923,609	13,864,977	35,788,586	1,657,272
\$27,231,166	\$13,308,732	\$40,539,898	\$1,940,903

**City of Ashtabula, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2011*

	General	Community Development Block Grant	Street Maintenance and Repair	Debt Service
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$63,458	\$43,381	\$18,694	\$48,328
Cash and Cash Equivalents In Segregated Accounts	95,669	0	0	0
Receivables:				
Property Taxes	1,133,336	0	0	0
Income Taxes	1,358,969	0	0	0
Accounts	51,773	72,090	104,132	0
Special Assessments	0	0	0	69,447
Interfund Receivable	333,449	0	0	0
Intergovernmental Receivable	897,226	344,690	295,929	0
Materials and Supplies Inventory	12,147	0	15,499	0
Prepaid Items	77,575	0	2,704	0
Due from Component Unit	0	75,060	0	0
Loans Receivable	0	18,087	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	17,563	0	0	0
<i>Total Assets</i>	<u>\$4,041,165</u>	<u>\$553,308</u>	<u>\$436,958</u>	<u>\$117,775</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$62,161	\$290	\$105	\$0
Contracts Payable	1,543	0	0	0
Accrued Wages	79,926	2,876	10,574	0
Intergovernmental Payable	97,520	2,510	7,569	0
Interfund Payable	250,000	0	0	0
Deferred Revenue	3,123,110	287,649	348,587	69,447
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>3,614,260</u>	<u>293,325</u>	<u>366,835</u>	<u>69,447</u>
<b>Fund Balances</b>				
Nonspendable	107,285	0	18,203	0
Restricted	0	259,983	51,920	48,328
Committed	0	0	0	0
Assigned	40,815	0	0	0
Unassigned (Deficit)	278,805	0	0	0
<i>Total Fund Balances</i>	<u>426,905</u>	<u>259,983</u>	<u>70,123</u>	<u>48,328</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,041,165</u>	<u>\$553,308</u>	<u>\$436,958</u>	<u>\$117,775</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2011*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			<b>Total Governmental Funds Balances</b>	\$1,943,235
			<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$450,906	\$586,004	\$1,210,771	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,377,247
2,821	9,802	108,292	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
486,075	631,952	2,251,363	Property Taxes	\$586,369
150,997	0	1,509,966	Municipal Income Taxes	1,315,297
0	67,927	295,922	Intergovernmental	1,454,079
0	0	69,447	Fees, Licenses and Permits	27,239
0	0	333,449	Special Assessments	69,447
238,933	90,994	1,867,772	Charges for Services	196,263
0	3,080	30,726	Franchise Taxes	50,542
22,808	300	103,387	Total	3,699,236
0	0	75,060		
0	0	18,087		
0	0	17,563	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.	
<u>\$1,352,540</u>	<u>\$1,390,059</u>	<u>\$7,891,805</u>	Net Assets	177,962
			Claims Payable	478,903
			Total	656,865
\$0	\$111	\$62,667	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(10,092)
0	0	1,543	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
0	955	94,331	General Obligation Bonds	(319,257)
0	66,819	174,418	Special Assessments	(83,151)
0	0	250,000	Capital Lease	(106,869)
796,538	738,899	5,364,230	Compensated Absences	(2,447,145)
0	1,381	1,381	Claims Payable	(478,903)
796,538	808,165	5,948,570	Total	(3,435,325)
			<i>Net Assets of Governmental Activities</i>	<u>\$27,231,166</u>
22,808	3,380	151,676		
533,194	340,429	1,233,854		
0	238,162	238,162		
0	0	40,815		
0	(77)	278,728		
<u>556,002</u>	<u>581,894</u>	<u>1,943,235</u>		
<u>\$1,352,540</u>	<u>\$1,390,059</u>	<u>\$7,891,805</u>		

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2011*

	General	Community Development Block Grant	Street Maintenance and Repair	Debt Service
<b>Revenues</b>				
Property Taxes	\$954,610	\$0	\$0	\$0
Municipal Income Tax	5,418,239	0	0	0
Charges for Services	202,503	0	29,360	0
Licenses and Permits	43,988	0	0	0
Fines and Forfeitures	944,207	0	0	0
Intergovernmental	1,507,618	740,667	734,128	0
Special Assessments	0	0	0	10,151
Interest	111	0	30	0
Rentals	161,372	0	0	0
Franchise Taxes	196,277	0	0	0
Other	54,266	6,424	0	0
<i>Total Revenues</i>	<u>9,483,191</u>	<u>747,091</u>	<u>763,518</u>	<u>10,151</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	2,516,545	0	0	296
Judicial System	1,064,433	0	0	0
Security of Persons and Property:				
Police	2,984,663	0	0	0
Fire	2,497,975	0	0	0
Public Health Services	181,563	0	0	0
Street Maintenance and Repairs	2,223	0	1,017,630	0
Housing and Community Development	68,513	743,091	0	0
Sanitation Services	21,122	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	165,525
Interest and Fiscal Charges	0	0	0	13,263
<i>Total Expenditures</i>	<u>9,337,037</u>	<u>743,091</u>	<u>1,017,630</u>	<u>179,084</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>146,154</u>	<u>4,000</u>	<u>(254,112)</u>	<u>(168,933)</u>
<b>Other Financing Sources (Uses)</b>				
Inception of Capital Lease	106,869	0	0	0
Sale of Capital Assets	0	0	0	0
Transfers In	55,000	0	206,500	171,400
Transfers Out	(184,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(22,131)</u>	<u>0</u>	<u>206,500</u>	<u>171,400</u>
<i>Net Change in Fund Balances</i>	124,023	4,000	(47,612)	2,467
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>302,882</u>	<u>255,983</u>	<u>117,735</u>	<u>45,861</u>
<i>Fund Balances End of Year</i>	<u>\$426,905</u>	<u>\$259,983</u>	<u>\$70,123</u>	<u>\$48,328</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, 2011*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$286,264
\$407,235	\$572,466	\$1,934,311	<b>Amounts reported for governmental activities in the statement of activities are different because</b>	
611,393	0	6,029,632	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
0	32,494	264,357	Capital Asset Additions	
0	207,650	251,638	Capital Outlay	\$1,802,011
36,166	82,935	1,063,308	Capital Contributions	4,749,474
1,812,289	193,602	4,988,304	Depreciation	<u>(1,287,536)</u>
0	0	10,151	Total	5,263,949
0	3	144	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of statement of activities, a gain or loss is reported for each disposal.	(150,606)
0	0	161,372	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
0	75,559	271,836	Property Taxes	25,132
0	0	60,690	Municipal Income Tax	537,829
2,867,083	1,164,709	15,035,743	Intergovernmental	(780,307)
			Special Assessments	(9,972)
0	0	2,516,841	Charges for Services	(11,975)
0	47,293	1,111,726	Fees, Licenses and Permits	(33,629)
0	372,636	3,357,299	Franchise Taxes	<u>1,937</u>
0	346,442	2,844,417	Total	(270,985)
0	131,409	312,972	Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	165,525
0	14,400	1,034,253	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due	(10,092)
0	191,082	1,002,686	Capital leases in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities	(106,869)
0	0	21,122	Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	317,789
0	24,655	24,655	The internal service funds used by management to charge the costs of insurance and workers' compensation to individual funds are not reported in the city-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	<u>(187,418)</u>
2,474,089	0	2,474,089	<i>Change in Net Assets of Governmental Activities</i>	<u>\$5,307,557</u>
0	0	165,525		
0	0	13,263		
2,474,089	1,127,917	14,878,848		
392,994	36,792	156,895		
0	0	106,869		
22,500	0	22,500		
29,500	25,000	487,400		
(171,400)	(132,000)	(487,400)		
(119,400)	(107,000)	129,369		
273,594	(70,208)	286,264		
282,408	652,102	1,656,971		
\$556,002	\$581,894	\$1,943,235		

**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, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$1,085,000	\$1,085,000	\$954,610	(\$130,390)
Municipal Income Tax	4,891,000	5,391,000	5,721,374	330,374
Charges for Services	236,516	236,516	207,000	(29,516)
Licenses and Permits	72,800	72,800	51,838	(20,962)
Fines and Forfeitures	642,000	977,000	941,943	(35,057)
Intergovernmental	1,542,351	1,546,201	1,515,521	(30,680)
Interest	2,050	2,050	111	(1,939)
Rentals	137,200	137,200	161,372	24,172
Franchise Taxes	205,000	205,000	196,277	(8,723)
Other	74,350	73,350	54,401	(18,949)
<i>Total Revenues</i>	8,888,267	9,726,117	9,804,447	78,330
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	2,327,611	2,602,847	2,522,753	80,094
Judicial System	1,011,903	1,117,702	1,105,623	12,079
Security of Persons and Property:				
Police	2,924,647	3,127,819	3,085,955	41,864
Fire	2,277,390	2,468,381	2,455,745	12,636
Public Health Services	185,762	189,637	187,327	2,310
Street Maintenance and Repairs	2,573	2,573	2,223	350
Housing and Community Development	74,695	74,249	70,521	3,728
Sanitation Services	33,973	33,973	24,491	9,482
<i>Total Expenditures</i>	8,838,554	9,617,181	9,454,638	162,543
<i>Excess of Revenues Over Expenditures</i>	49,713	108,936	349,809	240,873
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	55,000	55,000	0
Transfers Out	(102,280)	(184,000)	(184,000)	0
<i>Total Other Financing Sources (Uses)</i>	(102,280)	(129,000)	(129,000)	0
<i>Net Change in Fund Balance</i>	(52,567)	(20,064)	220,809	240,873
<i>Fund Balance Beginning of Year</i>	95,622	95,622	95,622	0
Prior Year Encumbrances Appropriated	47,567	47,567	47,567	0
<i>Fund Balance End of Year</i>	\$90,622	\$123,125	\$363,998	\$240,873

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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$1,289,177	\$1,289,177	\$662,696	(\$626,481)
Interest	900	900	0	(900)
Other	<u>0</u>	<u>0</u>	<u>6,424</u>	<u>6,424</u>
<i>Total Revenues</i>	1,290,077	1,290,077	669,120	(620,957)
<b>Expenditures</b>				
Current:				
Housing and Community Development	<u>1,434,007</u>	<u>1,441,243</u>	<u>855,817</u>	<u>585,426</u>
<i>Net Change in Fund Balance</i>	(143,930)	(151,166)	(186,697)	(35,531)
<i>Fund Balance Beginning of Year</i>	80,988	80,988	80,988	0
Prior Year Encumbrances Appropriated	<u>146,505</u>	<u>146,505</u>	<u>146,505</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$83,563</u></u>	<u><u>\$76,327</u></u>	<u><u>\$40,796</u></u>	<u><u>(\$35,531)</u></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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$20,750	\$20,750	\$27,760	\$7,010
Intergovernmental	760,000	760,000	735,929	(24,071)
Interest	5,925	5,925	30	(5,895)
<i>Total Revenues</i>	<u>786,675</u>	<u>786,675</u>	<u>763,719</u>	<u>(22,956)</u>
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works	997,625	1,052,425	1,036,685	15,740
<i>Excess of Revenues Under Expenditures</i>	(210,950)	(265,750)	(272,966)	(7,216)
<b>Other Financing Sources</b>				
Transfers In	190,600	220,100	206,500	(13,600)
<i>Net Change in Fund Balance</i>	(20,350)	(45,650)	(66,466)	(20,816)
<i>Fund Balance Beginning of Year</i>	60,813	60,813	60,813	0
Prior Year Encumbrances Appropriated	18,350	18,350	18,350	0
<i>Fund Balance End of Year</i>	<u>\$58,813</u>	<u>\$33,513</u>	<u>\$12,697</u>	<u>(\$20,816)</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2011*

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater			
	Sanitation	Treatment	Total	
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$140,529	\$0	\$140,529	\$523,931
Accounts Receivable	1,010,597	1,986,646	2,997,243	0
Interfund Receivable	0	0	0	656,910
Materials and Supplies Inventory	24,404	2,546	26,950	0
Prepaid Items	2,250	39,306	41,556	0
Intergovernmental Receivable	0	0	0	11,520
<i>Total Current Assets</i>	<u>1,177,780</u>	<u>2,028,498</u>	<u>3,206,278</u>	<u>1,192,361</u>
<i>Noncurrent Assets:</i>				
<i>Capital Assets:</i>				
Capital Assets, Nondepreciable	29,100	430,311	459,411	0
Capital Assets, Depreciable, Net	710,822	12,967,508	13,678,330	0
<i>Total Noncurrent Assets</i>	<u>739,922</u>	<u>13,397,819</u>	<u>14,137,741</u>	<u>0</u>
<i>Total Assets</i>	<u>1,917,702</u>	<u>15,426,317</u>	<u>17,344,019</u>	<u>1,192,361</u>
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	5,396	7,902	13,298	2,000
Contracts Payable	0	148,074	148,074	0
Accrued Wages	10,097	18,672	28,769	0
Compensated Absences Payable	76,562	100,412	176,974	0
Intergovernmental Payable	6,939	14,175	21,114	126,586
Interfund Payable	0	333,449	333,449	406,910
Accrued Interest Payable	4,998	30,053	35,051	0
Claims Payable	0	0	0	328,903
Capital Leases Payable	31,758	0	31,758	0
Loans Payable	0	456,228	456,228	0
<i>Total Current Liabilities</i>	<u>135,750</u>	<u>1,108,965</u>	<u>1,244,715</u>	<u>864,399</u>
<i>Long-Term Liabilities (net of current portion):</i>				
Compensated Absences Payable	153,002	212,051	365,053	0
Claims Payable	0	0	0	150,000
Capital Leases Payable	141,391	0	141,391	0
Loans Payable	0	2,284,128	2,284,128	0
<i>Total Long-Term Liabilities</i>	<u>294,393</u>	<u>2,496,179</u>	<u>2,790,572</u>	<u>150,000</u>
<i>Total Liabilities</i>	<u>430,143</u>	<u>3,605,144</u>	<u>4,035,287</u>	<u>1,014,399</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	566,773	10,657,463	11,224,236	0
Unrestricted	920,786	1,163,710	2,084,496	177,962
<i>Total Net Assets</i>	<u>\$1,487,559</u>	<u>\$11,821,173</u>	<u>\$13,308,732</u>	<u>\$177,962</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, 2011*

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater			
	Sanitation	Treatment	Total	
<b>Operating Revenues</b>				
Charges for Services	\$1,576,051	\$3,255,085	\$4,831,136	\$2,435,876
Tap-In Fees	0	25,500	25,500	0
Miscellaneous	0	0	0	2,165
<i>Total Revenues</i>	<u>1,576,051</u>	<u>3,280,585</u>	<u>4,856,636</u>	<u>2,438,041</u>
<b>Operating Expenses</b>				
Personal Services	1,354,622	2,020,799	3,375,421	0
Contractual Services	153,211	668,952	822,163	281,217
Materials and Supplies	198,209	349,431	547,640	0
Depreciation	76,996	523,432	600,428	0
Claims	0	0	0	2,344,242
<i>Total Operating Expenses</i>	<u>1,783,038</u>	<u>3,562,614</u>	<u>5,345,652</u>	<u>2,625,459</u>
<i>Operating Loss</i>	<u>(206,987)</u>	<u>(282,029)</u>	<u>(489,016)</u>	<u>(187,418)</u>
<b>Non Operating Revenues (Expenses)</b>				
Capital Grants	40,000	0	40,000	0
Interest and Fiscal Charges	(4,998)	(102,231)	(107,229)	0
<i>Total Non Operating Revenue (Expenses)</i>	<u>35,002</u>	<u>(102,231)</u>	<u>(67,229)</u>	<u>0</u>
<i>Change in Net Assets</i>	<u>(171,985)</u>	<u>(384,260)</u>	<u>(556,245)</u>	<u>(187,418)</u>
<i>Net Assets Beginning of Year (Restated - See Note 3)</i>	<u>1,659,544</u>	<u>12,205,433</u>	<u>13,864,977</u>	<u>365,380</u>
<i>Net Assets End of Year</i>	<u><u>\$1,487,559</u></u>	<u><u>\$11,821,173</u></u>	<u><u>\$13,308,732</u></u>	<u><u>\$177,962</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, 2011

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater		Total	
	Sanitation	Treatment		
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$1,687,697	\$3,281,877	\$4,969,574	\$0
Cash Received from Tap-In Fees	0	25,500	25,500	0
Cash Received from Other Funds	0	0	0	2,424,356
Cash Payments Received from Other Operating Sources			0	2,165
Cash Payments for Employee Services and Benefits	(1,108,022)	(2,108,536)	(3,216,558)	0
Cash Payments to Suppliers for Goods and Services	(769,149)	(915,963)	(1,685,112)	(260,852)
Cash Payments for Claims	0	0	0	(2,274,355)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(189,474)</u>	<u>282,878</u>	<u>93,404</u>	<u>(108,686)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
<b>Financing Activities:</b>				
Advances In	0	333,449	333,449	8,668
Advances Out	0	0	0	(8,668)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>333,449</u>	<u>333,449</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital Grants	40,000	0	40,000	0
Proceeds of Capital Lease	173,149	0	173,149	0
Principal Paid on OWDA Loan	0	(128,839)	(128,839)	
Principal Paid EQ Basin Loan	0	(243,208)	(243,208)	0
Principal Paid on Michigan Ave EQ Basin	0	(25,000)	(25,000)	0
Principal Paid Key Loan	0	(50,000)	(50,000)	0
Interest Paid on OWDA Loan	0	(32,649)	(32,649)	0
Interest Paid on EQ Basin Loan	0	(68,096)	(68,096)	0
Interest Paid on Key Loan	0	(5,475)	(5,475)	0
Payments for Capital Acquisitions	(168,097)	(118,769)	(286,866)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>45,052</u>	<u>(672,036)</u>	<u>(626,984)</u>	<u>0</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	(144,422)	(55,709)	(200,131)	(108,686)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>284,951</u>	<u>55,709</u>	<u>340,660</u>	<u>632,617</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$140,529</u>	<u>\$0</u>	<u>\$140,529</u>	<u>\$523,931</u>

(continued)

**City of Ashtabula, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2011

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Wastewater Treatment	Total	
	Sanitation	Wastewater Treatment	Total	
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities</b>				
<i>Operating Loss</i>	(\$206,987)	(\$282,029)	(\$489,016)	(\$187,418)
Adjustments:				
Depreciation	76,996	523,432	600,428	0
(Increase)/ Decrease in Assets:				
Accounts Receivable	98,499	26,792	125,291	(11,520)
Materials and Supplies Inventory	(11,257)	167	(11,090)	0
Prepaid Items	(2,250)	25,980	23,730	0
Increase/ (Decrease) in Liabilities:				
Accounts Payable	(3,325)	(71,801)	(75,126)	2,000
Contracts Payable	(30,101)	148,074	117,973	0
Accrued Wages	(25,465)	(57,649)	(83,114)	0
Compensated Absences Payable	(84,335)	(26,683)	(111,018)	0
Intergovernmental Payable	(1,249)	(3,405)	(4,654)	18,365
Claims Payable	0	0	0	69,887
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$189,474)</u>	<u>\$282,878</u>	<u>\$93,404</u>	<u>(\$108,686)</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2011*

---

---

<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$135,103</u>
<b>Liabilities</b>	
Intergovernmental Payable	\$8,475
Deposits Held and Due to Others	<u>126,628</u>
<i>Total Liabilities</i>	<u><u>\$135,103</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, 2011*

---

---

**Note 1 - Description of the City and Reporting Entity**

The City of Ashtabula (the “City”) is a home rule municipal corporation incorporated as a city in 1891 under the laws of the State of Ohio. The City operates under its own charter approved by the voters on November 3, 1914. The charter provides for an elected City Manager-Council form of government, which was adopted on January 1, 1950. Elected officials are the city manager, members of council, and the city solicitor. All serve four-year terms.

***Reporting Entity***

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

Component units are legally separate organizations for which the City is financially accountable (See Note 19). 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 20.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

**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.

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

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

***Fund Accounting***

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

***Governmental Funds*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

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

**Community Development Block Grant Special Revenue Fund** The community development block grant special revenue fund is used to account for and report restricted monies received from the State under the federal Community Development Block Grant and Rental Rehabilitation programs and expended under the guidelines of those programs.

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

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

**Permanent Improvement Capital Projects Fund** The permanent improvement capital projects fund accounts for and reports restricted property and other taxes, municipal income tax and intergovernmental revenues to be used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary funds.

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

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

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

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

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

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

**Fiduciary Funds** Fiduciary fund reporting focuses on net 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.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds to account for assets held by the City for fire deposits, the law library, marina and street deposits.

***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. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total 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.

***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 recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

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, 2011, but which were levied to finance year 2012 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.

***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 2011.

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

***Cash and Cash Equivalents***

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

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.

The City of Ashtabula has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2011. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2011.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2011 amounted to \$111, which includes \$106 assigned from other City funds.

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

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

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted net assets in the general fund represent unclaimed monies.

***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.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which it was consumed.

***Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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 value as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	5 - 50 years	5 - 50 years
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.

***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.

***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

***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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

***Fund Balance***

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

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

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

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

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

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

***Net Assets***

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

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

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitation, wastewater treatment and self-insurance for health and workers' compensation. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenues and expenses which do not meet these definitions are reported as non-operating.

***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.

***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. During 2011, the Ohio Department of Transportation completed construction of a City bridge. \$4,749,474 was contributed capital from the Ohio Department of Transportation which was recorded as a special item.

***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.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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

***Estimates***

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

**Note 3 - Changes in Accounting Principles and Restatement of Prior Year's Fund Balances and Net Assets**

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the City's financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the City's financial statements.

***Restatement of Prior Year's Fund Balances***

During 2011, the implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General Fund	Community Development Block Grant	Street Maintenance and Repair
Fund Balance at December 31, 2010	\$302,882	\$255,983	\$117,735
GASB 54 Change in Fund Structure:	0	0	0
Adjusted Fund Balance at December 31, 2010	\$302,882	\$255,983	\$117,735

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

	Debt Service	Permanent Improvement	Nonmajor Governmental Funds	Total
Fund Balance at December 31, 2010	\$45,861	\$282,408	\$1,011,905	\$2,016,774
GASB 54 Change in Fund Structure:	0	0	(359,803)	(359,803)
Adjusted Fund Balance at December 31, 2010	<u>\$45,861</u>	<u>\$282,408</u>	<u>\$652,102</u>	<u>\$1,656,971</u>

***Restatement of Prior Year's Net Assets***

The implementation of GASB 54 had the following effect on net assets of the major and nonmajor funds as they were previously reported.

	Governmental Activities		
<b>Net Assets at December 31, 2010</b>	\$23,589,383		
GASB 54 Change in Fund Structure:	<u>(1,665,774)</u>		
Adjusted Net Assets at December 31, 2010	<u>\$21,923,609</u>		

	Sanitation	Wastewater Treatment	Total Business-Type Activities
<b>Net Assets at December 31, 2010</b>	\$0	\$12,205,433	\$12,205,433
GASB 54 Change in Fund Structure:	<u>1,659,544</u>	<u>0</u>	<u>1,659,544</u>
Adjusted Net Assets at December 31, 2010	<u>\$1,659,544</u>	<u>\$12,205,433</u>	<u>\$13,864,977</u>

**Note 4 – Fund Balances**

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
For the Year Ended December 31, 2011

Fund Balances	General	Community Development Block Grant	Street Maintenance and Repair	Debt Service	Permanent Improvement	Nonmajor Governmental Funds	Total
<b><i>Nonspendable</i></b>							
Prepays	\$77,575	\$0	\$2,704	\$0	\$22,808	\$300	\$103,387
Inventory	12,147	0	15,499	0	0	3,080	30,726
Unclaimed Monies	17,563	0	0	0	0	0	17,563
<b><i>Total Nonspendable</i></b>	<b>107,285</b>	<b>0</b>	<b>18,203</b>	<b>0</b>	<b>22,808</b>	<b>3,380</b>	<b>151,676</b>
<b><i>Restricted for</i></b>							
Road Improvements	0	0	51,920	0	0	13,636	65,556
Public Safety	0	0	0	0	0	141,885	141,885
Police and Fire Pension	0	0	0	0	0	181,597	181,597
Economic Development	0	259,983	0	0	0	0	259,983
Debt Service Payments	0	0	0	48,328	0	0	48,328
Capital Improvement	0	0	0	0	533,194	3,311	536,505
<b><i>Total Restricted</i></b>	<b>0</b>	<b>259,983</b>	<b>51,920</b>	<b>48,328</b>	<b>533,194</b>	<b>340,429</b>	<b>1,233,854</b>
<b><i>Committed to</i></b>							
Recreation	0	0	0	0	0	56,731	56,731
Code Enforcement	0	0	0	0	0	113,414	113,414
Public Health Nursing	0	0	0	0	0	68,017	68,017
<b><i>Total Committed</i></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>238,162</b>	<b>238,162</b>
<b><i>Assigned to</i></b>							
Other Purposes	40,815	0	0	0	0	0	40,815
<b><i>Unassigned (Deficit)</i></b>	<b>278,805</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(77)</b>	<b>278,728</b>
<b><i>Total Fund Balances</i></b>	<b>\$426,905</b>	<b>\$259,983</b>	<b>\$70,123</b>	<b>\$48,328</b>	<b>\$556,002</b>	<b>\$581,894</b>	<b>\$1,943,235</b>

**Note 5 - Accountability and Compliance**

***Accountability***

The self insurance internal service fund had deficit net assets of \$447,435 as of December 31, 2011. The Acting City Auditor currently monitors the self insurance fund to ensure that expenses are covered each month. The City is also working with its employees to use health care programs to keep the cost of insurance down.

***Compliance***

The City had negative cash fund balances in the wastewater treatment enterprise fund and the self insurance internal service fund in the amounts of \$469,040 and \$415,500, respectively. This indicates that revenue from other sources was used to pay obligations of these funds contrary to Ohio Revised Code Section 5705.10(H).

The self insurance internal service fund had original and final appropriations in excess of estimated resources and carryover balances as reported on the Official Certificate of Estimated Resources in the amount of \$423,634 contrary to Ohio Revised Code Section 5705.39.

Although these budgetary violations and cash deficits were not corrected by year end, management has indicated that appropriations and cash will be closely monitored to prevent future violations.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 6 - Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general and each major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.

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

	Net Change in Fund Balance		
	General	Community Development Block Grant	Street Maintenance And Repair
GAAP Basis	\$124,023	\$4,000	(\$47,612)
Net Adjustment for Revenue Accruals	435,783	(77,971)	201
Beginning Unrecorded Cash	(124,515)	0	0
Ending Unrecorded Cash	(96,881)	0	0
Net Adjustment for Expenditure Accruals	(68,341)	(110,141)	(13,058)
Encumbrances	(49,260)	(2,585)	(5,997)
Budget Basis	<u>\$220,809</u>	<u>(\$186,697)</u>	<u>(\$66,466)</u>

**Note 7 - Deposits and Investments**

The City has chosen to follow State statutes and 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.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit, maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. 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.

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

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

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

### **Investments**

At December 31, 2011, the City had \$100,197 invested in STAR Ohio with an average maturity of 57 days.

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

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

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

### **Note 8 - Receivables**

Receivables at December 31, 2011, 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 \$13,825 and \$66,883 due from the component unit.

Special assessments expected to be collected in more than one year amount to \$59,479 in the debt service fund. At December 31, 2011, the amount of delinquent special assessments was \$186. Collections expected in 2012 amount to \$9,782.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

2011 real property taxes are levied after October 1, 2011 on the assessed value as of January 1, 2011 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$9.31 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2011 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$131,582,310
Other Real Estate	61,439,920
Public Utility Property	18,236,510
Total Assessed Values	<u><u>\$211,258,740</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2011 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations and the collection 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 the modified accrual basis the revenue has been deferred.

***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.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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 2013.

***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Grants	\$815,396
Local Government	552,450
Gasoline and Excise Tax	281,253
Homestead and Rollback Taxes	131,399
Permissive Tax	53,652
Tangible Personal Property Reimbursement	22,554
Ashtabula County Health Reimbursement	11,520
Estate and Lodging Taxes	8,525
Liquor Licenses	2,543
Total	\$1,879,292

**Note 9 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2011, 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	1,000
Public Officials' Liability	2,000,000	25,000

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

The City provides hospital/medical, dental, drug and vision benefits for its employees through a self-insured program. A third party administrator processes and the City pays the claims. The City is paying self-insurance claims and administrative costs from its insurance internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$50,000 per employee. During 2011, a total of \$2,349,432 was expensed in benefits and administrative costs. The liability for unpaid claims cost of \$50,045, reported in the self insurance internal service fund at December 31, 2011, 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 2012 which were incurred in 2011.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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 \$428,858 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2011 based on an estimate by the Acting 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 is as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	\$269,007	\$2,142,209	(\$2,002,200)	\$409,016
2011	409,016	2,344,242	(2,274,355)	478,903

**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 a 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 2011.

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 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 had accumulated more than 120 days will receive a percentage of the excess based on years of service.

**Note 11 - Contingent Liabilities**

***Litigation***

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

***Federal and State Grants***

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 12 - Capital Assets**

Capital asset activity for the year ended December 31, 2011, was as follows:

	<u>Balance</u> <u>12/31/2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/2011</u>
<b>Governmental Activities:</b>				
Capital Assets, Non-depreciable:				
Land	\$1,972,568	\$0	\$0	\$1,972,568
Construction in Progress	<u>3,173,600</u>	<u>24,200</u>	<u>(2,974,306)</u>	<u>223,494</u>
Total Capital Assets, Non-depreciable	<u>5,146,168</u>	<u>24,200</u>	<u>(2,974,306)</u>	<u>2,196,062</u>
Capital Assets, Depreciable:				
Buildings and Improvements	10,536,557	222,285	(6,060)	10,752,782
Equipment	2,525,625	127,315	(68,919)	2,584,021
Vehicles	3,153,259	308,766	(367,533)	3,094,492
Furniture and Fixtures	5,200	0	0	5,200
Infrastructure:				
Bridges	4,212,612	7,799,861	(116,192)	11,896,281
Roads	10,331,071	1,043,364	(56,265)	11,318,170
Storm Sewers	2,533,404	0	0	2,533,404
Traffic Lights	<u>563,138</u>	<u>0</u>	<u>0</u>	<u>563,138</u>
Total Capital Assets, Depreciable	<u>33,860,866</u>	<u>9,501,591</u>	<u>(614,969)</u>	<u>42,747,488</u>
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	(5,473,347)	(371,376)	2,525	(5,842,198)
Equipment	(1,978,338)	(148,313)	48,076	(2,078,575)
Vehicles	(2,487,453)	(174,832)	269,571	(2,392,714)
Furniture and Fixtures	(5,200)	0	0	(5,200)
Infrastructure:				
Bridges	(1,479,287)	(49,020)	87,926	(1,440,381)
Roads	(7,040,545)	(513,067)	56,265	(7,497,347)
Storm Sewers	(1,181,790)	(25,240)	0	(1,207,030)
Traffic Lights	<u>(97,170)</u>	<u>(5,688)</u>	<u>0</u>	<u>(102,858)</u>
Total Accumulated Depreciation	<u>(19,743,130)</u>	<u>(1,287,536)</u>	<u>464,363</u>	<u>(20,566,303)</u>
Total Capital Assets, Depreciable, net	<u>14,117,736</u>	<u>8,214,055</u>	<u>(150,606)</u>	<u>22,181,185</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$19,263,904</u></u>	<u><u>\$8,238,255</u></u>	<u><u>(\$3,124,912)</u></u>	<u><u>\$24,377,247</u></u>

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

	Balance 12/31/2010	Additions	Deductions	Balance 12/31/2011
<b>Business-Type Activities:</b>				
Capital Assets, Non-depreciable:				
Land	\$86,863	\$0	\$0	\$86,863
Construction in Progress	330,620	41,928	0	372,548
Total Capital Assets, Non-depreciable	<u>417,483</u>	<u>41,928</u>	<u>0</u>	<u>459,411</u>
Capital Assets, Depreciable:				
Buildings and Improvements	7,610,405	0	0	7,610,405
Equipment	2,315,771	49,356	0	2,365,127
Vehicles	1,247,878	168,097	0	1,415,975
Infrastructure:				
Sanitary Sewer System	14,417,148	27,485	0	14,444,633
Total Capital Assets, Depreciable	<u>25,591,202</u>	<u>244,938</u>	<u>0</u>	<u>25,836,140</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	(4,227,443)	(201,853)	0	(4,429,296)
Equipment	(1,741,853)	(161,210)	0	(1,903,063)
Vehicles	(1,052,566)	(58,914)		(1,111,480)
Infrastructure:				
Sanitary Sewer System	(4,535,520)	(178,451)	0	(4,713,971)
Total Accumulated Depreciation	<u>(11,557,382)</u>	<u>(600,428)</u>	<u>0</u>	<u>(12,157,810)</u>
Total Capital Assets, Depreciable, net	<u>14,033,820</u>	<u>(355,490)</u>	<u>0</u>	<u>13,678,330</u>
<b>Business-type Activities, Capital Assets, Net</b>	<u><u>\$14,451,303</u></u>	<u><u>(\$313,562)</u></u>	<u><u>\$0</u></u>	<u><u>\$14,137,741</u></u>

\* Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$225,029
Judicial	58,555
Security of Persons and Property	
Police	163,656
Fire	128,000
Public Health Services	3,792
Street Maintenance and Repair	668,526
Leisure Time Activities	39,978
Total Depreciation Expense	<u><u>\$1,287,536</u></u>

The City received \$1,802,011 from the Ohio Department of Transportation, Ohio Public Works Commission, Saybrook Township and the Ashtabula County Engineer to reconstruct and build bridges and improve roads throughout the City. The City has recorded this as a capital contribution.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
For the Year Ended December 31, 2011

**Note 13 - Long-Term Debt**

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue	Year of Maturity
<b>Governmental Activities</b>				
<i>General Obligation Bonds:</i>				
KeyCorp - Road Improvements	2009	3.60 %	\$250,000	2013
US Bank - Bridge Improvements	2010	2.43	325,000	2013
<i>Special Assessment Bonds:</i>				
OPWC Loan - Harbor Heights	2000	0.00	195,647	2020
<b>Business-Type Activities</b>				
Wastewater Plant Renovation	1999	4.35	1,964,178	2015
Equalization Basin	2007	4.20	2,500,000	2015
OPWC - Morton Drive Siphon Improvement	2008	0.00	183,659	2029
OPWC - Michigan Avenue - EQ Basin	2008	0.00	500,000	2029
KeyCorp - Sewer Improvements	2009	3.60	250,000	2013

A schedule of changes in bonds and other long-term obligations of the City during 2011 follows:

	Principal Outstanding 12/31/2010	Additions	Deletions	Principal Outstanding 12/31/2011	Amounts Due in One Year
<b>Governmental Activities</b>					
General Obligation Bonds					
3.60% Road Improvements	\$150,000	\$0	\$50,000	\$100,000	\$50,000
2.43% Bridge Improvement	325,000	0	105,743	219,257	108,313
Total General Obligation Bonds	475,000	0	155,743	319,257	158,313
Special Assessments					
OPWC Loan - Harbor Heights	92,933	0	9,782	83,151	9,783
Claims Payable	409,016	2,344,242	2,274,355	478,903	328,903
Capital Leases Payable	0	106,869	0	106,869	19,679
Compensated Absences	2,764,934	599,273	1,230,961	2,447,145	913,982
<i>Total Governmental Activities</i>	<u>\$3,741,883</u>	<u>\$3,050,384</u>	<u>\$3,670,841</u>	<u>\$3,435,325</u>	<u>\$1,430,660</u>
<b>Business-type Activities</b>					
OWDA Loan					
4.35% Wastewater Plant Renovation	\$782,419	\$0	\$128,839	\$653,580	\$128,838
EQ Basin Loan					
4.20% Equalization Basin	1,621,325	0	243,208	1,378,117	243,208
OPWC 0% Loan					
Morton Drive Siphon Improvement	183,659	0	0	183,659	9,182
OPWC 0% Loan					
Michigan Avenue - EQ Basin	450,000	0	25,000	425,000	25,000
KeyCorp					
3.60% Sewer Improvements	150,000	0	50,000	100,000	50,000
<i>Total Loans</i>	3,187,403	0	447,047	2,740,356	456,228
Capital Leases Payable	0	173,149	0	173,149	31,758
Compensated Absences	653,045	316,678	113,797	542,027	176,974
<i>Total Business-type Activities</i>	<u>\$3,840,448</u>	<u>\$489,827</u>	<u>\$560,844</u>	<u>\$3,455,532</u>	<u>\$664,960</u>

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
For the Year Ended December 31, 2011

All bonds are secured by the full faith and credit of the City. General obligation bonds are direct obligations of the City and will 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 to the Ohio Water Development Authority, Ohio Public Works Commission loans, the EQ Basin loan and the KeyCorp Sewer Improvement loan are payable solely from sewer revenues.

The City has pledged future revenues to repay the five loans. The loans are payable solely from net revenues and are payable through 2031. Annual principal and interest payments on the loans are expected to require 1.23 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$2,388,700. Principal and interest paid for the current year and total net revenues were \$553,267 and \$241,403 respectively.

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 9).

The City's overall legal debt margin was \$21,911,239 at December 31, 2011. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2011, are as follows:

***Governmental Activities***

	General Obligation Bonds				OPWC Loan Harbor Heights
	Road Improvements		Bridge Improvements		
	Principal	Interest	Principal	Interest	
2012	\$50,000	\$3,660	\$108,313	\$5,328	\$9,783
2013	50,000	1,825	110,944	2,696	9,783
2014	0	0	0	0	9,782
2015	0	0	0	0	9,782
2016	0	0	0	0	9,782
2017 - 2021	0	0	0	0	34,239
Total	<u>\$100,000</u>	<u>\$5,485</u>	<u>\$219,257</u>	<u>\$8,024</u>	<u>\$83,151</u>

***Business-type Activities***

	OWDA Loan		Equalization Basin Loan		Sewer Improvements		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$128,838	\$26,984	\$243,208	\$57,881	\$50,000	\$3,660	\$34,182
2013	146,084	21,069	274,282	47,237	50,000	1,825	34,182
2014	146,593	14,895	275,157	36,146	0	0	34,182
2015	153,040	8,448	286,714	24,590	0	0	34,182
2016	79,025	1,719	298,756	12,548	0	0	34,182
2017 - 2021	0	0	0	0	0	0	170,910
2022 - 2026	0	0	0	0	0	0	170,910
2027 - 2031	0	0	0	0	0	0	95,929
Total	<u>\$653,580</u>	<u>\$73,115</u>	<u>\$1,378,117</u>	<u>\$178,402</u>	<u>\$100,000</u>	<u>\$5,485</u>	<u>\$608,659</u>

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 14 - Leases**

***Capital Leases***

During 2011, the City entered into a capitalized leases for one ambulance and one sanitation truck. These leases meet the criteria for a capital lease as defined by the Statement of Financial Accounting Standards No. 13 “Accounting for Lease” and have been recorded on the governmental-wide and business-type statements. The original amount capitalized for the capital lease and the book value as of December 31, 2011 for governmental and business-type activities follows:

	Governmental Activities	Business-Type Activities
Vehicles	\$104,870	\$168,097
Less: Accumulated Depreciation	(5,243)	(8,053)
Leased property, net of depreciation	\$99,627	\$160,044

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2011.

	Governmental Activities	Business-Type Activities
2012	\$22,751	\$39,255
2013	22,751	39,255
2014	22,751	39,255
2015	22,751	39,255
2016	22,750	39,255
Total minimum lease payments	113,754	196,275
Less: amount representing interest	(6,885)	(23,126)
Present value of minimum lease payments	\$106,869	\$173,149

***Operating Leases***

The City, as a lessor, has entered into an agreement to assume the former Dairy Queen Inc. lease by Czup Fowler Limited, dba Hoffman’s Pharmacy. The building, owned by the City was razed. The land is being leased to Czup Fowler Ltd for 30 years with five 10-year options to extend the lease. The City is also a lessor of 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, 2011:

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

	Czup Fowler Limited, dba Hoffman's Pharmacy	Keybank National Corporation
Land	\$3,415	\$0
Buildings	0	99,201
Leased property, total value	3,415	99,201
Less: Accumulated Depreciation	0	(26,682)
Leased property, net of depreciation	\$3,415	\$72,519

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2011:

	Hoffman's Pharmacy	Keybank National
2012	7,200	154,172
2013	8,400	154,172
2014	8,400	154,172
2015	8,400	173,443
2016	8,400	177,297
2017 - 2021	46,800	935,243
2022 - 2026	52,800	1,075,530
2027 - 2031	58,800	640,901
2032 - 2036	64,800	101,607
2,037	13,200	0
Total minimum lease payments	\$277,200	\$3,566,537

**Note 15 - Defined Benefit Pension Plans**

***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, but less than, 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 Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 11 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

The City's 2011 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent for the year ended December 31, 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$295,148, \$298,348, and \$515,473, respectively. For 2011, 90.2 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$6,127 made by the City and \$4,378 made by plan members.

### ***Social Security***

As of December 31, 2011, two council members are covered by Social Security rather than OPERS. The employees' liability is 6.2 percent of wages paid.

### ***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 publically 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 – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$237,025 and \$254,730 for the year ended December 31, 2011, \$232,607 and \$249,495 for the year ended December 31, 2010, and \$372,657 and \$378,570 for the year ended December 31, 2009, respectively. For 2011, 69.64 percent for police and 69.55 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed in for 2010 and 2009.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

**Note 16 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 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 mandate, 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.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, 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). The Ohio Revised Code provides the statutory authority requiring 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 members. In 2011, state and local government employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for the 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$277,040, \$239,186, and \$367,012, respectively. For 2011, 90.2 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

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 of each year from

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

***Ohio Police and Fire 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 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 health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care 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 115 and 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 \$125,484 and \$99,677 for the year ended December 31, 2011, \$123,145 and \$97,628 for the year ended December 31, 2010, and \$128,997 and \$106,473 for the year ended December 31, 2009, respectively. For 2011, 69.64 percent has been contributed for police and 69.55 percent has been contributed for firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 17 – Interfund Transfers and Balances**

***Interfund Transfers***

Interfund transfers for the year ended December 31, 2011, consisted of the following:

Transfers To	Transfers From			Total
	General	Permanent Improvement	Other Governmental Funds	
Major Funds:				
General	\$0	\$0	\$55,000	\$55,000
Street Maintenance and Repair	129,500	0	77,000	206,500
Debt Service	0	171,400	0	171,400
Permanent Improvement	29,500	0	0	29,500
Total Major Funds	<u>159,000</u>	<u>171,400</u>	<u>132,000</u>	<u>462,400</u>
Other Governmental Funds:				
Food Service	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
Total Transfers	<u>\$184,000</u>	<u>\$171,400</u>	<u>\$132,000</u>	<u>\$487,400</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.

***Interfund Balances***

Interfund balances at December 31, 2011, consisted of a \$250,000 advance made from the workers' compensation fund to the general fund due to an overall decrease in revenues in the general fund and \$333,449 from the wastewater treatment fund to the general due to decrease in fees received during the year. The general fund will repay the advance back to the workers' compensation fund in \$25,000 increments over 10 years beginning in 2012. The general fund will repay the advance back to the wastewater treatment fund within one year.

**Note 18 - 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 2011, these contributions totaled \$12,150. The City of Ashtabula cosigns for debt that the Ashtabula Port Authority issues and also appoints the board of the Ashtabula Port Authority.

**Note 19 - Subsequent Event**

On August 22, 2011, the City received from the Ohio Department of Development a report on the audit and monitoring reviews of the City's Community Development Block Grant Program and Revolving Loan Funds. The audit of the City's Revolving Loan Fund balances, disclosed adjustments of approximately \$309,547 to correct the balances as currently being reported. The City responded on September 22, 2011 to the findings contained in the

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

---

audit and monitoring review reports, and has submitted documentation to reduce the adjustment to the Revolving Loan Funds in the amount of \$64,962, to be repaid over a three year period starting in 2012. As of the date of these financial statements, the potential liability to the City is in the range of the two amounts listed above. A final determination is still pending.

**Note 20 - Ashtabula City Port Authority**

***Description of Reporting Entity***

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

***Summary of Significant Accounting Policies***

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

***Due to Primary Government***

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

***Property, Plant, Equipment and Depreciation***

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

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

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

***Deposits and Investments***

The Ashtabula Port Authority follows the same statutory requirements for deposits and investments as the primary government (See Note 7).

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$474,224. The entire balance was covered by federal depository insurance.

During 2011, investments for the Ashtabula Port Authority were limited to \$101,256 held in non-negotiable certificates of deposit at year-end.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Capital Assets**

A summary of the Ashtabula City Port Authority's capital assets at December 31, 2011 follows:

	Balance 12/31/2010	Additions	Deductions	Balance 12/31/2011
<b>Governmental Activities</b>				
Capital Assets, Non-depreciable				
Land	\$1,679,476	\$210,746	\$0	\$1,890,222
Capital Assets, Depreciable				
Improvements	538,516	52,635	0	591,151
Less Accumulated Depreciation				
Improvements	(272,874)	(28,807)	0	(301,681)
Total Assets, Depreciable, Net	265,642	23,828	0	289,470
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<b>\$1,945,118</b>	<b>\$234,574</b>	<b>\$0</b>	<b>\$2,179,692</b>

**Long-term Debt**

On August 30, 2008 Ohio Water Development Authority approved a loan that will enable the Ashtabula City Port Authority to install the waterlines at the City's Industrial Park. The loan is for \$284,000 with an interest rate of 3 percent and semi-annual payments of \$16,542 for ten years. In 2006 the Ashtabula City Port Authority received a State of Ohio Rural Industrial Park loan from the Ohio Department of Development for the City's Industrial Park, in the amount of \$375,000. This loan bears no interest for years one through five with no payments due. Years six through fifteen bear interest at three percent. The City has loaned the Ashtabula City Port Authority money in the amount of \$150,000. As of December 31, 2011, \$74,940 of the City's loan has been repaid leaving a balance of \$75,060.

A schedule of changes in long-term obligations of the Port Authority during 2011 follows:

	Principal Outstanding 12/31/2010	Additions	Deletions	Principal Outstanding 12/31/2011	Amounts Due in One Year
<b>Due to Primary Government:</b>					
City of Ashtabula - Loan	\$82,878	\$0	\$7,818	\$75,060	\$8,177
<b>Other Long-Term Debt:</b>					
Industrial Park Loan	375,000	0	21,657	353,343	33,308
OWDA Rural Industrial Park	225,507	0	27,239	198,268	28,062
<i>Total Other Long-Term Debt</i>	600,507	0	48,896	551,611	61,370
<i>Total Component Unit Debt</i>	<b>\$683,385</b>	<b>\$0</b>	<b>\$56,714</b>	<b>\$626,671</b>	<b>\$69,547</b>

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2011*

---

	City of Ashtabula - Loan		Industrial Park Loan		Ohio Water Development Authority Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$8,177	\$3,210	\$33,308	\$10,145	\$28,062	\$5,739
2013	8,553	2,835	34,321	9,131	28,910	4,891
2014	8,946	2,442	35,364	8,088	29,784	4,017
2015	9,357	2,031	36,440	7,012	30,684	3,117
2016	9,787	1,601	37,549	5,904	31,611	2,189
2017-2021	30,240	2,025	176,361	11,932	49,217	1,484
Total	\$75,060	\$14,144	\$353,343	\$52,212	\$198,268	\$21,437

## Combining and Individual Fund Statements and Schedules

### Fund Descriptions – Nonmajor Governmental Funds

#### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

***Walnut Beach Fund*** - To account for and report committed franchise fees received from concession stand operations.

#### *Nonmajor Capital Projects Funds*

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

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

**City of Ashtabula, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2011*

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$108,314	\$104,998	\$1,152	\$28,031
Cash and Cash Equivalents In Segregated Accounts	0	0	0	4,578
Receivables:				
Property Taxes	0	315,976	0	0
Accounts	32,339	0	0	0
Intergovernmental Receivable	0	21,641	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	300	0
<i>Total Assets</i>	<u>\$140,653</u>	<u>\$442,615</u>	<u>\$1,452</u>	<u>\$32,609</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$69	\$0
Accrued Wages	0	0	654	0
Intergovernmental Payable	0	30,722	506	0
Deferred Revenue	27,239	337,617	0	0
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>27,239</u>	<u>368,339</u>	<u>1,229</u>	<u>0</u>
 <b>Fund Balances</b>				
Nonspendable	0	0	300	0
Restricted	0	74,276	0	32,609
Committed	113,414	0	0	0
Unassigned (Deficit)	0	0	(77)	0
<i>Total Fund Balances</i>	<u>113,414</u>	<u>74,276</u>	<u>223</u>	<u>32,609</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$140,653</u>	<u>\$442,615</u>	<u>\$1,452</u>	<u>\$32,609</u>



<u>Law Enforcement Trust</u>	<u>Motor Vehicle License Tax</u>	<u>Municipal Probation Services</u>	<u>Police Pension</u>	<u>Public Health Nursing</u>	<u>State Highway</u>
\$6,451	\$3,813	\$98,982	\$142,557	\$60,338	\$3,287
175	0	5,049	0	0	0
0	0	0	315,976	0	0
0	0	0	0	3,585	0
0	17,883	0	21,641	8,736	21,093
0	0	0	0	3,080	0
0	0	0	0	0	0
<u>\$6,626</u>	<u>\$21,696</u>	<u>\$104,031</u>	<u>\$480,174</u>	<u>\$75,739</u>	<u>\$24,380</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	301	0
0	0	0	35,236	355	0
0	14,908	0	337,617	3,986	17,532
0	0	1,381	0	0	0
<u>0</u>	<u>14,908</u>	<u>1,381</u>	<u>372,853</u>	<u>4,642</u>	<u>17,532</u>
0	0	0	0	3,080	0
6,626	6,788	102,650	107,321	0	6,848
0	0	0	0	68,017	0
0	0	0	0	0	0
<u>6,626</u>	<u>6,788</u>	<u>102,650</u>	<u>107,321</u>	<u>71,097</u>	<u>6,848</u>
<u>\$6,626</u>	<u>\$21,696</u>	<u>\$104,031</u>	<u>\$480,174</u>	<u>\$75,739</u>	<u>\$24,380</u>

(continued)

**City of Ashtabula, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds (continued)*  
*December 31, 2011*

	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$24,770	\$582,693	\$3,311	\$586,004
Cash and Cash Equivalents In Segregated Accounts	0	9,802	0	9,802
Receivables:				
Property Taxes	0	631,952	0	631,952
Accounts	32,003	67,927	0	67,927
Intergovernmental Receivable	0	90,994	0	90,994
Materials and Supplies Inventory	0	3,080	0	3,080
Prepaid Items	0	300	0	300
<i>Total Assets</i>	<u>\$56,773</u>	<u>\$1,386,748</u>	<u>\$3,311</u>	<u>\$1,390,059</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$42	\$111	\$0	\$111
Accrued Wages	0	955	0	955
Intergovernmental Payable	0	66,819	0	66,819
Deferred Revenue	0	738,899	0	738,899
Deposits Held and Due to Others	0	1,381	0	1,381
<i>Total Liabilities</i>	<u>42</u>	<u>808,165</u>	<u>0</u>	<u>808,165</u>
<b>Fund Balances</b>				
Nonspendable	0	3,380	0	3,380
Restricted	0	337,118	3,311	340,429
Committed	56,731	238,162	0	238,162
Unassigned (Deficit)	0	(77)	0	(77)
<i>Total Fund Balances</i>	<u>56,731</u>	<u>578,583</u>	<u>3,311</u>	<u>581,894</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$56,773</u>	<u>\$1,386,748</u>	<u>\$3,311</u>	<u>\$1,390,059</u>

*(This Page Intentionally Left Blank)*

**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2011*

	Code			
	Enforcement	Fire Pension	Food Service	Indigent Alcohol
<b>Revenues</b>				
Property Taxes	\$0	\$286,233	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	163,660	0	43,990	0
Fines and Forfeitures	0	0	0	14,145
Intergovernmental	0	38,397	0	0
Interest	0	0	0	0
Franchise Fees	0	0	0	0
<i>Total Revenues</i>	<u>163,660</u>	<u>324,630</u>	<u>43,990</u>	<u>14,145</u>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System	0	0	0	12,760
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	346,442	0	0
Public Health Services	0	0	67,544	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	191,082	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>191,082</u>	<u>346,442</u>	<u>67,544</u>	<u>12,760</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(27,422)</u>	<u>(21,812)</u>	<u>(23,554)</u>	<u>1,385</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	25,000	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(27,422)	(21,812)	1,446	1,385
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>140,836</u>	<u>96,088</u>	<u>(1,223)</u>	<u>31,224</u>
<i>Fund Balances End of Year</i>	<u>\$113,414</u>	<u>\$74,276</u>	<u>\$223</u>	<u>\$32,609</u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Police Pension	Public Health Nursing	State Highway
\$0	\$0	\$0	\$286,233	\$0	\$0
0	0	0	0	31,894	0
0	0	0	0	0	0
11,559	0	57,231	0	0	0
0	38,588	0	38,397	24,667	53,553
0	0	0	0	0	3
0	0	0	0	0	0
<u>11,559</u>	<u>38,588</u>	<u>57,231</u>	<u>324,630</u>	<u>56,561</u>	<u>53,556</u>
0	0	34,533	0	0	0
17,013	0	0	355,623	0	0
0	0	0	0	0	0
0	0	0	0	63,865	0
0	0	0	0	0	14,400
0	0	0	0	0	0
0	0	0	0	0	0
<u>17,013</u>	<u>0</u>	<u>34,533</u>	<u>355,623</u>	<u>63,865</u>	<u>14,400</u>
<u>(5,454)</u>	<u>38,588</u>	<u>22,698</u>	<u>(30,993)</u>	<u>(7,304)</u>	<u>39,156</u>
0	0	0	0	0	0
0	(37,500)	(55,000)	0	0	(39,500)
<u>0</u>	<u>(37,500)</u>	<u>(55,000)</u>	<u>0</u>	<u>0</u>	<u>(39,500)</u>
(5,454)	1,088	(32,302)	(30,993)	(7,304)	(344)
<u>12,080</u>	<u>5,700</u>	<u>134,952</u>	<u>138,314</u>	<u>78,401</u>	<u>7,192</u>
<u>\$6,626</u>	<u>\$6,788</u>	<u>\$102,650</u>	<u>\$107,321</u>	<u>\$71,097</u>	<u>\$6,848</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, 2011*

	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$572,466	\$0	\$572,466
Charges for Services	600	32,494	0	32,494
Licenses and Permits	0	207,650	0	207,650
Fines and Forfeitures	0	82,935	0	82,935
Intergovernmental	0	193,602	0	193,602
Interest	0	3	0	3
Franchise Fees	75,559	75,559	0	75,559
<i>Total Revenues</i>	<u>76,159</u>	<u>1,164,709</u>	<u>0</u>	<u>1,164,709</u>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System	0	47,293	0	47,293
Security of Persons and Property:				
Police	0	372,636	0	372,636
Fire	0	346,442	0	346,442
Public Health Services	0	131,409	0	131,409
Street Maintenance and Repairs	0	14,400	0	14,400
Housing and Community Development	0	191,082	0	191,082
Leisure Time Activities	24,655	24,655	0	24,655
<i>Total Expenditures</i>	<u>24,655</u>	<u>1,127,917</u>	<u>0</u>	<u>1,127,917</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>51,504</u>	<u>36,792</u>	<u>0</u>	<u>36,792</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	25,000	0	25,000
Transfers Out	0	(132,000)	0	(132,000)
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>(107,000)</u>	<u>0</u>	<u>(107,000)</u>
<i>Net Change in Fund Balances</i>	51,504	(70,208)	0	(70,208)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,227</u>	<u>648,791</u>	<u>3,311</u>	<u>652,102</u>
<i>Fund Balances End of Year</i>	<u>\$56,731</u>	<u>\$578,583</u>	<u>\$3,311</u>	<u>\$581,894</u>

## **Combining Statements – Internal Service Funds**

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

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

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

**City of Ashtabula, Ohio**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*December 31, 2011*

	Self Insurance	Workers' Compensation	Total
<b>Assets</b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$523,931	\$523,931
Interfund Receivable	0	656,910	656,910
Intergovernmental Receivable	11,520	0	11,520
<i>Total Assets</i>	11,520	1,180,841	1,192,361
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	2,000	0	2,000
Intergovernmental Payable	0	126,586	126,586
Interfund Payable	406,910	0	406,910
Claims Payable	50,045	278,858	328,903
<i>Total Current Liabilities</i>	458,955	405,444	864,399
<i>Long-Term Liabilities (net of current portion)</i>			
Claims Payable	0	150,000	150,000
<i>Total Liabilities</i>	458,955	555,444	1,014,399
<b>Net Assets</b>			
Unrestricted (Deficit)	(\$447,435)	\$625,397	\$177,962



**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2011*

	Self Insurance	Workers' Compensation	Total
<b>Revenues</b>			
Charges for Services	\$2,325,876	\$110,000	\$2,435,876
Miscellaneous	0	2,165	2,165
<i>Total Revenues</i>	<u>2,325,876</u>	<u>112,165</u>	<u>2,438,041</u>
<b>Operating Expenses</b>			
Contractual Services	242,268	38,949	281,217
Claims	2,107,164	237,078	2,344,242
<i>Total Operating Expenses</i>	<u>2,349,432</u>	<u>276,027</u>	<u>2,625,459</u>
<i>Change in Net Assets</i>	(23,556)	(163,862)	(187,418)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(423,879)</u>	<u>789,259</u>	<u>365,380</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$447,435)</u></u>	<u><u>\$625,397</u></u>	<u><u>\$177,962</u></u>

**City of Ashtabula, Ohio**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Year Ended December 31, 2011

	Self Insurance	Workers' Compensation	Total
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Other Funds	\$2,314,356	\$110,000	\$2,424,356
Cash Payments Received from Other Operating Sources	0	2,165	2,165
Cash Payments to Suppliers for Goods and Services	(240,268)	(20,584)	(260,852)
Cash Payments for Claims	(2,065,420)	(208,935)	(2,274,355)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>8,668</u>	<u>(117,354)</u>	<u>(108,686)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Advances In	0	8,668	8,668
Advances Out	(8,668)	0	(8,668)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(8,668)</u>	<u>8,668</u>	<u>0</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	0	(108,686)	(108,686)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>0</u>	<u>632,617</u>	<u>632,617</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$0</u>	<u>\$523,931</u>	<u>\$523,931</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities</b>			
<i>Operating Loss</i>	(\$23,556)	(\$163,862)	(\$187,418)
Increase in Accounts Receivable:	(11,520)	0	(11,520)
Increase in Liabilities:			
Accounts Payable	2,000	0	2,000
Intergovernmental Payable	0	18,365	18,365
Claims Payable	41,744	28,143	69,887
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$8,668</u>	<u>(\$117,354)</u>	<u>(\$108,686)</u>

## **Combining Statements – 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. The City does not have any trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

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

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

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

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

**City of Ashtabula, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2011*

	Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011
<b><i>Fire Deposits</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$55,197	\$131,134	\$60,258	\$126,073
<b>Liabilities</b>				
Deposits Held and Due to Others	\$55,197	\$131,134	\$60,258	\$126,073
<b><i>Law Library</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$2,089	\$31,276	\$31,320	\$2,045
<b>Liabilities</b>				
Intergovernmental Payable	\$2,089	\$31,276	\$31,320	\$2,045
<b><i>Marina</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$3,980	\$14,600	\$12,150	\$6,430
<b>Liabilities</b>				
Intergovernmental Payable	\$3,980	\$14,600	\$12,150	\$6,430
<b><i>Street Deposits</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$555	\$0	\$0	\$555
<b>Liabilities</b>				
Deposits Held and Due to Others	\$555	\$0	\$0	\$555
<b><i>Total Agency</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$61,821	\$177,010	\$103,728	\$135,103
<b>Liabilities</b>				
Intergovernmental Payable	\$6,069	\$45,876	\$43,470	\$8,475
Deposits Held and Due to Others	55,752	131,134	60,258	126,628
<b><i>Total Liabilities</i></b>	<b>\$61,821</b>	<b>\$177,010</b>	<b>\$103,728</b>	<b>\$135,103</b>

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balance/Fund 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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,085,000	\$1,085,000	\$954,610	(\$130,390)
Municipal Income Tax	4,891,000	5,391,000	5,721,374	330,374
Charges for Services	236,516	236,516	207,000	(29,516)
Licenses and Permits	72,800	72,800	51,838	(20,962)
Fines and Forfeitures	642,000	977,000	941,943	(35,057)
Intergovernmental	1,542,351	1,546,201	1,515,521	(30,680)
Interest	2,050	2,050	111	(1,939)
Rentals	137,200	137,200	161,372	24,172
Franchise Taxes	205,000	205,000	196,277	(8,723)
Other	74,350	73,350	54,401	(18,949)
<i>Total Revenues</i>	8,888,267	9,726,117	9,804,447	78,330
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	148,697	163,225	161,046	2,179
Materials and Supplies	3,000	2,395	991	1,404
Total Council	151,697	165,620	162,037	3,583
Administration:				
Personal Services	131,839	139,491	138,789	702
Materials and Supplies	3,000	3,000	2,636	364
Total Administration	134,839	142,491	141,425	1,066
Auditor:				
Personal Services	173,764	200,945	200,104	841
Materials and Supplies	10,000	9,850	7,716	2,134
Contractual Services	4,000	4,000	4,000	0
Other	3,000	3,000	240	2,760
Total Auditor	190,764	217,795	212,060	5,735
Treasurer:				
Personal Services	36,505	44,636	44,400	236
Materials and Supplies	1,929	1,837	1,836	1
Total Treasurer	38,434	46,473	46,236	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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
City Income Tax:				
Personal Services	\$115,451	\$147,383	\$147,126	\$257
Materials and Supplies	21,450	21,312	21,199	113
<b>Total City Income Tax</b>	<b>136,901</b>	<b>168,695</b>	<b>168,325</b>	<b>370</b>
Solicitor:				
Personal Services	237,011	237,992	235,719	2,273
Materials and Supplies	4,500	4,500	3,683	817
<b>Total Solicitor</b>	<b>241,511</b>	<b>242,492</b>	<b>239,402</b>	<b>3,090</b>
Motor Maintenance:				
Personal Services	115,629	118,606	118,123	483
Materials and Supplies	4,000	4,000	3,999	1
<b>Total Motor Maintenance</b>	<b>119,629</b>	<b>122,606</b>	<b>122,122</b>	<b>484</b>
Engineering:				
Personal Services	74,563	59,304	55,974	3,330
Materials and Supplies	10,233	10,483	7,993	2,490
Contractual Services	1,000	1,000	0	1,000
<b>Total Engineering</b>	<b>85,796</b>	<b>70,787</b>	<b>63,967</b>	<b>6,820</b>
Affirmative Action:				
Personal Services	2,545	2,620	2,558	62
Materials and Supplies	250	175	0	175
<b>Total Affirmative Action</b>	<b>2,795</b>	<b>2,795</b>	<b>2,558</b>	<b>237</b>
County Auditor Deductions:				
Contractual Services	128,850	129,000	113,580	15,420
General Services:				
Street and Viaduct Lighting	445,834	445,834	445,271	563
Legal Advertising	3,000	3,000	2,719	281
Photocopy Machine	1,500	1,500	1,465	35
Bus Subsidy	31,000	31,000	31,000	0
Indigent Burials	2,000	0	0	0
Settlement of Claims	55,000	110,000	109,839	161
Membership Fees	2,600	2,600	2,585	15
Visitors Guide	1,250	1,250	20	1,230
Traffic Camera Fees	0	134,000	123,151	10,849
Bank Fees	6,000	6,000	1,025	4,975
<b>Total General Services</b>	<b>\$548,184</b>	<b>\$735,184</b>	<b>\$717,075</b>	<b>\$18,109</b>

(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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Civil Service:				
Personal Services	\$12,092	\$12,092	\$12,025	\$67
Materials and Supplies	2,000	2,230	1,940	290
Total Civil Service	<u>14,092</u>	<u>14,322</u>	<u>13,965</u>	<u>357</u>
Lands and Buildings:				
Personal Services	144,149	130,126	128,940	1,186
Materials and Supplies	67,822	87,822	84,010	3,812
Contractual Services	278,943	276,943	258,966	17,977
Total Lands and Buildings	<u>490,914</u>	<u>494,891</u>	<u>471,916</u>	<u>22,975</u>
Systems Analyst:				
Personal Services	37,344	46,075	45,277	798
Materials and Supplies	3,900	1,660	1,185	475
Total Systems Analyst	<u>41,244</u>	<u>47,735</u>	<u>46,462</u>	<u>1,273</u>
Water Pollution:				
Personal Services	1,961	1,961	1,623	338
Total Legislative and Executive	<u>2,327,611</u>	<u>2,602,847</u>	<u>2,522,753</u>	<u>80,094</u>
Judicial System:				
Municipal Court/Probation:				
Personal Services	924,902	1,034,901	1,032,422	2,479
Materials and Supplies	65,891	65,891	57,019	8,872
Contractual Services	21,110	16,910	16,182	728
Total Judicial System	<u>1,011,903</u>	<u>1,117,702</u>	<u>1,105,623</u>	<u>12,079</u>
Total General Government	<u>3,339,514</u>	<u>3,720,549</u>	<u>3,628,376</u>	<u>92,173</u>
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,698,556	2,808,728	2,793,248	15,480
Materials and Supplies	212,341	284,341	260,786	23,555
Contractual Services	13,750	34,750	31,921	2,829
Total Police	<u>\$2,924,647</u>	<u>\$3,127,819</u>	<u>\$3,085,955</u>	<u>\$41,864</u>

(continued)



**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fire:				
Fire Prevention:				
Personal Services	\$2,176,981	\$2,358,072	\$2,355,241	\$2,831
Materials and Supplies	56,409	65,609	60,133	5,476
Contractual Services	44,000	44,700	40,371	4,329
Total Fire	<u>2,277,390</u>	<u>2,468,381</u>	<u>2,455,745</u>	<u>12,636</u>
Total Security of Persons and Property	<u>5,202,037</u>	<u>5,596,200</u>	<u>5,541,700</u>	<u>54,500</u>
Public Health Services:				
Health:				
Personal Services	136,388	138,763	138,525	238
Materials and Supplies	5,874	4,626	4,424	202
Contractual Services	43,500	46,248	44,378	1,870
Total Public Health Services	<u>185,762</u>	<u>189,637</u>	<u>187,327</u>	<u>2,310</u>
Street Maintenance and Repairs:				
Street:				
Personal Services	2,573	2,573	2,223	350
Housing and Community Development:				
Housing Inspection:				
Personal Services	74,695	74,249	70,521	3,728
Sanitation Services:				
Sanitation:				
Personal Services	33,973	33,973	24,491	9,482
<i>Total Expenditures</i>	<u>8,838,554</u>	<u>9,617,181</u>	<u>9,454,638</u>	<u>162,543</u>
<i>Excess of Revenues Over Expenditures</i>	<u>49,713</u>	<u>108,936</u>	<u>349,809</u>	<u>240,873</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	55,000	55,000	0
Transfers Out	(102,280)	(184,000)	(184,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(102,280)</u>	<u>(129,000)</u>	<u>(129,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(52,567)	(20,064)	220,809	240,873
<i>Fund Balance Beginning of Year</i>	95,622	95,622	95,622	0
Prior Year Encumbrances Appropriated	47,567	47,567	47,567	0
<i>Fund Balance End of Year</i>	<u>\$90,622</u>	<u>\$123,125</u>	<u>\$363,998</u>	<u>\$240,873</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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$1,289,177	\$1,289,177	\$662,696	(\$626,481)
Interest	900	900	0	(900)
Other	0	0	6,424	6,424
<i>Total Revenues</i>	<u>1,290,077</u>	<u>1,290,077</u>	<u>669,120</u>	<u>(620,957)</u>
<b>Expenditures</b>				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Personal Services	85,125	92,962	64,975	27,987
Materials and Supplies	36,474	33,233	863	32,370
Contractual Services	1,312,408	1,315,048	789,979	525,069
<i>Total Expenditures</i>	<u>1,434,007</u>	<u>1,441,243</u>	<u>855,817</u>	<u>585,426</u>
<i>Net Change in Fund Balance</i>	(143,930)	(151,166)	(186,697)	(35,531)
<i>Fund Balance Beginning of Year</i>	80,988	80,988	80,988	0
Prior Year Encumbrances Appropriated	<u>146,505</u>	<u>146,505</u>	<u>146,505</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$83,563</u></u>	<u><u>\$76,327</u></u>	<u><u>\$40,796</u></u>	<u><u>(\$35,531)</u></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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$20,750	\$20,750	\$27,760	\$7,010
Intergovernmental	760,000	760,000	735,929	(24,071)
Interest	5,925	5,925	30	(5,895)
<i>Total Revenues</i>	<i>786,675</i>	<i>786,675</i>	<i>763,719</i>	<i>(22,956)</i>
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	702,768	714,453	711,948	2,505
Materials and Supplies	256,240	299,240	290,342	8,898
Contractual Services	38,617	38,732	34,395	4,337
<i>Total Expenditures</i>	<i>997,625</i>	<i>1,052,425</i>	<i>1,036,685</i>	<i>15,740</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(210,950)</i>	<i>(265,750)</i>	<i>(272,966)</i>	<i>(7,216)</i>
<b>Other Financing Sources</b>				
Transfers In	190,600	220,100	206,500	(13,600)
<i>Net Change in Fund Balance</i>	<i>(20,350)</i>	<i>(45,650)</i>	<i>(66,466)</i>	<i>(20,816)</i>
<i>Fund Balance Beginning of Year</i>	<i>60,813</i>	<i>60,813</i>	<i>60,813</i>	<i>0</i>
Prior Year Encumbrances Appropriated	18,350	18,350	18,350	0
<i>Fund Balance End of Year</i>	<i>\$58,813</i>	<i>\$33,513</i>	<i>\$12,697</i>	<i>(\$20,816)</i>

**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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special Assessments	\$10,600	\$10,600	\$10,151	(\$449)
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Contractual Services	600	600	296	304
Debt Service:				
Principal Retirement	133,000	175,000	165,525	9,475
Interest and Fiscal Charges	7,000	14,000	13,263	737
Total Debt Service	140,000	189,000	178,788	10,212
<i>Total Expenditures</i>	140,600	189,600	179,084	10,516
<i>Excess of Revenues Under Expenditures</i>	(130,000)	(179,000)	(168,933)	10,067
<b>Other Financing Sources</b>				
Transfers In	121,400	171,400	171,400	0
<i>Net Change in Fund Balance</i>	(8,600)	(7,600)	2,467	10,067
<i>Fund Balance Beginning of Year</i>	45,861	45,861	45,861	0
<i>Fund Balance End of Year</i>	<u>\$37,261</u>	<u>\$38,261</u>	<u>\$48,328</u>	<u>\$10,067</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, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$465,800	\$465,800	\$407,235	(\$58,565)
Municipal Income Tax	570,688	570,688	645,075	74,387
Fines and Forfeitures	36,000	36,000	36,174	174
Intergovernmental	50,500	1,743,717	1,786,304	42,587
<i>Total Revenues</i>	<u>1,122,988</u>	<u>2,816,205</u>	<u>2,874,788</u>	<u>58,583</u>
<b>Expenditures</b>				
Capital Outlay:				
Contractual Services	44,000	44,000	21,949	22,051
Capital Outlay	1,056,404	2,678,257	2,544,998	133,259
<i>Total Expenditures</i>	<u>1,100,404</u>	<u>2,722,257</u>	<u>2,566,947</u>	<u>155,310</u>
<i>Excess of Revenues Over Expenditures</i>	<u>22,584</u>	<u>93,948</u>	<u>307,841</u>	<u>213,893</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	21,000	22,500	1,500
Transfers In	0	29,500	29,500	0
Transfers Out	(121,400)	(171,400)	(171,400)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(121,400)</u>	<u>(120,900)</u>	<u>(119,400)</u>	<u>1,500</u>
<i>Net Change in Fund Balance</i>	(98,816)	(26,952)	188,441	215,393
<i>Fund Balance Beginning of Year</i>	168,834	168,834	168,834	0
Prior Year Encumbrances Appropriated	44,404	44,404	44,404	0
<i>Fund Balance End of Year</i>	<u>\$114,422</u>	<u>\$186,286</u>	<u>\$401,679</u>	<u>\$215,393</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sanitation Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$1,777,075	\$1,777,075	\$1,687,697	(\$89,378)
Capital Grants	40,000	40,000	40,000	0
<i>Total Revenues</i>	<u>1,817,075</u>	<u>1,817,075</u>	<u>1,727,697</u>	<u>(89,378)</u>
<b>Expenses</b>				
Personal Services	1,123,658	1,129,158	1,117,289	11,869
Contractual Services	557,075	557,575	546,880	10,695
Materials and Supplies	175,345	244,345	218,014	26,331
<i>Total Expenses</i>	<u>1,856,078</u>	<u>1,931,078</u>	<u>1,882,183</u>	<u>48,895</u>
<i>Net Change in Fund Equity</i>	(39,003)	(114,003)	(154,486)	(40,483)
<i>Fund Equity Beginning of Year</i>	273,660	273,660	273,660	0
Prior Year Encumbrances Appropriated	11,291	11,291	11,291	0
<i>Fund Equity End of Year</i>	<u>\$245,948</u>	<u>\$170,948</u>	<u>\$130,465</u>	<u>(\$40,483)</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Wastewater Treatment Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$3,902,001	\$3,902,001	\$3,281,877	(\$620,124)
Tap-In Fees	60,000	60,000	25,500	(34,500)
<i>Total Revenues</i>	<u>3,962,001</u>	<u>3,962,001</u>	<u>3,307,377</u>	<u>(654,624)</u>
<b>Expenses</b>				
Personal Services	2,174,446	2,229,446	2,127,611	101,835
Contractual Services	560,500	566,770	537,742	29,028
Materials and Supplies	326,384	390,114	358,449	31,665
Capital Outlay	375,186	262,634	255,057	7,577
Debt Service:				
Principal Retirement	507,050	457,050	447,047	10,003
Interest and Fiscal Charges	111,696	111,696	106,220	5,476
<i>Total Expenses</i>	<u>4,055,262</u>	<u>4,017,710</u>	<u>3,832,126</u>	<u>185,584</u>
<i>Net Change in Fund Equity</i>	(93,261)	(55,709)	(524,749)	(469,040)
<i>Fund Equity Beginning of Year</i>	12,447	12,447	12,447	0
Prior Year Encumbrances Appropriated	43,262	43,262	43,262	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$37,552)</u>	<u>\$0</u>	<u>(\$469,040)</u>	<u>(\$469,040)</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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Licenses and Permits	\$157,200	\$157,200	\$165,385	\$8,185
<b>Expenditures</b>				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	230,700	230,660	166,467	64,193
Materials and Supplies	12,100	12,140	12,036	104
Contractual Services	4,200	4,200	2,849	1,351
Capital Outlay	10,000	10,000	10,000	0
<i>Total Expenditures</i>	<u>257,000</u>	<u>257,000</u>	<u>191,352</u>	<u>65,648</u>
<i>Net Change in Fund Balance</i>	(99,800)	(99,800)	(25,967)	73,833
<i>Fund Balance Beginning of Year</i>	<u>134,011</u>	<u>134,011</u>	<u>134,011</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$34,211</u></u>	<u><u>\$34,211</u></u>	<u><u>\$108,044</u></u>	<u><u>\$73,833</u></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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$293,500	\$293,500	\$286,233	(\$7,267)
Intergovernmental	38,500	38,500	38,397	(103)
<i>Total Revenues</i>	<u>332,000</u>	<u>332,000</u>	<u>324,630</u>	<u>(7,370)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	487,945	487,945	443,096	44,849
Contractual Services	7,000	7,000	5,693	1,307
<i>Total Expenditures</i>	<u>494,945</u>	<u>494,945</u>	<u>448,789</u>	<u>46,156</u>
<i>Net Change in Fund Balance</i>	(162,945)	(162,945)	(124,159)	38,786
<i>Fund Balance Beginning of Year</i>	103,063	103,063	103,063	0
Prior Year Encumbrances Appropriated	<u>100,945</u>	<u>100,945</u>	<u>100,945</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$41,063</u></u>	<u><u>\$41,063</u></u>	<u><u>\$79,849</u></u>	<u><u>\$38,786</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and Permits	\$48,900	\$48,900	\$43,990	(\$4,910)
<b>Expenditures</b>				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	63,076	63,076	61,077	1,999
Materials and Supplies	4,000	4,000	3,706	294
Contractual Services	6,500	6,500	4,712	1,788
<i>Total Expenditures</i>	<u>73,576</u>	<u>73,576</u>	<u>69,495</u>	<u>4,081</u>
<i>Excess of Revenues Under Expenditures</i>	(24,676)	(24,676)	(25,505)	(829)
<b>Other Financing Sources</b>				
Transfers In	25,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	324	324	(505)	(829)
<i>Fund Balance Beginning of Year</i>	536	536	536	0
Prior Year Encumbrances Appropriated	498	498	498	0
<i>Fund Balance End of Year</i>	<u>\$1,358</u>	<u>\$1,358</u>	<u>\$529</u>	<u>(\$829)</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$10,000	\$10,000	\$15,212	\$5,212
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	<u>20,000</u>	<u>20,000</u>	<u>12,760</u>	<u>7,240</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	2,452	12,452
<i>Fund Balance Beginning of Year</i>	<u>25,579</u>	<u>25,579</u>	<u>25,579</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,579</u></u>	<u><u>\$15,579</u></u>	<u><u>\$28,031</u></u>	<u><u>\$12,452</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$45,000	\$45,000	\$11,579	(\$33,421)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement Trust:				
Materials and Supplies	<u>45,000</u>	<u>45,000</u>	<u>17,013</u>	<u>27,987</u>
<i>Net Change in Fund Balance</i>	0	0	(5,434)	(5,434)
<i>Fund Balance Beginning of Year</i>	<u>11,885</u>	<u>11,885</u>	<u>11,885</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,885</u></u>	<u><u>\$11,885</u></u>	<u><u>\$6,451</u></u>	<u><u>(\$5,434)</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Motor Vehicle License Tax Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$40,000	\$40,000	\$38,391	(\$1,609)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	40,000	40,000	38,391	(1,609)
<b>Other Financing Uses</b>				
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(37,500)</u>	<u>2,500</u>
<i>Net Change in Fund Balance</i>	0	0	891	891
<i>Fund Balance Beginning of Year</i>	<u>2,922</u>	<u>2,922</u>	<u>2,922</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,922</u></u>	<u><u>\$2,922</u></u>	<u><u>\$3,813</u></u>	<u><u>\$891</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$45,000	\$0	\$57,235	\$57,235
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Materials and Supplies	95,000	50,000	39,533	10,467
<i>Excess of Revenues Over (Under) Expenditures</i>	(50,000)	(50,000)	17,702	67,702
<b>Other Financing Uses</b>				
Transfers Out	0	(55,000)	(55,000)	0
<i>Net Change in Fund Balance</i>	(50,000)	(105,000)	(37,298)	67,702
<i>Fund Balance Beginning of Year</i>	136,280	136,280	136,280	0
<i>Fund Balance End of Year</i>	<u>\$86,280</u>	<u>\$31,280</u>	<u>\$98,982</u>	<u>\$67,702</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$293,500	\$293,500	\$286,233	(\$7,267)
Intergovernmental	38,500	38,500	38,397	(103)
<i>Total Revenues</i>	<u>332,000</u>	<u>332,000</u>	<u>324,630</u>	<u>(7,370)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	524,954	524,954	454,123	70,831
Contractual Services	7,000	7,000	5,693	1,307
<i>Total Expenditures</i>	<u>531,954</u>	<u>531,954</u>	<u>459,816</u>	<u>72,138</u>
<i>Net Change in Fund Balance</i>	(199,954)	(199,954)	(135,186)	64,768
<i>Fund Balance Beginning of Year</i>	148,422	148,422	148,422	0
Prior Year Encumbrances Appropriated	99,954	99,954	99,954	0
<i>Fund Balance End of Year</i>	<u>\$48,422</u>	<u>\$48,422</u>	<u>\$113,190</u>	<u>\$64,768</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$45,000	\$45,000	\$29,654	(\$15,346)
Intergovernmental	13,500	26,124	19,942	(6,182)
<b>Total Revenues</b>	<b>58,500</b>	<b>71,124</b>	<b>49,596</b>	<b>(21,528)</b>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	23,928	41,918	41,724	194
Materials and Supplies	85,035	79,669	25,805	53,864
<i>Total Expenditures</i>	<i>108,963</i>	<i>121,587</i>	<i>67,529</i>	<i>54,058</i>
<i>Net Change in Fund Balance</i>	<i>(50,463)</i>	<i>(50,463)</i>	<i>(17,933)</i>	<i>32,530</i>
<i>Fund Balance Beginning of Year</i>	<i>77,310</i>	<i>77,310</i>	<i>77,310</i>	<i>0</i>
Prior Year Encumbrances Appropriated	463	463	463	0
<i>Fund Balance End of Year</i>	<i>\$27,310</i>	<i>\$27,310</i>	<i>\$59,840</i>	<i>\$32,530</i>



**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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$63,500	\$63,500	\$53,732	(\$9,768)
Interest	1,500	1,500	3	(1,497)
<i>Total Revenues</i>	65,000	65,000	53,735	(11,265)
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	14,400	14,400	14,400	0
<i>Excess of Revenues Over Expenditures</i>	50,600	50,600	39,335	(11,265)
<b>Other Financing Uses</b>				
Transfers Out	(50,600)	(50,600)	(39,500)	11,100
<i>Net Change in Fund Balance</i>	0	0	(165)	(165)
<i>Fund Balance Beginning of Year</i>	3,452	3,452	3,452	0
<i>Fund Balance End of Year</i>	<u>\$3,452</u>	<u>\$3,452</u>	<u>\$3,287</u>	<u>(\$165)</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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$600	\$600
Franchise Fees	40,000	40,000	43,556	3,556
<i>Total Revenues</i>	40,000	40,000	44,156	4,156
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Materials and Supplies	45,000	45,000	24,613	20,387
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	19,543	24,543
<i>Fund Balance Beginning of Year</i>	5,227	5,227	5,227	0
<i>Fund Balance End of Year</i>	\$227	\$227	\$24,770	\$24,543

**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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	3,311	3,311	3,311	0
<i>Fund Balance End of Year</i>	<u>\$3,311</u>	<u>\$3,311</u>	<u>\$3,311</u>	<u>\$0</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$2,371,514	\$2,360,106	\$2,314,356	(\$45,750)
<b>Expenses</b>				
Contractual Services	240,268	240,268	240,268	0
Claims	2,139,302	2,127,894	2,074,010	53,884
<i>Total Expenses</i>	<u>2,379,570</u>	<u>2,368,162</u>	<u>2,314,278</u>	<u>53,884</u>
<i>Net Change in Fund Equity</i>	(8,056)	(8,056)	78	8,134
<i>Fund Deficit Beginning of Year</i>	(423,634)	(423,634)	(423,634)	0
Prior Year Encumbrances Appropriated	<u>8,056</u>	<u>8,056</u>	<u>8,056</u>	<u>0</u>
<i>Fund Deficit End of Year</i>	<u>(\$423,634)</u>	<u>(\$423,634)</u>	<u>(\$415,500)</u>	<u>\$8,134</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$110,000	\$110,000	\$110,000	\$0
Intergovernmental	500	500	2,165	1,665
Total Revenues	<u>110,500</u>	<u>110,500</u>	<u>112,165</u>	<u>1,665</u>
<b>Expenses</b>				
Contractual Services	20,584	20,584	20,584	0
Claims	601,596	601,596	209,898	391,698
Total Expenses	<u>622,180</u>	<u>622,180</u>	<u>230,482</u>	<u>391,698</u>
<i>Net Change in Fund Equity</i>	(511,680)	(511,680)	(118,317)	393,363
<i>Fund Equity Beginning of Year</i>	1,036,515	1,036,515	1,036,515	0
Prior Year Encumbrances Appropriated	<u>11,680</u>	<u>11,680</u>	<u>11,680</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$536,515</u></u>	<u><u>\$536,515</u></u>	<u><u>\$929,878</u></u>	<u><u>\$393,363</u></u>

*(This Page Intentionally Left Blank)*

---

# **STATISTICAL SECTION**

---

**This page intentionally left blank.**



## Statistical Section

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

---

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

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

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

	2011	2010	2009	2008
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$23,867,970	\$18,695,971	\$19,304,462	\$19,022,629
Restricted:				
Capital Projects	996,559	519,091	616,317	917,675
Debt Service	108,509	125,280	212,116	141,267
Community Development	546,108	1,330,094	2,266,481	1,073,682
Sanitation	0	0	883,394	719,258
Street Maintenance and Repair	154,647	151,130	140,771	97,528
Public Safety	389,697	436,726	N/A	N/A
Municipal Probation	102,650	134,952	N/A	N/A
Other Purposes	102,874	369,503	791,656	797,701
Unrestricted	962,152	160,862	841,775	1,312,330
<i>Total Governmental Activities Net Assets</i>	<u>27,231,166</u>	<u>21,923,609</u>	<u>25,056,972</u>	<u>24,082,070</u>
<b>Business Type - Activities</b>				
Invested in Capital Assets, Net of Related Debt	11,224,236	10,615,079	10,339,668	10,343,268
Unrestricted	2,084,496	3,249,898	1,701,294	2,143,693
<i>Total Business-Type Activities Net Assets</i>	<u>13,308,732</u>	<u>13,864,977</u>	<u>12,040,962</u>	<u>12,486,961</u>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	35,092,206	29,311,050	29,644,130	29,365,897
Restricted	2,401,044	3,066,776	4,910,735	3,747,111
Unrestricted	3,046,648	3,410,760	2,543,069	3,456,023
<i>Total Primary Government Net Assets</i>	<u>\$40,539,898</u>	<u>\$35,788,586</u>	<u>\$37,097,934</u>	<u>\$36,569,031</u>

2007	2006	2005	2004	2003	2002
\$17,985,793	\$17,179,586	\$16,519,641	\$16,072,672	\$14,824,413	\$14,016,961
992,414	1,257,245	768,188	704,115	1,041,588	865,251
927,528	842,539	617,568	926,146	776,956	1,609,519
1,466,762	755,325	795,158	N/A	N/A	N/A
648,455	743,242	696,513	N/A	N/A	N/A
138,087	293,245	327,342	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
880,874	912,937	635,520	2,200,932	2,230,814	1,812,974
1,871,948	2,283,621	2,971,359	2,721,642	2,535,254	3,437,987
<u>24,911,861</u>	<u>24,267,740</u>	<u>23,331,289</u>	<u>22,625,507</u>	<u>21,409,025</u>	<u>21,742,692</u>
8,637,769	9,968,685	9,632,357	8,753,780	8,759,633	7,936,963
3,632,203	1,340,098	1,487,653	1,690,631	1,225,137	1,094,561
<u>12,269,972</u>	<u>11,308,783</u>	<u>11,120,010</u>	<u>10,444,411</u>	<u>9,984,770</u>	<u>9,031,524</u>
26,623,562	27,148,271	26,151,998	24,826,452	23,584,046	21,953,924
5,054,120	4,804,533	3,840,289	3,831,193	4,049,358	4,287,744
5,504,151	3,623,719	4,459,012	4,412,273	3,760,391	4,532,548
<u>\$37,181,833</u>	<u>\$35,576,523</u>	<u>\$34,451,299</u>	<u>\$33,069,918</u>	<u>\$31,393,795</u>	<u>\$30,774,216</u>

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

	2011	2010	2009	2008
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$236,006	\$299,400	\$265,773	\$175,970
Judicial System	645,600	210,280	759,859	804,117
Security of Persons and Property:				
Police	387,791	404,073	44,108	88,807
Fire	76,175	277,242	51,658	55,518
Public Health Services	168,489	117,408	174,062	187,267
Street Maintenance and Repairs	12,176	59,080	40,554	15,694
Housing and Community Development	137,636	280,833	295,469	221,622
Sanitation Services	28,372	2,734	1,801,553	1,799,928
Leisure Time Activities	3,005	15,794	13,830	14,280
Subtotal - Charges for Services	<u>1,695,250</u>	<u>1,666,844</u>	<u>3,446,866</u>	<u>3,363,203</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	0	0	0	15,251
Judicial System	15,708	15,708	87,818	15,687
Security of Persons and Property:				
Police	187,228	100,718	381,438	49,140
Fire	42,961	77,269	36,438	35,966
Public Health Services	9,522	111,983	207,053	25,483
Street Maintenance and Repairs	868,021	779,720	94,120	317,571
Housing and Community Development	0	108,985	233,330	59,900
Sanitation Services	0	0	40,000	46,536
Leisure Time Activities	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,123,440</u>	<u>1,194,383</u>	<u>1,080,197</u>	<u>565,534</u>
Capital Grants and Contributions:				
General Government:				
Legislative and Executive	1,956,961	184,138	97,318	139,058
Judicial System	0	0	0	34,295
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Public Health Services	0	0	0	0
Street Maintenance and Repairs	1,802,011	0	407,687	0
Housing and Community Development	0	0	173,444	453,831
Sanitation Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>3,758,972</u>	<u>184,138</u>	<u>678,449</u>	<u>627,184</u>
<i>Total Governmental Activities Program Revenues</i>	<u>\$6,577,662</u>	<u>\$3,045,365</u>	<u>\$5,205,512</u>	<u>\$4,555,921</u>

2007	2006	2005	2004	2003	2002
\$209,086	\$197,913	\$408,108	\$215,617	\$68,975	\$225,179
773,601	676,782	632,431	605,898	732,927	732,161
60,398	23,140	18,126	73,923	3,967	0
53,790	47,862	42,679	67,511	0	0
201,688	196,130	180,368	148,884	65,937	75,159
25,485	42,047	11,958	3,073	4,188	1,705
252,889	133,221	127,042	86,289	85,366	171,881
1,656,815	1,353,756	1,335,405	1,304,215	1,184,414	1,100,258
14,455	15,392	15,837	13,650	13,650	14,375
<u>3,248,207</u>	<u>2,686,243</u>	<u>2,771,954</u>	<u>2,519,060</u>	<u>2,159,424</u>	<u>2,320,718</u>
0	0	0	0	0	0
15,189	0	0	0	0	0
4,110	14,963	28,038	14,789	125,104	264,793
0	1,000	12,081	11,000	42,943	16,195
34,604	17,677	4,125	32,504	10,712	8,034
97,960	99,012	99,130	106,575	96,616	108,139
86,300	25,946	133,135	461,510	484,623	184,646
43,513	39,000	44,765	74,596	36,781	67,041
0	0	0	0	0	0
<u>281,676</u>	<u>197,598</u>	<u>321,274</u>	<u>700,974</u>	<u>796,779</u>	<u>648,848</u>
0	633,000	0	0	0	0
36,140	30,632	0	21,565	28,793	33,600
0	664	59,040	0	0	0
0	28,368	0	0	8,640	27,000
0	0	814,152	61,089	3,831	0
875,500	402,400	1,012,062	0	0	184,271
840,080	113,343	50,000	0	0	0
0	0	0	0	0	0
0	0	0	0	0	24,325
<u>1,751,720</u>	<u>1,208,407</u>	<u>1,935,254</u>	<u>82,654</u>	<u>41,264</u>	<u>269,196</u>
<u>\$5,281,603</u>	<u>\$4,092,248</u>	<u>\$5,028,482</u>	<u>\$3,302,688</u>	<u>\$2,997,467</u>	<u>\$3,238,762</u>

(continued)

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

	2011	2010	2009	2008
Business-Type Activities:				
Charges for Services:				
Sanitation	\$1,576,051	\$1,863,359	\$0	\$0
Wastewater Treatment	3,280,585	3,645,979	3,601,213	3,871,973
Capital Grants and Contributions				
Sanitation	40,000	40,000		
Wastewater Treatment	0	147,860	231,298	950,371
<i>Total Business-Type Activities Program Revenues</i>	<u>4,896,636</u>	<u>5,697,198</u>	<u>3,832,511</u>	<u>4,822,344</u>
<i>Total Primary Government Program Revenues</i>	<u>11,474,298</u>	<u>8,742,563</u>	<u>9,038,023</u>	<u>9,378,265</u>
<b>Expenses</b>				
Governmental Activities:				
General Government:				
Legislative and Executive	2,792,923	2,721,988	3,227,472	3,586,747
Judicial System	1,084,083	1,149,058	1,183,400	1,151,790
Security of Persons and Property:				
Police	3,548,942	3,704,992	3,686,839	3,887,527
Fire	2,874,864	2,776,175	3,021,851	3,047,444
Public Health Services	328,577	404,670	365,246	370,326
Street Maintenance and Repairs	4,237,406	1,612,921	1,922,571	2,231,818
Housing and Community Development	1,002,021	1,312,203	601,846	983,231
Sanitation Services	116,525	160,453	1,928,179	2,004,214
Leisure Time Activities	24,655	75,811	79,793	106,271
Interest and Fiscal Charges	23,355	14,669	31,026	39,292
<i>Total Governmental Activities Expenses</i>	<u>16,033,351</u>	<u>13,932,940</u>	<u>16,048,223</u>	<u>17,408,660</u>
Business-Type Activities				
Sanitation	1,788,036	1,776,030	0	0
Wastewater Treatment	3,664,845	3,641,968	4,230,206	4,596,123
<i>Total Primary Government Program Expenses</i>	<u>21,486,232</u>	<u>17,574,908</u>	<u>20,278,429</u>	<u>22,004,783</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(9,455,689)	(10,887,575)	(10,842,711)	(12,852,739)
Business-Type Activities	<u>(556,245)</u>	<u>2,055,230</u>	<u>(397,695)</u>	<u>226,221</u>
<i>Total Primary Government Net Expense</i>	<u>(\$10,011,934)</u>	<u>(\$8,832,345)</u>	<u>(\$11,240,406)</u>	<u>(\$12,626,518)</u>

2007	2006	2005	2004	2003	2002
\$0	\$0	\$0	\$0	\$0	\$0
3,770,834	3,092,660	3,051,895	2,879,182	2,871,360	2,801,467
470,322	276,649	523,003	618,318	697,293	360,753
4,241,156	3,369,309	3,574,898	3,497,500	3,568,653	3,162,220
9,522,759	7,461,557	8,603,380	6,800,188	6,566,120	6,400,982
4,135,051	3,174,447	3,049,175	3,025,729	3,037,163	2,867,586
1,090,892	1,030,659	977,279	912,233	963,286	964,850
3,882,495	3,677,304	3,527,950	3,253,101	3,666,800	3,696,384
2,987,810	2,936,033	2,581,467	2,688,346	2,750,698	2,652,673
357,245	331,826	306,416	289,136	285,124	260,491
1,986,728	2,015,378	3,201,483	1,296,150	1,472,369	2,001,502
486,457	376,820	680,192	649,653	617,274	512,695
1,839,276	1,861,734	1,567,216	1,263,037	1,383,682	1,437,356
86,083	110,002	90,413	137,588	134,896	185,589
56,083	54,634	68,093	99,458	128,486	195,014
16,908,120	15,568,837	16,049,684	13,614,431	14,439,778	14,774,140
0	0	0	0	0	0
3,160,731	3,130,536	3,174,442	2,989,254	3,130,885	3,290,299
20,068,851	18,699,373	19,224,126	16,603,685	17,570,663	18,064,439
(11,626,517)	(11,476,589)	(11,021,202)	(10,311,743)	(11,442,311)	(11,535,378)
1,080,425	238,773	400,456	508,246	437,768	(128,079)
(\$10,546,092)	(\$11,237,816)	(\$10,620,746)	(\$9,803,497)	(\$11,004,543)	(\$11,663,457)

(continued)

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

	2011	2010	2009	2008
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$967,282	\$1,020,451	\$1,116,701	\$1,064,331
Fire and Police Pension	579,508	571,202	618,918	588,302
Debt Service	0	0	0	1,421
Capital Outlay	412,653	438,820	476,191	452,535
Income Taxes Levied for:				
General Purposes	5,902,284	4,814,382	5,508,718	6,105,678
Capital Outlay	665,177	548,618	622,236	667,685
Grants and Entitlements not Restricted to				
Specific Programs	1,127,596	1,628,612	3,135,994	2,217,714
Investment Earnings	144	5,450	11,572	152,306
Franchise Taxes	273,773	242,362	0	0
Gain on Sale of Capital Assets	22,500	15,415	0	0
Other	62,855	7,345	250,783	404,117
Special Item - Capital Contribution	4,749,474	0	0	0
Transfers	0	0	76,500	162,820
<i>Total Governmental Activities</i>	<u>14,763,246</u>	<u>9,292,657</u>	<u>11,817,613</u>	<u>11,816,909</u>
Business-Type Activities				
Investment Earnings	0	0	0	0
Other	0	12,600	28,196	0
Transfers	0	0	(76,500)	(162,820)
<i>Total Business-Type Activities Expenses</i>	<u>0</u>	<u>12,600</u>	<u>(48,304)</u>	<u>(162,820)</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>14,763,246</u>	<u>9,305,257</u>	<u>11,769,309</u>	<u>11,654,089</u>
<b>Change in Net Assets</b>				
Governmental Activities	5,307,557	(1,594,918)	974,902	(1,035,830)
Business-Type Activities	(556,245)	2,067,830	(445,999)	63,401
<i>Total Primary Government Change in Net Assets</i>	<u>\$4,751,312</u>	<u>\$472,912</u>	<u>\$528,903</u>	<u>(\$972,429)</u>



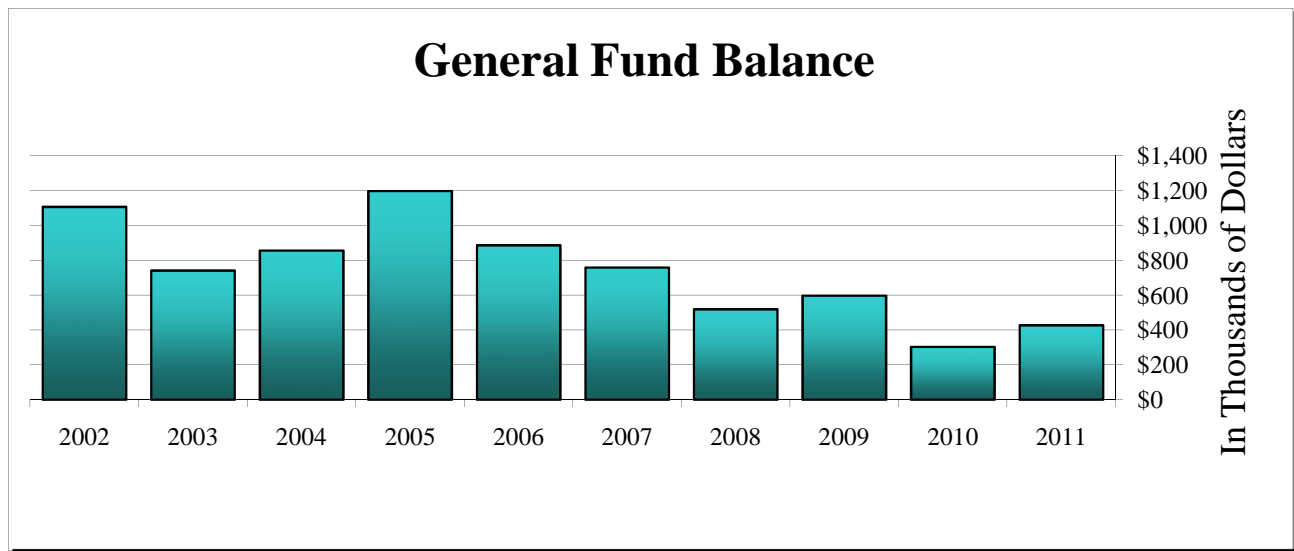
2007	2006	2005	2004	2003	2002
\$1,062,359	\$1,109,720	\$989,460	\$1,118,036	\$1,131,816	\$1,100,934
631,644	616,830	548,288	356,657	529,950	444,167
346,265	409,341	374,170	537,367	458,839	505,826
486,482	473,334	418,575	392,721	407,987	395,293
6,191,921	5,662,945	6,034,703	5,537,537	5,270,568	5,206,572
684,045	622,457	662,464	610,803	589,127	580,967
2,484,064	2,660,157	2,741,453	2,608,872	2,828,530	2,555,737
325,184	339,503	212,687	82,469	128,801	184,076
0	0	0	0	0	0
0	0	0	0	0	0
214,713	268,753	20,327	233,763	241,484	180,476
0	0	0	0	0	0
50,000	50,000	(275,143)	50,000	(515,478)	51,875
<u>12,476,677</u>	<u>12,213,040</u>	<u>11,726,984</u>	<u>11,528,225</u>	<u>11,071,624</u>	<u>11,205,923</u>
84,352	0	0	0	0	0
0	0	0	1,395	0	0
<u>(50,000)</u>	<u>(50,000)</u>	<u>275,143</u>	<u>(50,000)</u>	<u>515,478</u>	<u>(51,875)</u>
<u>34,352</u>	<u>(50,000)</u>	<u>275,143</u>	<u>(48,605)</u>	<u>515,478</u>	<u>(51,875)</u>
<u>12,511,029</u>	<u>12,163,040</u>	<u>12,002,127</u>	<u>11,479,620</u>	<u>11,587,102</u>	<u>11,154,048</u>
850,160	736,451	705,782	1,216,482	(370,687)	(329,455)
<u>1,114,777</u>	<u>188,773</u>	<u>675,599</u>	<u>459,641</u>	<u>953,246</u>	<u>(179,954)</u>
<u>\$1,964,937</u>	<u>\$925,224</u>	<u>\$1,381,381</u>	<u>\$1,676,123</u>	<u>\$582,559</u>	<u>(\$509,409)</u>

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

	2011	2010	2009	2008
<b>General Fund</b>				
Nonspendable	\$107,285	\$106,906	N/A	N/A
Restricted	0	0	N/A	N/A
Committed	0	0	N/A	N/A
Assigned	40,815	31,608	N/A	N/A
Unassigned	278,805	164,368	N/A	N/A
Reserved	N/A	N/A	25,373	55,255
Unreserved	N/A	N/A	571,410	462,844
<b>Total General Fund</b>	<b>426,905</b>	<b>302,882</b>	<b>596,783</b>	<b>518,099</b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$44,391	\$55,179	N/A	N/A
Restricted	1,233,854	1,075,408	N/A	N/A
Committed	238,162	224,464	N/A	N/A
Unassigned (Deficit)	(77)	(962)	N/A	N/A
Reserved	N/A	N/A	978,996	1,015,236
Unreserved, Designated	N/A	N/A	136,120	251,888
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	592,875	537,689
Debt Service funds	N/A	N/A	122,947	36,696
Capital Projects funds	N/A	N/A	3,311	3,311
<b>Total All Other Governmental Funds</b>	<b>1,516,330</b>	<b>1,354,089</b>	<b>1,834,249</b>	<b>1,844,820</b>
<b>Total Governmental Funds</b>	<b>\$1,943,235</b>	<b>\$1,656,971</b>	<b>\$2,431,032</b>	<b>\$2,362,919</b>

Note: This City implemented GASB 54 during 2011.

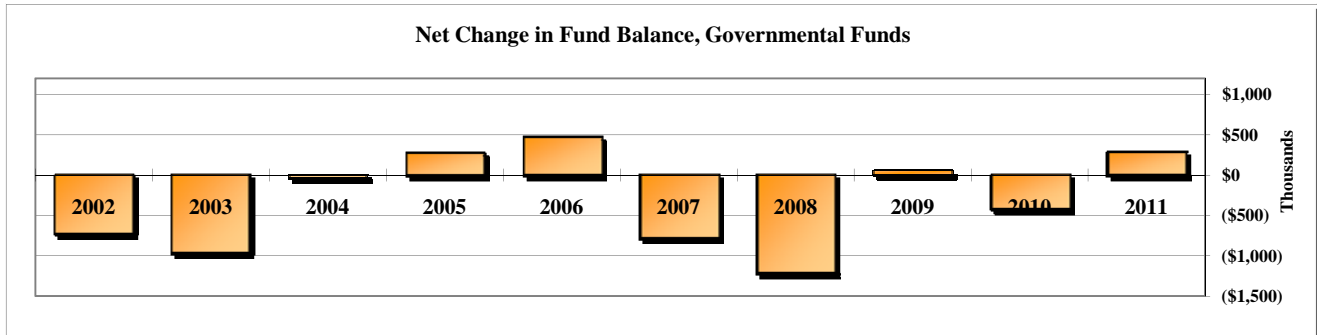
N/A - Information not available.



2007	2006	2005	2004	2003	2002
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
66,842	73,709	33,338	60,258	66,593	97,124
690,776	811,664	1,163,327	795,266	674,111	1,008,123
<u>757,618</u>	<u>885,373</u>	<u>1,196,665</u>	<u>855,524</u>	<u>740,704</u>	<u>1,105,247</u>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
615,157	721,549	912,667	786,323	682,950	756,756
412,000	212,000	212,000	212,000	212,000	212,000
681,268	1,069,536	1,127,787	1,063,429	1,288,284	1,336,378
785,817	571,960	347,597	590,065	408,641	1,217,065
345,375	943,790	115,636	125,109	548,257	228,473
<u>2,839,617</u>	<u>3,518,835</u>	<u>2,715,687</u>	<u>2,776,926</u>	<u>3,140,132</u>	<u>3,750,672</u>
<u>\$3,597,235</u>	<u>\$4,404,208</u>	<u>\$3,912,352</u>	<u>\$3,632,450</u>	<u>\$3,880,836</u>	<u>\$4,855,919</u>

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

	2011	2010	2009	2008	2007
<b>Revenues</b>					
Property Taxes	\$1,934,311	\$1,819,144	\$2,151,450	\$2,109,613	\$2,480,053
Municipal Income Taxes	6,029,632	5,640,581	6,254,545	6,757,873	6,775,495
Charges for Services	264,357	2,153,776	2,013,439	1,886,125	1,810,849
Licenses and Permits	251,638	316,038	295,278	328,673	282,135
Fines and Forfeitures	1,063,308	765,130	838,037	883,633	818,035
Intergovernmental	4,988,304	4,119,247	3,344,447	3,870,165	3,684,953
Special Assessments	10,151	10,334	35,975	37,417	36,476
Interest	144	5,450	11,572	152,306	325,184
Rentals	161,372	161,196	152,434	130,090	139,462
Franchise Taxes	271,836	245,454	0	0	0
Other	60,690	6,888	245,540	459,464	239,657
<b>Total Revenues</b>	<b>15,035,743</b>	<b>15,243,238</b>	<b>15,342,717</b>	<b>16,615,359</b>	<b>16,592,299</b>
<b>Expenditures</b>					
Current:					
General Government					
Legislative and Executive	2,516,841	2,401,156	2,610,914	3,015,334	3,047,990
Judicial System	1,111,726	1,105,350	1,021,185	1,036,477	967,152
Security of Persons and Property:					
Police	3,357,299	3,482,742	3,338,973	3,628,559	3,622,601
Fire	2,844,417	2,750,100	2,626,619	2,823,288	2,739,876
Public Health Services	312,972	401,284	347,872	383,486	369,150
Street Maintenance and Repairs	1,034,253	1,067,277	1,172,826	1,553,013	1,424,511
Housing and Community Development	1,002,686	1,318,340	556,125	1,179,875	483,606
Sanitation Services	21,122	1,740,323	1,690,724	1,846,737	1,638,743
Leisure Time Activities	24,655	36,108	38,838	44,637	36,076
Capital Outlay	2,474,089	1,482,536	1,953,177	1,557,584	2,547,869
Debt Service:					
Principal Retirement	165,525	210,308	234,736	861,691	503,837
Interest and Fiscal Charges	13,263	14,669	27,440	78,797	43,237
<b>Total Expenditures</b>	<b>14,878,848</b>	<b>16,010,193</b>	<b>15,619,429</b>	<b>18,009,478</b>	<b>17,424,648</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>156,895</b>	<b>(766,955)</b>	<b>(276,712)</b>	<b>(1,394,119)</b>	<b>(832,349)</b>
<b>Other Financing Sources (Uses)</b>					
General Obligation Bonds Issued	0	325,000	250,000	0	0
Inception of Capital Lease	106,869	0	0	0	0
Sale of Capital Assets	22,500	15,415	3,975	5,400	4,500
Proceeds of Loan	0	0	699	0	0
Transfers In	487,400	430,800	724,200	1,706,720	720,829
Transfers Out	(487,400)	(430,800)	(647,700)	(1,543,900)	(670,829)
<b>Total Other Financing Sources (Uses)</b>	<b>129,369</b>	<b>340,415</b>	<b>331,174</b>	<b>168,220</b>	<b>54,500</b>
<b>Net Change in Fund Balances</b>	<b>\$286,264</b>	<b>(\$426,540)</b>	<b>\$54,462</b>	<b>(\$1,225,899)</b>	<b>(\$777,849)</b>
Debt Service as a Percentage of Noncapital Expenditures	1.2%	1.6%	1.9%	5.8%	3.5%



2006	2005	2004	2003	2002
\$2,577,355	\$2,320,850	\$2,414,271	\$2,504,284	\$2,417,214
6,445,095	6,532,764	6,067,735	5,872,015	5,969,526
1,568,521	1,515,901	1,486,186	1,218,014	1,185,472
228,358	178,677	204,762	168,752	173,739
726,855	650,045	577,652	656,719	765,761
4,155,912	5,008,052	3,290,131	3,572,612	3,225,243
35,490	56,489	56,100	22,493	21,613
339,503	212,687	82,469	128,801	184,076
136,002	149,115	117,563	127,279	115,262
0	0	0	0	0
268,753	223,645	233,763	241,484	180,476
16,481,844	16,848,225	14,530,632	14,512,453	14,238,382
2,914,379	2,653,576	2,653,009	2,604,032	2,672,685
919,440	858,153	843,475	850,465	858,364
3,448,319	3,292,317	3,257,335	3,504,702	3,565,496
2,807,075	2,520,738	2,509,403	2,469,614	2,448,741
324,010	303,789	282,206	275,209	247,001
1,920,884	1,141,728	1,091,528	1,070,944	1,148,641
436,879	1,145,514	645,029	982,658	502,248
1,582,296	1,419,457	1,291,793	1,309,650	1,358,517
40,385	35,203	63,520	68,120	75,684
2,398,576	2,266,481	1,437,938	877,867	1,647,616
435,167	906,514	447,489	1,356,140	447,484
38,842	72,703	103,418	159,274	201,762
17,266,252	16,616,173	14,626,143	15,528,675	15,174,239
(784,408)	232,052	(95,511)	(1,016,222)	(935,857)
0	0	0	0	150,000
0	0	0	0	0
6,800	0	6,639	0	0
1,200,000	0	0	0	0
813,500	877,986	641,986	934,881	579,045
(763,500)	(827,986)	(591,986)	(885,494)	(527,170)
1,256,800	50,000	56,639	49,387	201,875
\$472,392	\$282,052	(\$38,872)	(\$966,835)	(\$733,982)
2.9%	6.8%	4.4%	11.5%	5.0%

**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
2011	\$131,582,310	\$61,439,920	\$551,492,086	\$18,236,510	\$20,723,307
2010	147,859,010	60,686,260	595,843,629	18,910,200	21,488,864
2009	147,855,920	60,329,050	594,814,200	18,409,090	20,919,420
2008	145,229,490	57,272,280	578,576,486	19,626,430	22,302,761
2007	145,005,660	55,991,290	574,277,000	20,032,840	22,764,591
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

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

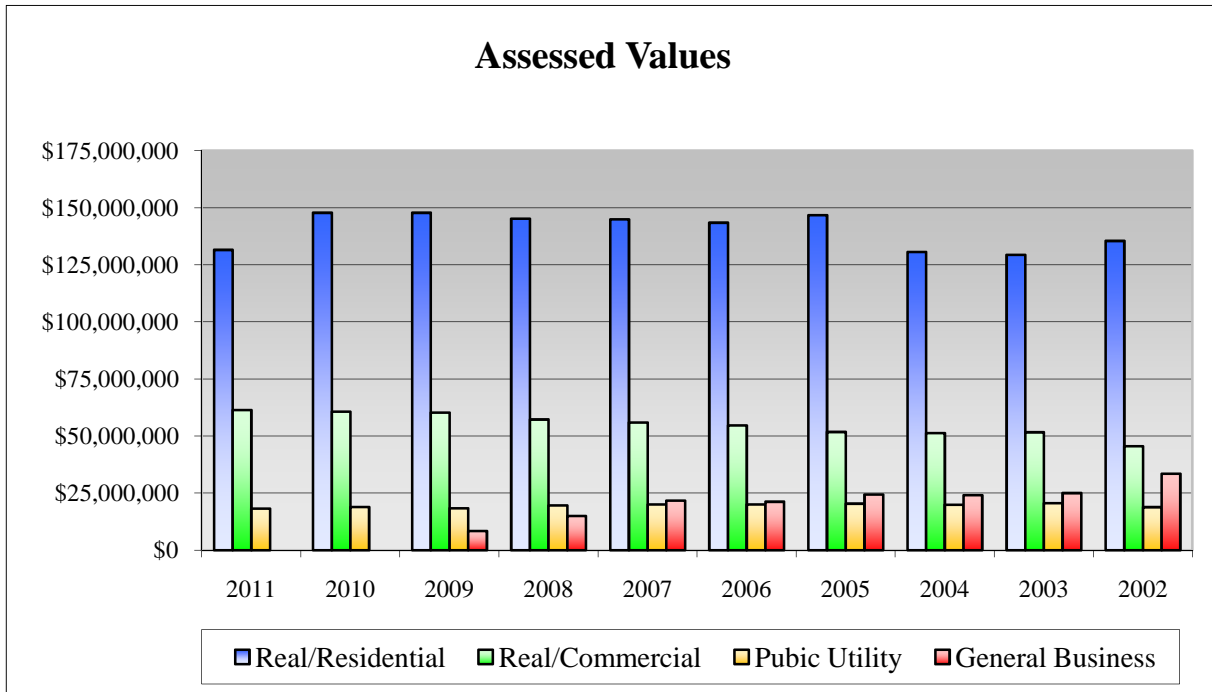
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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 was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2010 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). The City, however, received no tangible personal property tax revenue from telephone companies.

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 percent, 2 1/2 percent and homestead exemptions before being billed. The 10 percent rollback for commercial/industrial property was eliminated in 2006.

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	
\$0	\$0	\$211,258,740	\$572,215,393	36.92 %	\$9.31
0	0	227,455,470	617,332,492	36.84	9.31
8,407,070	67,256,560	235,001,130	682,990,180	34.41	9.31
14,967,220	119,737,760	237,095,420	720,617,007	32.90	9.31
21,710,950	173,687,600	242,740,740	770,729,191	31.49	9.31
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	N/A
33,520,280	134,081,120	233,515,730	673,024,796	34.70	N/A



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

	2011	2010	2009	2008
<b>Unvoted Millage</b>				
Operating	\$0.2700	\$0.2700	\$0.2700	\$0.2700
Fire Pension	1.3000	1.3000	1.3000	1.3000
Police Pension	1.3000	1.3000	1.3000	1.3000
<i>Total Unvoted Millage</i>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>
<b>Charter Millage</b>				
General Fund	4.1400	4.1400	4.1400	4.1400
Permanent Improvement Fund	2.0000	2.0000	2.0000	2.0000
Justice Center (Debt Service)	0.0000	0.0000	0.0000	0.0000
Senior Citizens	0.3000	0.3000	0.3000	0.3000
<i>Total Charter Millage</i>	<u>6.4400</u>	<u>6.4400</u>	<u>6.4400</u>	<u>6.4400</u>
<b>Total Millage</b>	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>

**Overlapping Rates by Taxing District**

<b>Ashtabula Area City Schools</b>				
Residential/Agricultural Real	\$33.3330	\$31.1325	\$31.4467	\$31.4015
Commerical/Industrial and Public Utility Real	37.7939	36.8580	37.0858	36.9317
General Business and Public Utility Personal	52.0000	52.0000	52.5000	52.5000
<b>Ashtabula County Commissioner</b>				
Residential/Agricultural Real	8.9922	8.5409	8.5336	8.5375
Commerical/Industrial and Public Utility Real	9.9223	9.4041	9.2995	9.2656
General Business and Public Utility Personal	11.0200	11.0200	11.0200	11.0300
<b>Ashtabula Township Park</b>				
Residential/Agricultural Real	1.1800	1.1697	1.1073	1.1063
Commerical/Industrial and Public Utility Real	1.1800	1.1799	1.1151	1.1126
General Business and Public Utility Personal	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



2007	2006	2005	2004
\$0.2700	\$0.2700	\$0.2700	\$0.2700
1.3000	1.3000	1.3000	1.3000
1.3000	1.3000	1.3000	1.3000
2.8700	2.8700	2.8700	2.8700
4.1400	4.1400	4.1400	4.1400
2.0000	2.0000	2.0000	2.0000
0.0000	1.8000	1.8000	1.8000
0.3000	0.3000	0.3000	0.3000
6.4400	8.2400	8.2400	8.2400
\$9.3100	\$11.1100	\$11.1100	\$11.1100

\$32.4762	\$32.5174	\$32.0119	\$33.8579
37.8697	37.7254	37.1955	38.6735
52.5000	52.5000	52.0000	52.0000

8.9779	8.4057	8.4062	9.0059
9.0000	9.4487	9.4450	9.8485
11.0300	11.0300	11.0300	11.0300

1.0790	1.0769	1.0767	1.1040
1.1229	1.1307	1.1304	1.1393
1.1800	1.1800	1.1800	1.1800

**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)
2011	\$2,144,612	\$1,823,971	85.05 %	\$107,520	\$1,931,491
2010	2,182,331	1,974,489	90.48	100,370	2,074,859
2009	2,122,541	1,998,790	94.17	123,751	2,122,541
2008	2,081,658	1,962,658	94.28	118,999	2,081,657
2007	2,479,512	2,340,288	94.38	131,671	2,471,959
2006	2,457,892	2,312,705	94.09	131,820	2,444,525
2005	3,180,491	3,043,735	95.70	143,695	3,187,430
2004	3,233,136	3,014,061	93.22	44,238	3,058,299
2003	2,956,252	2,804,509	94.87	99,856	2,904,365
2002	2,945,300	2,797,393	94.98	150,618	2,948,011

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.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
90.06 %	\$265,728	12.39 %
95.08	415,173	19.02
100.00	164,557	7.75
100.00	132,806	6.38
99.69	270,956	10.92
99.46	245,861	10.00
100.22	220,549	6.93
94.59	327,785	10.14
98.24	273,875	9.26
100.09	199,186	6.76

**City of Ashtabula, Ohio**  
*Principal Real Property Taxpayers*  
2011 and 2002

<i>2011</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Norfolk Southern Combined	\$6,285,986	2.98 %
Pinney Dock	2,435,566	1.15
Ohio American Water	2,186,310	1.03
Cotswold LTD	1,892,590	0.90
Ashtabula Care Center	1,855,938	0.88
Ash-L Associates	1,797,768	0.85
Molded Fiber Glass	1,759,884	0.83
Ashtabula Towers	1,522,136	0.72
Country Club Center III	1,431,738	0.68
Willo Arms of Ashtabula	1,297,142	0.61
<b>Total</b>	<b>\$22,465,058</b>	<b>10.63 %</b>
<b>Total Assessed Valuation</b>	<b>\$211,258,740</b>	
<i>2002</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Ohio American Water	\$8,874,104	3.79 %
Cleveland Electric Illuminating	5,410,490	2.32
Western Reserve Telephone	5,110,990	2.19
Consolidated Rail	3,810,800	1.63
Ash-L Associates	2,752,950	1.18
Pinney Dock	1,414,580	0.61
Molded Fiber Glass	1,257,660	0.54
Ashtabula Towers	1,102,960	0.47
Reliance	959,530	0.41
Iten - Hupco	929,830	0.40
<b>Total</b>	<b>\$31,623,894</b>	<b>13.54 %</b>
<b>Total Assessed Valuation</b>	<b>\$233,515,730</b>	

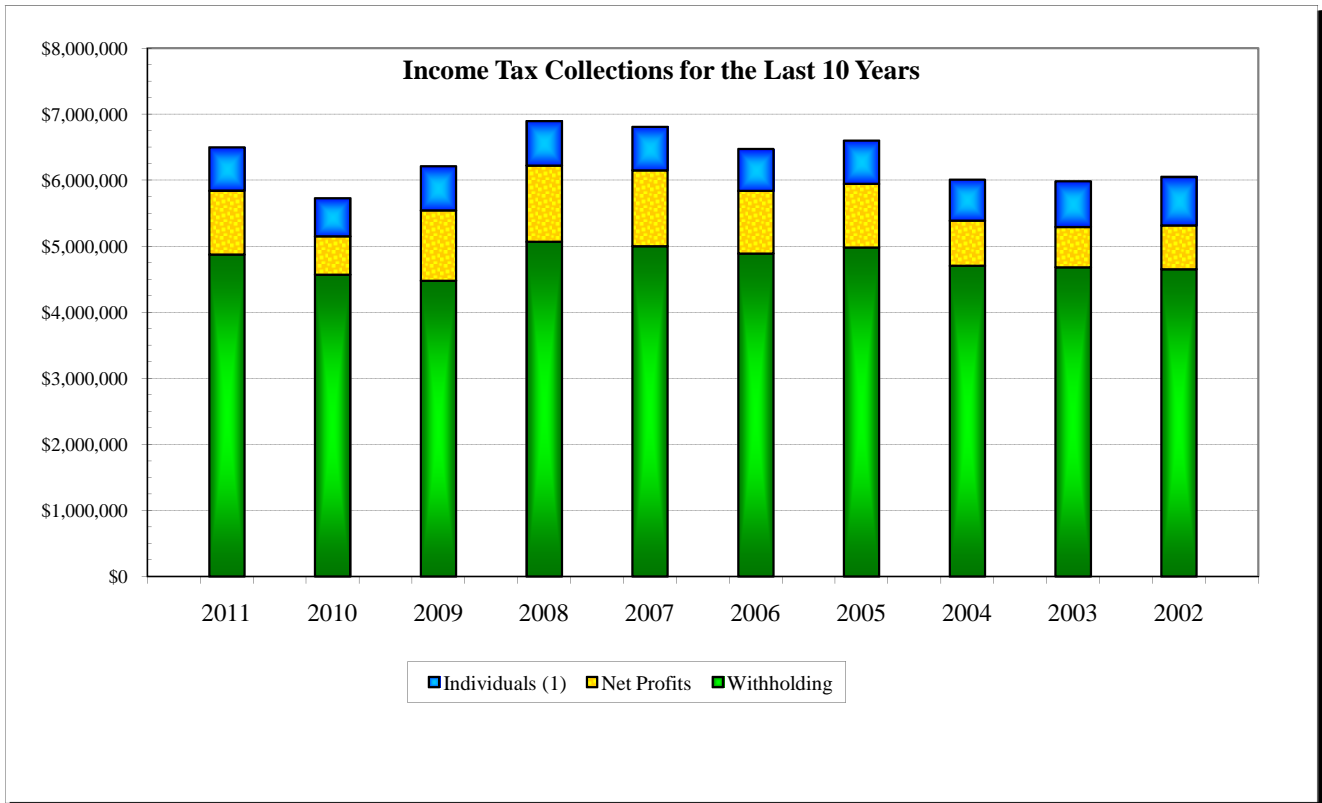
Source: Ashtabula County Auditor

(1) Amounts represent assessed values upon which 2011 and 2002 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
2011	1.80 %	\$6,498,912	\$4,873,631	74.99%	\$968,156	14.90%	\$657,125	10.11%
2010	1.80	5,729,893	4,570,158	79.76	580,899	10.14	578,836	10.10
2009	1.80	6,211,306	4,478,610	72.10	1,065,081	17.15	667,615	10.75
2008	1.80	6,896,798	5,068,292	73.49	1,155,334	16.75	673,172	9.76
2007	1.80	6,809,681	5,001,739	73.45	1,148,864	16.87	659,078	9.68
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

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



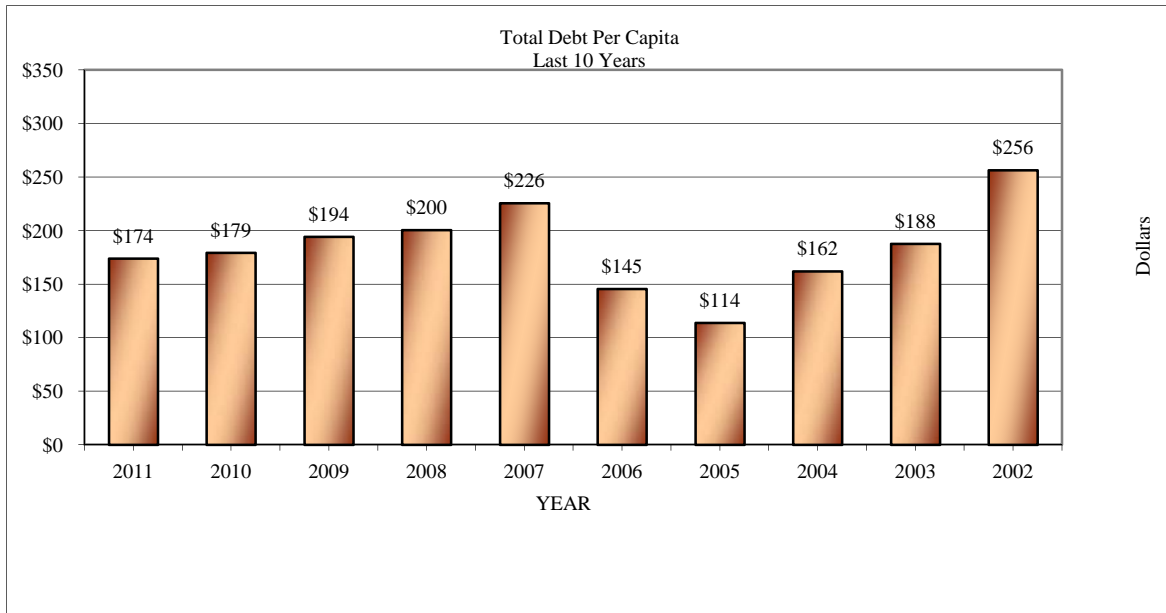
**City of Ashtabula, Ohio**  
*Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Police & Fire Loan	Capital Leases
2011	\$319,257	\$0	\$83,151	\$0	\$106,869
2010	475,000	0	92,933	0	0
2009	349,827	0	103,414	0	0
2008	300,796	23,984	112,498	0	0
2007	1,027,399	47,061	122,281	102,228	0
2006	1,469,266	0	132,063	201,477	0
2005	592,558	10,000	136,954	297,824	637
2004	1,379,848	20,000	151,627	391,354	1,658
2003	1,719,311	30,000	156,518	481,610	4,537
2002	3,046,293	40,000	171,192	472,929	9,021

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

Business Type Activities

Equalization Basin Loan	OWDA Loans	OPWC Loans	KeyCorp Bonds	Capital Leases	Total Debt	Percentage of Personal Income(1)	Per Capita(1)
\$1,378,117	\$653,580	\$608,659	\$100,000	\$173,149	\$3,422,782	1.03 %	\$174
1,621,325	782,419	633,659	150,000	0	3,755,336	1.28	179
1,854,730	905,831	658,659	200,000	0	4,072,461	1.38	194
2,078,727	1,024,045	661,989	0	0	4,202,039	1.43	200
2,293,696	1,137,279	0	0	0	4,729,944	1.61	226
0	1,245,743	0	0	0	3,048,549	1.04	145
0	1,349,639	0	0	0	2,387,612	0.81	114
0	1,449,159	0	0	0	3,393,646	1.15	162
0	1,544,487	0	0	0	3,936,463	1.34	188
0	1,635,801	0	0	0	5,375,236	1.83	256



**City of Ashtabula, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2011	2010	2009	2008
Total Assessed Property Value	<u>\$211,258,740</u>	<u>\$227,455,470</u>	<u>\$235,001,130</u>	<u>\$237,095,420</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$319,257	\$475,000	\$349,827	\$300,796
Equalization Basin Loan	1,378,117	1,621,325	1,854,730	2,078,727
OWDA Loans	653,580	782,419	905,831	1,024,045
OPWC Loans	691,810	726,592	762,073	774,487
KeyCorp Loan	100,000	150,000	200,000	0
Special Assessment Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,984</u>
Total Gross Indebtedness	3,142,764	3,755,336	4,072,461	4,202,039
Less:				
Equalization Basin Loan	(1,378,117)	(1,621,325)	(1,854,730)	(2,078,727)
OWDA Loans	(653,580)	(782,419)	(905,831)	(1,024,045)
OPWC Loans	(691,810)	(726,592)	(762,073)	(774,487)
KeyCorp Loan	(100,000)	(150,000)	(200,000)	0
Special Assessment Bonds	0	0	0	(23,984)
General Obligation Bond Retirement Fund Balance	<u>(48,328)</u>	<u>(45,861)</u>	<u>(122,947)</u>	<u>(36,696)</u>
Total Net Debt Applicable to Debt Limit	<u>270,929</u>	<u>429,139</u>	<u>226,880</u>	<u>264,100</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>22,182,168</u>	<u>23,882,824</u>	<u>24,675,119</u>	<u>24,895,019</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$21,911,239</u>	<u>\$23,453,685</u>	<u>\$24,448,239</u>	<u>\$24,630,919</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.78%	98.20%	99.08%	98.94%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$11,619,231</u>	<u>\$12,510,051</u>	<u>\$12,925,062</u>	<u>\$13,040,248</u>
Total Gross Indebtedness	3,142,764	3,755,336	4,072,461	4,202,039
Less:				
Equalization Basin Loan	(1,378,117)	(1,621,325)	(1,854,730)	(2,078,727)
OWDA Loans	(653,580)	(782,419)	(905,831)	(1,024,045)
OPWC Loans	(691,810)	(726,592)	(762,073)	(774,487)
KeyCorp Loan	(100,000)	(150,000)	(200,000)	0
Special Assessment Bonds	0	0	0	(23,984)
General Obligation Bond Retirement Fund Balance	<u>(48,328)</u>	<u>(45,861)</u>	<u>(122,947)</u>	<u>(36,696)</u>
Net Debt Within 5 ½ % Limitations	<u>270,929</u>	<u>429,139</u>	<u>226,880</u>	<u>264,100</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$11,348,302</u>	<u>\$12,080,912</u>	<u>\$12,698,182</u>	<u>\$12,776,148</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	97.67%	96.57%	98.24%	97.97%

Source: City Financial Records

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



2007	2006	2005	2004	2003	2002
<u>\$242,740,740</u>	<u>\$239,484,190</u>	<u>\$243,460,550</u>	<u>\$226,008,470</u>	<u>\$226,721,670</u>	<u>\$233,515,730</u>
\$1,027,399	\$1,469,266	\$592,558	\$1,379,848	\$1,719,311	\$3,046,293
2,293,696	0	0	0	0	0
1,137,279	1,245,743	1,349,639	1,449,159	1,544,487	1,635,801
122,281	132,063	136,954	151,627	156,518	171,192
0	0	0	0	0	0
47,061	0	10,000	20,000	30,000	40,000
<u>4,627,716</u>	<u>2,847,072</u>	<u>2,089,151</u>	<u>3,000,634</u>	<u>3,450,316</u>	<u>4,893,286</u>
(2,293,696)	0	0	0	0	0
(1,137,279)	(1,245,743)	(1,349,639)	(1,449,159)	(1,544,487)	(1,635,801)
(122,281)	(132,063)	(136,954)	(151,627)	(156,518)	(171,192)
0	0	0	0	0	0
(47,061)	0	(10,000)	(20,000)	(30,000)	(40,000)
<u>(785,817)</u>	<u>(571,960)</u>	<u>(347,597)</u>	<u>(590,065)</u>	<u>(408,641)</u>	<u>(1,217,065)</u>
<u>241,582</u>	<u>897,306</u>	<u>244,961</u>	<u>789,783</u>	<u>1,310,670</u>	<u>1,829,228</u>
<u>25,487,778</u>	<u>25,145,840</u>	<u>25,563,358</u>	<u>23,730,889</u>	<u>23,805,775</u>	<u>24,519,152</u>
<u>\$25,246,196</u>	<u>\$24,248,534</u>	<u>\$25,318,397</u>	<u>\$22,941,106</u>	<u>\$22,495,105</u>	<u>\$22,689,924</u>
99.05%	96.43%	99.04%	96.67%	94.49%	92.54%
<u>\$13,350,741</u>	<u>\$13,171,630</u>	<u>\$13,390,330</u>	<u>\$12,430,466</u>	<u>\$12,469,692</u>	<u>\$12,843,365</u>
4,627,716	2,847,072	2,089,151	3,000,634	3,450,316	4,893,286
(2,293,696)	0	0	0	0	0
(1,137,279)	(1,245,743)	(1,349,639)	(1,449,159)	(1,544,487)	(1,635,801)
(122,281)	(132,063)	(136,954)	(151,627)	(156,518)	(171,192)
0	0	0	0	0	0
(47,061)	0	(10,000)	(20,000)	(30,000)	(40,000)
<u>(785,817)</u>	<u>(571,960)</u>	<u>(347,597)</u>	<u>(590,065)</u>	<u>(408,641)</u>	<u>(1,217,065)</u>
<u>241,582</u>	<u>897,306</u>	<u>244,961</u>	<u>789,783</u>	<u>1,310,670</u>	<u>1,829,228</u>
<u>\$13,109,159</u>	<u>\$12,274,324</u>	<u>\$13,145,369</u>	<u>\$11,640,683</u>	<u>\$11,159,022</u>	<u>\$11,014,137</u>
98.19%	93.19%	98.17%	93.65%	89.49%	85.76%

**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>
2011	19,680	a	\$572,215,393	\$319,257	0.06 %	\$16.22
2010	19,680	a	617,332,492	475,000	0.08	24.14
2009	20,962	b	682,990,180	349,827	0.05	16.69
2008	20,962	b	720,617,007	300,796	0.04	14.35
2007	20,962	b	770,729,191	1,027,399	0.13	49.01
2006	20,962	b	702,439,402	1,469,266	0.21	70.09
2005	20,962	b	688,389,816	592,558	0.09	28.27
2004	20,962	b	638,926,554	1,379,848	0.22	65.83
2003	20,962	b	645,050,375	1,719,311	0.27	82.02
2002	20,962	b	673,024,796	3,046,293	0.45	145.32

Sources:

- (1) U. S. Bureau of Census, Census of Population.  
 (a) Year 2010-2011 The 2010 Federal Census  
 (b) Years 2001-2009 The 2000 Federal Census

- (2) Ashtabula County Auditor

**City of Ashtabula, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2011*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashtabula
<b>Direct - City of Ashtabula</b>			
General Obligation Bonds	\$319,257	100.00%	\$319,257
OPWC Loans	83,151	100.00%	83,151
Capital Leases	<u>106,869</u>	100.00%	<u>106,869</u>
<i>Total Direct Debt</i>	<u>509,277</u> *		<u>509,277</u>
<b>Overlapping</b>			
Ashtabula Area City School District			
General Obligation Bonds	35,683,699	45.53%	16,246,788
Ashtabula County			
General Obligation Bonds	<u>6,059,400</u>	11.26%	<u>682,288</u>
<i>Total Overlapping Debt</i>	<u>41,743,099</u>		<u>16,929,076</u>
<b>Total</b>	<u><u>\$42,252,376</u></u>		<u><u>\$17,438,353</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.

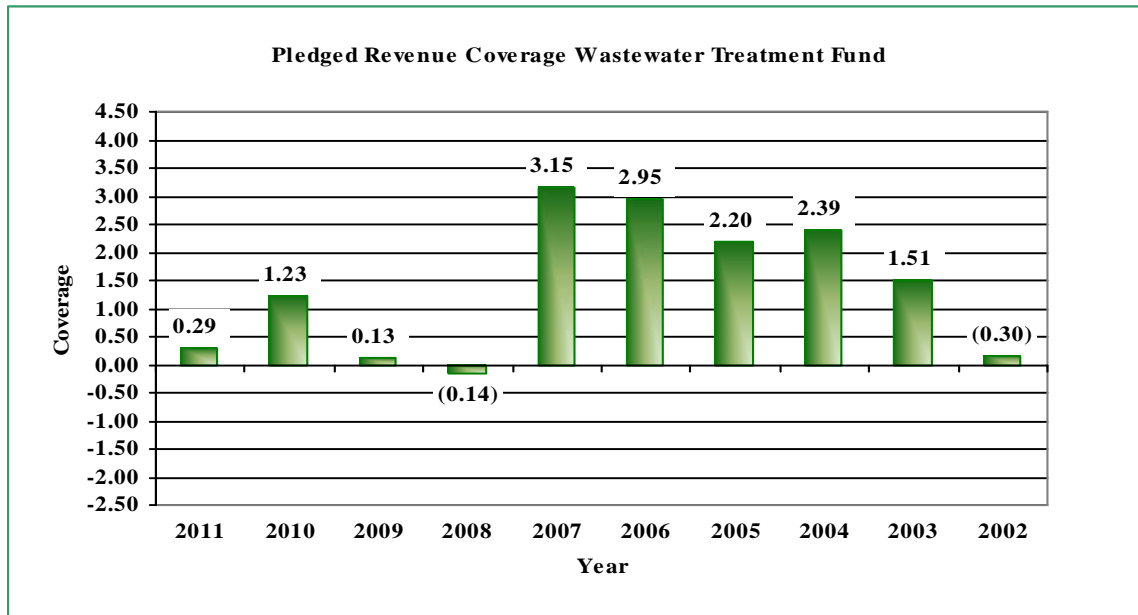
**City of Ashtabula, Ohio**  
*Pledged Revenue Coverage Wastewater Treatment Fund*  
*Last Ten Years*

	2011	2010	2009	2008	2007
<b>Wastewater Treatment Fund</b>					
Operating Revenues (1)	\$3,280,585	\$3,658,579	\$3,629,409	\$3,871,973	\$3,855,186
Less: Operating Expenses (2)	3,039,182	2,975,385	3,559,397	3,935,680	2,527,057
<b>Net Available Revenue</b>	241,403	683,194	70,012	(63,707)	1,328,129
<b>Debt Service</b>					
Principal	447,047	431,817	417,211	328,203	314,769
Interest	106,220	123,973	139,706	143,422	106,981
<b>Total Debt Service</b>	553,267	555,790	556,917	471,625	421,750
<b>Coverage</b>	0.44	1.23	0.13	(0.14)	3.15

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

(2) Operating expenses do not include depreciation.

Source: Ashtabula City Auditor's office



2006	2005	2004	2003	2002
\$3,092,660	\$3,051,895	\$2,880,449	\$2,871,360	\$2,801,467
2,617,005	2,696,070	2,493,765	2,628,308	2,774,960
475,655	355,825	386,684	243,052	26,507
103,896	99,520	95,328	91,314	87,467
57,592	61,968	66,160	70,174	74,021
161,488	161,488	161,488	161,488	161,488
2.95	2.20	2.39	1.51	0.16

**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)
2011	19,680	\$330,801,120	\$16,809	\$29,605	41.8
2010	19,680	330,801,120	16,809	29,545	37.3
2009	20,962	294,180,708	14,034	27,354	34.9
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

(1) Source: U. S. Census

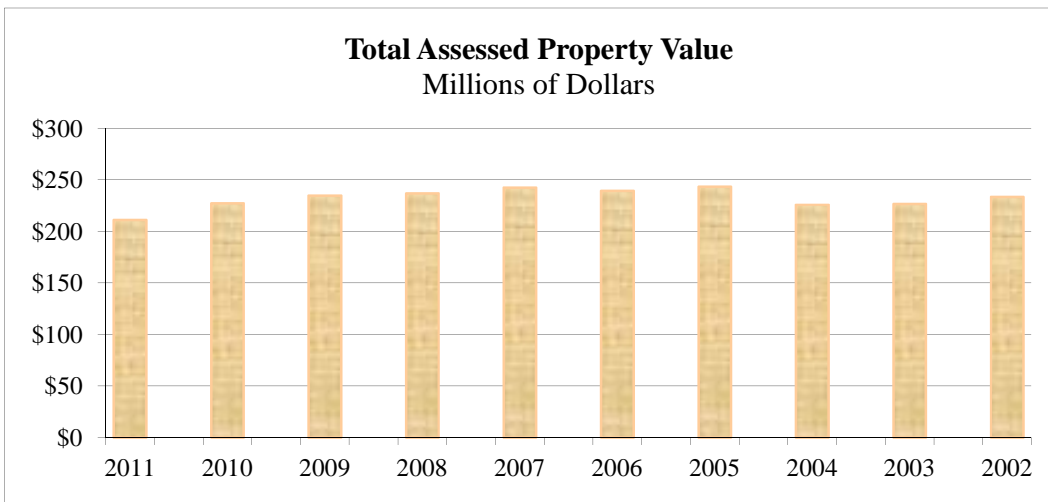
Years 2010 - 2011 The 2010 Federal Census  
 Years 2002 - 2009 The 2000 Federal Census

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

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

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

(5) Source: Ashtabula County Auditor



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment	Ashtabula County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
10.4	4,375	11.4%	\$30,657	\$211,258,740
10.4	4,277	11.9	46,920	227,455,470
10.4	4,463	14.2	35,630	235,001,130
10.4	4,701	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



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

<b>2011</b>		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,050
Ashtabula Area City Schools	Public Education	600
Molded Fiber Glass	Manufacturing - composites	333
Kent State University - Ashtabula Campus	Public Education/College	285
Ashtabula County	County Government	279
City of Ashtabula	Municipal Government	176
Plasticolors	Manufacturing - pigments	153
Iten Industries	Manufacturing - plastic parts	149
Ashtabula Rubber Company	Manufacturing - rubber components	141
Millennium	Manufacturing - chemicals	72
Total		<u>3,238</u>
Total Employment within the City		<u>n/a</u>

<b>2006</b>		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	966
Ashtabula Area City Schools	Public Education	900
Molded Fiber Glass	Manufacturing - composites	836
CHS - Lake Erie	Nursing Home	272
Kent State University - Ashtabula Campus	Public Education/College	249
Ashtabula Rubber Company	Manufacturing - rubber components	239
Continuum Home Care Inc	Home Health Care	210
Item Industries	Manufacturing - plastic parts	195
Plasticolors	Manufacturing - pigments	193
Country Club Retirement Center	Nursing Home	178
Total		<u>4,238</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 2006 is not available  
n/a - Information not available



*(This Page Intentionally Left Blank)*

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

Function/Program	2011	2010	2009	2008	2007
General Government					
Legislative and Executive					
Council	8	8	8	8	8
Administration	3	2	2	4	3
Auditor	5	6	6	7	7
Treasurer	1	1	1	1	1
Income Tax	2	2	2	3	3
Solicitor	3	4	4	4	4
Motor Maintenance	2	2	2	3	3
Engineering	1	2	2	3	3
Civil Service	1	1	1	1	1
Lands and Buildings	3	2	2	3	3
Systems Analyst	0	1	1	1	1
Judicial System					
Municipal Court	11	12	14	13	13
Probation	3	4	5	4	4
Security of Persons and Property					
Police	29	31	29	32	32
Police - Civilian	2	4	5	9	9
Fire	23	25	25	26	27
Fire - Civilian	0	1	1	1	1
Public Health Services					
Food Service	1	1	1	1	1
Nursing	3	3	5	6	4
Street Maintenance and Repair					
Public Works	17	17	20	22	22
Housing and Community Development					
Code Enforcement	2	2	2	2	2
CDBG	1	2	2	1	2
Sanitation Services					
Sanitation	14	15	15	16	15
Leisure Time Activities					
Walnut Beach	0	0	0	0	0
Business Type Activity					
Wastewater Treatment	9	12	13	14	14
Totals:	<u>144</u>	<u>160</u>	<u>168</u>	<u>185</u>	<u>183</u>

**Source:** City of Ashtabula, Ohio Payroll

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
8	8	8	8	8
3	2	2	2	2
7	6	6	7	7
1	1	1	1	1
3	3	3	3	3
4	4	4	4	4
3	1	3	3	3
3	3	3	3	3
1	1	1	1	1
3	6	6	6	6
1	1	1	1	1
14	12	12	12	13
4	4	4	4	4
31	33	34	35	37
9	5	6	9	10
25	25	26	26	26
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
23	20	21	21	22
2	2	2	2	2
1	2	2	2	2
16	14	14	14	15
0	0	9	10	9
13	13	16	16	18
<u>181</u>	<u>172</u>	<u>190</u>	<u>196</u>	<u>203</u>

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

Function/Program	2011	2010	2009	2008
<b>General Government</b>				
<b>Legislative and Executive</b>				
<i>Council &amp; Clerk</i>				
Number of Ordinances Passed	184	161	153	150
Number of Resolutions Passed	27	32	29	47
<i>Auditor</i>				
Number of checks/ vouchers issued	2,640	2,861	2,998	3,445
Amount of checks written	\$8,497,466	\$9,401,527	\$9,167,900	\$12,843,481
Number of Budget Adjustments issued	na	na	na	na
Agency Ratings - Standard & Poors	BBB+	BBB+	A-	A-
Agency Ratings - Moody's Financial Services	BBA	BBA	BBA	BBA
Health Insurance Costs vs General Fund Expenditures %	24.10%	16.74%	11.40%	14.50%
General Fund Receipts	\$10,014,548	\$9,471,911	\$9,564,894	\$10,304,586
General Fund Expenditures	\$9,726,456	\$9,439,112	\$9,350,341	\$10,057,413
General Fund Cash Balances	\$343,520	\$55,428	\$251,607	\$373,660
<i>Treasurer</i>				
Number of Pay-Ins issued	1,768	1,767	1,733	1,679
Interest earnings for fiscal year (cash basis)	\$144	\$5,450	\$10,888	\$146,010
<i>Income Tax Department</i>				
Number of Individual Returns	6,740	6,582	6,598	6,775
Number of Business Returns	1,414	1,361	1,296	1,396
Number of business withholding accounts	604	648	725	780
Amount of Penalties and Interest Collected	\$44,378	\$30,326	\$33,760	\$44,068
Annual number of Corporate withholding forms processed	6,581	6,390	6,819	9,120
Annual number of balance due statements forms processed	779	655	795	676
Annual number of estimated payment forms processed	927	788	848	844
Annual number of reconciliations of withholdings processed	37	36	51	19
<i>Engineering Department Indicators</i>				
Zoning Permits Issued	239	214	263	291
Estimated Value of Construction	\$2,789,923	\$2,429,018	\$3,150,828	\$14,004,261
Number of permits issued	966	964	968	702
Amount of Revenue generated from permits	\$298,506	\$298,863	\$298,149	\$144,385
Number of Planning Commission meetings	8	9	7	7
Number of Administrative/Zoning Board meetings	2	2	2	3
<i>Civil Service</i>				
Number of police entry tests administered	0	0	0	0
Number of fire entry tests administered	1	0	1	1
Number of police promotional tests administered	0	1	0	0
Number of fire promotional tests administered	0	3	0	0
Number of hires of Police Officers from certified lists	0	0	2	0
Number of hires of Fire/Medics from certified lists	0	1	0	0
Number of promotions from police certified lists	0	2	9	0
Number of promotions from fire certified lists	8	0	2	0
<b>Judicial System</b>				
<i>Municipal Court</i>				
Number of Civil Cases	1,225	1,215	1,336	1,502
Number of Criminal cases	6,004	6,826	7,410	9,265
<i>Probation</i>				
Community Diversion participants	188	285	263	402
Community Diversion service hours	3,486	6,937	4,447	5,732

2007	2006	2005	2004
161	192	103	112
18	16	15	28
5,248	4,312	4,653	3,627
\$15,497,472	\$20,919,912	\$20,422,342	\$19,055,341
269	248	222	187
A-	A-	A-	A-
BBA	BAA	BAA	BAA
13.60%	13.99%	13.32%	13.05%
\$10,239,837	\$10,028,364	\$9,981,777	\$9,245,696
\$10,015,243	\$9,536,404	\$8,906,539	\$8,802,912
\$627,580	\$657,980	\$708,153	\$354,738
1,441	1,574	1,488	1,484
\$394,355	\$339,503	\$212,687	\$82,469
7,262	8,495	8,677	8,626
1,484	1,347	1,381	1,410
735	833	799	816
\$35,513	\$30,913	\$28,684	\$29,750
9,371	9,440	9,201	8,812
749	777	676	885
905	856	922	797
57	41	389	315
385	374	311	383
\$3,372,076	\$11,444,149	\$4,898,765	\$8,347,191
817	727	631	979
\$325,886	\$341,215	\$128,302	\$454,917
2	8	8	6
1	1	2	5
1	0	0	1
1	1	0	1
2	0	2	0
0	0	4	0
7	2	1	0
1	2	0	0
2	7	11	13
0	6	4	1
1,588	1,519	1,334	1,409
10,062	9,564	6,740	5,916
143	676	667	745
5,815	4,205	3,962	9,429

(continued)

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

Function/Program	2011	2010	2009	2008
<b>Security of Persons &amp; Property</b>				
<i>Police</i>				
Total Calls for Services	14,193	18,484	20,229	22,485
Number of traffic citations issued	1,450	2,366	2,053	2,213
Number of parking citations issued	84	126	163	209
Number of criminal arrests	1,095	1,172	1,146	1,454
Operating Motor Vehicle Under the Influence (OMVI) Arrests	73	119	131	121
Adult Driving Under Suspension (DUS) Arrests	261	444	375	405
Prisoners	479	620	735	1,002
Prisoner meal costs	\$16,130	\$10,609	\$22,998	\$49,696
Motor Vehicle Accidents	356	399	426	640
Fatalities from Motor Vehicle Accidents	1	0	3	1
Gasoline costs of fleet	\$91,476	\$65,000	\$61,353	\$91,813
<i>Fire</i>				
EMS/Medical Calls (Mutual Aid, Non Transport)	811	770	868	925
Fire Calls	636	664	668	916
Fire Fatalities	0	0	0	2
Fires with Loss	26	26	28	43
Fires with Losses exceeding \$10K	n/a	12	13	14
Fire Losses \$	\$1,114,210	\$758,700	\$421,530	\$3,539,727
Fire Investigations	26	28	27	20
Number of times Mutual Aid given to Fire and EMS	18	20	23	44
Departmental Training Hours (4)	1,436	3,992	4,310	4,676
<b>Public Health &amp; Welfare</b>				
Health Department				
Certificates Filed				
Number of Births	441	495	518	526
Number of Deaths	284	289	274	274
Certificates Issued				
Number of Births	2,156	2,192	2,451	2,642
Number of Deaths	1,042	988	1,049	1,118
Burial Permits Issued	456	437	407	381
Receipts from Certificates Issued	\$79,950	\$79,500	\$73,898	\$71,440
Number of Health Inspections				
Food Service Operations, Licensed/Number of Inspections	83/211	81/238	91/207	97/247
Food Establishments, Licensed/Number of Inspections	40/57	44/78	47/66	43/81
Vending Operations, Licensed/Number of Inspections	15/15	13/12	14/13	14/14
Marinas, Licensed/Number of Inspections	10/10	10/10	10/10	10/10
Manufactured Home Parks, Licensed/Number of Inspections	3/4	3/6	3/6	3/6
Campgrounds, Licensed/Number of Inspections	4/5	4/4	4/4	4/4
Swimming Pools and Spas, Licensed/Number of Inspections	6/11	6/17	6/10	6/11

2007	2006	2005	2004
24,593	21,184	n/a	n/a
2,875	1,936	1,500	n/a
836	360	114	n/a
1,718	1,212	1,234	n/a
120	61	58	n/a
549	356	242	n/a
972	781	705	n/a
\$41,066	\$46,271	\$36,499	\$29,193
668	476	550	n/a
5	0	2	0
\$67,932	\$87,882	\$93,171	\$94,120
875	852	844	878
800	141	150	125
1	0	1	0
35	31	40	37
11	10	16	20
\$451,670	\$515,600	\$2,365,150	\$998,450
34	34	37	40
26	20	38	22
4,552	5,787	5,202	5,304
602	576	636	541
281	287	338	341
3,203	3,015	2,816	2,780
1,235	1,226	1,540	1,542
399	416	500	491
\$84,321	\$81,827	\$74,910	\$66,303
86/182	99/240	101/243	103/245
44/68	44/81	45/85	46/78
15/12	19/17	23/21	22/23
16/10	10/11	10/10	10/11
3/3	3/10	3/6	3/6
4/4	4/7	4/4	4/5
6/12	6/17	6/12	6/17

(continued)

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

Function/Program	2011	2010	2009	2008
<b>Street Maintenance and Repair</b>				
Guardrail Repair (hours)	25	36	53	68
Paint Striping (hours)	476	505	513	508
Street Sweeper (hours)	80	447	2,047	2,018
Cold Patch (hours)	2,750	2,781	4,026	4,208
Snow & Ice Removal regular hours	8,650	8,194	12,231	12,562
Snow & Ice Removal overtime hours	350	471	703	987
Sewer and Sanitary calls for service	687	772	1,151	1,063
After hours Sewer Calls (hours)	125	254	387	433
Sewer Crew (hours)	1,891	1,808	2,695	2,800
Sewer jet, Vac-all, other services (hours)	513	695	1,437	1,700
Landscaping Stump-Chipper service (hours)	416	245	359	480
Leaf collection (hours)	4,657	4,413	4,227	4,833
Holiday lights setup (hours)	80	80	80	80
Equipment repair/body shop (hours)	4,300	4,300	4,300	5,200
Sign department (hours)	1,200	1,200	1,200	1,400
Tons of snow melting salt purchased (Jan-Dec)	1,457	1,875	1,112	3,549
Cost of salt purchased	\$80,755	\$105,768	\$70,960	\$125,698
<b>Housing and Community Development (2)</b>				
<b>Community Development Block Grant</b>				
Grant amounts received	\$916,000	\$987,000	\$1,154,000	N/S
<b>Code Enforcement</b>				
Number of rental inspections performed	2,631	2,072	903	1,345
Number of exterior inspections	200	200	1,550	258
Code Enforcement fees collected	\$158,109	\$155,720	\$150,418	\$171,554
<b>Sanitation (3)</b>				
Residential trash pickup rate (billed every 2 months)	\$15.00	\$15.00	\$15.00	\$15.00
Refuse disposal per year (in tons)	13,802	12,475	13,060	13,610
Refuse disposal costs per year	\$546,376	\$500,000	\$546,000	\$516,000
Annual recycling tonnage (excluding leaf, and compost items)	530	524	482	480
Percentage of waste recycled	3.80%	4.02%	3.60%	3.80%
Revenue generated from sale of recyclables	\$10,586	\$8,350	\$5,874	\$9,000
<b>Wastewater Treatment</b>				
Sewer Rates per unit of water used (1 unit equals 750 gallons)	\$295.00	\$2.66	\$2.61	\$2.61
Total flow of wastewater treatment plant (Billions of Gallons)	2.463	1.552	1.644	1.977
Average daily flow (Millions of gallons per day)	6.750	4.254	4.530	5.420
Tons of dry sludge removed	505.99	489.10	504.84	493.95

- (1) Information prior to 2004 is not available  
(2) No response from department (N/S)  
(3) Fuel charge added to rate in 2009  
(4) The way training recorded changed in 2010

Source: City Financial Records and Departments



2007	2006	2005	2004
129	123	87	176
510	493	512	518
2,313	2,240	2,279	2,400
4,085	4,160	4,113	3,978
11,768	11,520	11,431	12,311
823	880	913	953
949	963	946	1,012
413	416	425	457
2,908	2,880	2,764	2,899
1,483	1,440	1,456	1,503
410	413	385	395
4,819	4,800	4,768	4,854
80	40	40	40
5,200	5,200	4,160	5,200
1,500	1,036	1,058	1,113
3,792	2,490	3,726	3,252
\$134,588	\$84,069	\$127,411	\$116,567
\$45,834	\$536,000	\$151,000	\$659,000
2,178	480	360	360
1,403	n/a	700	673
\$158,144	\$98,950	\$44,352	\$50,636
\$15.00	\$15.00	\$12.00	\$13.00
13,937	12,565	12,106	11,901
\$540,000	\$435,814	\$378,744	\$328,931
480	476	476	414
3.80%	3.65%	3.79%	3.36%
\$15,595	\$5,233	\$6,736	\$3,895
\$2.45	\$2.45	\$2.40	\$2.40
1.713	1.998	2.540	2.262
4.693	5.550	6.990	6.170
510.56	558.24	612.07	421.34

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

Function/Program	2011	2010	2009	2008
<b>General Government</b>				
Square Footage Occupied	95,943	95,943	95,943	95,943
Administrative Vehicles	3	3	3	2
Inspection Vehicles	1	0	0	2
Municipal Court Vehicles	2	2	2	2
Lands & Buildings Vehicles	4	3	3	4
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	14,491	14,491	14,491	14,491
Vehicles	29	34	32	40
<b>Fire</b>				
Stations	1	1	1	1
Square Footage of Building	11,560	11,560	11,560	11,560
Vehicles	10	9	10	8
<b>Street Maintenance and Repairs</b>				
Square Footage of Building	25,050	25,050	25,050	25,050
Streets (miles)	97	97	97	97
Bridges	7	6	6	6
Traffic Signals	53	53	53	54
Service Vehicles	30	29	29	29
<b>Sanitation Services</b>				
Square Footage of Building	9,100	9,100	9,100	9,100
Vehicles	10	9	9	10
<b>Leisure Time Activities</b>				
Number of Parks	8	8	8	8
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	1	1	1	1
Square Footage of Walnut Beach Building	6,420	6,420	6,420	6,420
Square Footage of Smith Field Building	336	336	336	336
Square Footage of Massucci Building	1,944	1,944	1,944	1,944
<b>Wastewater Treatment</b>				
Square Footage of Building	22,344	22,344	22,344	22,344
Sanitary Sewers (miles)	92	92	92	92
Storm Sewers (miles)	76	76	76	76
Vehicles	5	6	5	5

Source: City of Ashtabula Auditor's Office

(1) Information prior to 2004 is not available.

2007	2006	2005	2004
95,943	95,943	95,943	95,943
4	8	6	6
6	4	4	3
2	3	2	2
4	4	4	3
1	1	1	1
14,491	14,491	14,491	14,491
33	35	44	44
1	1	1	1
11,560	11,560	11,560	11,560
8	8	7	7
25,050	25,050	25,050	25,050
97	97	97	97
6	6	6	6
54	54	50	49
28	30	25	25
9,100	9,100	9,100	9,100
10	10	12	12
8	8	8	8
2	2	2	2
1	1	1	1
4	4	4	4
1	1	1	1
6,420	6,420	6,420	6,420
336	336	336	336
1,944	1,944	1,944	n/a
22,344	22,344	22,344	22,344
92	92	92	92
76	76	76	76
6	11	11	11

**City of Ashtabula, Ohio**  
*Sewer and Trash Statistics*  
*Last Eight Years (3)*

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Sewer Billings (1)	\$2,346,108	\$2,499,499	\$2,480,146	\$2,556,295
Residential Trash Billings	<u>1,244,580</u>	<u>1,268,641</u>	<u>1,260,253</u>	<u>1,221,559</u>
Total Utility Billing	<u>\$3,590,688</u>	<u>\$3,768,140</u>	<u>\$3,740,399</u>	<u>\$3,777,854</u>
Sewer Collections (1)(2)	\$1,734,485	\$1,931,758	\$1,929,394	\$2,215,775
Residential Trash Collections(2)	<u>968,297</u>	<u>1,085,080</u>	<u>1,043,043</u>	<u>995,106</u>
Total Utility Billing Collections	<u>\$2,702,782</u>	<u>\$3,016,838</u>	<u>\$2,972,437</u>	<u>\$3,210,881</u>
Percentage Collected from Billings Before Outstanding Balances are Certified to Property Taxes	75.27%	80.06%	79.47%	84.99%
Delinquent Sewer Collections(2)	\$501,466	\$492,898	\$520,624	\$469,732
Delinquent Residential Trash Collections(2)	<u>290,460</u>	<u>306,864</u>	<u>314,738</u>	<u>261,030</u>
Total Delinquent Collections	<u>\$791,926</u>	<u>\$799,762</u>	<u>\$835,362</u>	<u>\$730,762</u>

Source: City of Ashtabula Auditor's Office

(1) Amount billed does not include \$2.25 per month service charge or any other special project fees assessed.

(2) Delinquent collections are one year behind, ie: delinquent amounts collected in 2011 were for the amounts certified in 2010.

(3) Information prior to 2004 is not available.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$2,668,957	\$2,669,897	\$2,792,173	\$2,337,816
<u>1,303,059</u>	<u>1,073,613</u>	<u>1,056,604</u>	<u>927,328</u>
<u>\$3,972,016</u>	<u>\$3,743,510</u>	<u>\$3,848,777</u>	<u>\$3,265,144</u>
\$2,119,014	\$1,989,073	\$2,065,929	\$1,858,330
<u>980,335</u>	<u>786,512</u>	<u>833,520</u>	<u>776,486</u>
<u>\$3,099,349</u>	<u>\$2,775,585</u>	<u>\$2,899,449</u>	<u>\$2,634,816</u>
78.03%	74.14%	75.33%	80.70%
\$498,674	\$458,820	\$487,751	\$408,230
<u>257,230</u>	<u>239,361</u>	<u>244,018</u>	<u>207,596</u>
<u>\$755,904</u>	<u>\$698,181</u>	<u>\$731,769</u>	<u>\$615,826</u>

*(This Page Intentionally Left Blank)*

**CITY OF ASHTABULA**  
*Ashtabula County*

*Table of Contents*

---

	<u>Page</u>
Schedule of Expenditures of Federal Awards.....	1
Notes to the Schedule of Expenditures of Federal Awards.....	2
Independent Accountants’ Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> .....	3
Independent Accountants’ Report on Compliance with Requirements Applicable To Each Major Federal Program and on Internal Control Over Compliance Required By OMB Circular A-133 .....	5
Schedule of Findings OMB Circular A-133.....	7
Schedule of Prior Audit Findings OMB Circular A-133.....	11
Corrective Action Plan – OMB Circular A-133.....	12

CITY OF ASHTABULA  
ASHTABULA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
<i>Passed Through Ohio Department of Development:</i>			
<i>CDBG -State Administered Small Cities Program Cluster:</i>			
Community Development Block Grant - 2010 Formula Grant	A-F-10-085-1	14.228	\$150,971
Community Development Block Grant - 2009 Formula Grant	A-F-09-085-1	14.228	36,040
Community Housing Improvement Program (CHIP)		14.228	9,867
<b>Subtotal CDBG - Formula Grants and CHIP Program</b>			<b>196,878</b>
<i>Passed through Ashtabula County:</i>			
Neighborhood Stabilization Program	B-Z-08-004-1	14.228	<b>95,429</b>
<b>Total - CDBG State Administered Small Cities Program Cluster</b>			<b>292,307</b>
Home Investment Partnership Program - (CHIP)	A-C-02-085-1	14.239	<b>296,179</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>588,486</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY:</b>			
<i>Direct Program:</i>			
Brownfield Assessment and Cleanup Cooperative Agreements	n/a	66.818	45,402
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>			
<i>Passed Through the Ohio Department of Public Safety/ Passed Through University Hospitals Geneva Medical Center:</i>			
<i>Highway Safety Cluster:</i>			
Alcohol Impaired Driving Countermeasures Incentive Grants - OVI	OVITF-2010-4	20.601	2,431
<i>Passed Through the Ohio Department of Transportation:</i>			
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction (Federal-Aid Highway Program)	PID80663 - CY 2010	20.205	67,179
	PID80663 - CY 2011		34,015
<b>Total Highway Planning and Construction Cluster</b>			<b>101,194</b>
<b>Total U.S. Department of Transportation</b>			<b>103,625</b>
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
<i>Direct Program:</i>			
ARRA - COPS Hiring Recovery Program	n/a	16.710	130,120
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>			
<i>Passed Through the Ohio Department of Highway Safety/ Passed Through Ashtabula County Sheriff's Department:</i>			
Border Interoperability Demonstration Project - Marine Patrol	#0000016623	97.120	6,377
<b>EXECUTIVE OFFICE OF THE PRESIDENT:</b>			
<i>Passed Through the Ohio Department of Highway Safety/ Passed Through the City of Shaker Heights:</i>			
High Intensity Drug Trafficking Areas Program	19OH0001A	95.001	11,131
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>			
<i>Passed Through the Federal Emergency Management Agency: Direct Program:</i>			
Assistance to Firefighters Grant	EMW-2010-FO-0214;	97.044	86,885
<b>U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<i>Passed Through the Ohio Department of Health/Passed Through Ashtabula County General Health District:</i>			
Public Health Emergency Preparedness Grant (PHEP)	00410012PH0211	93.069	7,875
Public Health Emergency Response Grant (PHER)	00410012PH0211	93.069	10,470
<i>Passed Through the City of Cleveland - Cuyahoga County:</i>			
Cities Readiness Initiative Grant	01820012PH0110	93.069	3,075
<b>Total Public Health Grants 93.069</b>			<b>21,420</b>
<i>Passed through Ashtabula County General Health District:</i>			
Maternal and Child Health Services Block Grant to States (CFHS)	00410011MC0411	93.994	4,750
<b>Total U.S. Department of Health and Human Services</b>			<b>26,170</b>
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$998,196</b>

The accompanying notes are an integral part of this schedule.



**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED DECEMBER 31, 2011**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

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

The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Department of Development. The initial loan of this money is reported as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property by Uniform Commercial Code and inventory.

Activity in the CDBG revolving loan fund during 2011 is as follows:

Beginning Loan Receivable Balance as of January 1, 2011	\$104,939
Loans Made	0
Loan Principal Repaid	<u>11,128</u>
Ending Loans Receivable Balance as of December 31, 2011	<u>\$ 93,811</u>
Cash Balance on Hand in the Revolving Loan Fund as of December 31, 2011	\$ 144,816
Administrative Costs Expended During 2011	\$ 16,971

**NOTE C – MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



6400 Olde Stone Crossing  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

**INDEPENDENT ACCOUNTANTS' 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**

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 31, 2012, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**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 audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and other deficiencies in internal control over financial reporting we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-03 in the accompanying schedule of findings to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2011-01, 2011-02 and 2011-04 described in the accompanying schedule of findings to be significant deficiencies.

### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-02 through 2011-04.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated August 31, 2012.

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

We intend this report solely for the information and use of management, City Council and federal awarding agencies and pass-through entities and others within the City. We intend it for no one other than these specified parties.



**Canter & Associates**  
Poland, Ohio

August 31, 2012



6400 Olde Stone Crossing  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

To the City Council:

**Compliance**

We have audited the compliance of 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 could directly and materially affect each of the City of Ashtabula's major federal programs for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Ashtabula complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2011.

**Internal Control Over Compliance**

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

City of Ashtabula

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, the business-type activities, the discretely-presented component unit, each major fund and the aggregate remaining fund information of the City of Ashtabula (the City) as of and for the year ended December 31, 2011, and have issued our report thereon dated August 31, 2012. Our opinion also explained that the City adopted *Governmental Accounting Standards Board Statement No. 54* during the year. Our audit was performed to form opinions on the financial statements that collectively comprise City's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements.

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

We intend this report solely for the information and use of management, City Council and others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Canter & Associates**  
Poland, Ohio

August 31, 2012

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CDBG – State Administered Small Cities Program Cluster – CFDA # 14.228 CHIP – Home Program – CFDA #14.239
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2011-01**

**Significant Deficiency**

**Intergovernmental Revenue and Expenditures**

The City is the recipient of various federal and state grants that in most instances require that the receipts and expenditures of said monies be readily identifiable on the records of the City. Some federal grant requirements require the creation of separate funds to account for all the transaction of that specific grant. Grant monies should be separated as either federal or state.

The federal awards expenditures schedule filed with the City's annual report, lists the federal expenditures per grant that the City received in 2011. The majority of these grant monies are within the General Fund of the City. The revenues are identified by a cost center for each grant per City department, but the expenditures are commingled within the expenditures of that department.

The lack of either separate funds or costs centers for federal monies received and expended could result in the City not being in compliance with federal regulations in regards to reporting and documenting the support for federal expenditures. Without proper record keeping, future federal assistance could be denied, or monies having to be repaid.

In order for the City to determine that all federal grant monies are being properly accounted for, the City should require:

1. Each department that receives federal grant monies, whether directly from a Federal agency, passed through from a State agency, or received via another local government, should notify the City Finance department of the grant award and its purpose. Copies of the awards should also be forwarded to the Finance office.
2. The Grant Agreement should be read to determine if a separate fund is required to be established for the grant. If no separate fund is required, than costs centers for the revenues and the expenditures of the grants should be created to properly identify all activity that relates specifically to each individual grant award received.
3. The City, being a Single Audit, is required to compile a federal schedule of its federal assistance. In order to have that information audited, each department that receives federal assistance, at the end of each year, should provide to the City Finance Office, the name of the federal grant, the award amount, the amount received and expended in that year per award amount, the Catalog of Federal Domestic Assistance (CFDA) number, the originating federal agency of the monies and any corresponding pass through agencies and the pass through numbers that are applicable for each grant.
4. Individual files for each grant should be maintained by each department, containing all pertinent information and paperwork, such as the grant agreement and supporting documentation on the monies received and expended, including purchase orders and invoices.
5. If any of the above information is not readily provided to the department that is the recipient of the grant, than the department should request that information from its contact person from the agency that they receive the funding from.

**Officials' Response:** The Official's Response is included in the accompanying Corrective Action Plan.

CITY OF ASHTABULA  
ASHTABULA COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2011

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2011-02

**Noncompliance Citation and Significant Deficiency**

**Appropriations exceeding Total Estimated Resources**

**Ohio Revised Code § 5705.39** - provides in part that total appropriations from each fund shall not exceed the total estimated resources.

The Self-Insurance Fund had appropriations exceed total estimated resources by \$423,634 as of December 31, 2011. This could result in spending more money than is available.

We recommend that Council monitors its actual cash flow to their estimated resources throughout the year to ensure that actual monies available are within the amounts appropriated. We further recommend, in conjunction with filing amended appropriations and estimated resources, the City obtain a certificate from the County Budget Commission indicating whether appropriations exceed resources.

**Officials Response:** The Official's Response is included in the accompanying Corrective Action Plan.

FINDING NUMBER 2011-03

**Noncompliance Citation and Material Weakness**

**Negative Fund Balances**

**Ohio Revised Code § 5705.10(H)** – provides that money paid into a fund must be used only for the purposes for which such fund was established. The Waste Water and Self-Insurance Funds had negative fund balances of \$469,040 and \$415,500 respectively, as of December 31, 2011. These deficit balances indicate monies from other funds were used to cover expenditures of these funds, contrary to Ohio law.

Failure to monitor budgetary activity can result in overspending and negative fund balances. Council throughout the year should stay abreast of all budgetary related activity, including if their original budget estimates of resources and related appropriations are in line with actual cash flows and expenditures occurring in each fund.

**Officials Response:** The Official's Response is included in the accompanying Corrective Action Plan.



CITY OF ASHTABULA  
ASHTABULA COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2011

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2011-04**

**Noncompliance and Significant Deficiency**

**24 C.F.R Part 85** provides that a grantee's management system provide for accurate, complete and current accounting information for each federal fund. OMB Circulars A-110 and A-133 provides that reports for Federal awards include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements.

The City was the recipient of federal on-behalf grant monies for ODOT projects that were sent directly to the contractors. Although the monies do not flow through the records of the City, the City is still required to memo entry the revenues and expenditures of the project and report said information on the Schedule of Federal Expenditure Awards. The information reflected on the records of the City should be readily identifiable for each project.

The following audit adjustments were made to the financial statements and, where applicable, to the City's accounting records:

1. An adjustment was made to record intergovernmental revenues and capital outlay expenditures for monies paid by the Ohio Department of Transportation directly to vendors related to the Highway Planning and Construction Grant during 2011.
2. The 2011 Schedule of Federal Expenditure Awards also reflects Highway Planning and Construction Grant monies from 2010 that though posted to the Cities accounting records were not readily identifiable and were not then included on the 2010 Schedule of Federal Expenditure Awards.

ODOT prepares an annual report of Federal expenditures on LPA projects. The report is available on the Auditor of State website at: <http://www.ohioauditor.gov/resources/ipa/AdditionalResources.htm>. This report should be used by the City to confirm the Federal expenditures that were made on-behalf of them by ODOT and record the information as described in Auditor of State Bulletin 2000-008.

**Officials' Response:** The Official's Response is included in the accompanying Corrective Action Plan.

**3. FINDINGS FOR FEDERAL AWARDS**

None

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2010-01	Properly identifying Federal and State grant activity on the City's accounting system	No	Repeated as Significant Deficiency Finding # 2011-01
2010-02	Expenditures plus encumbrances exceeded appropriations in the Self-Insurance fund	Yes	
2010-03	Federal Allowable Cost violation against the two City managed Revolving Loan Funds(RLF) – Economic Development and Housing	Yes	
2010-04	Federal Reporting Violation on reports filed with ODOD not agreeing to the City's record for the RLF.	Yes	

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
DECEMBER 31, 2011**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2011-01	The City will implement procedures to assure that all federal and state grants are properly reported and accounted for on the accounting records of the City	12/31/2012	Dana Pinkert –City Auditor
2011-02	Appropriations exceeded Total Certified Resources - The City will comply with budgetary laws.	12/31/2012	Dana Pinkert –City Auditor
2011-03	Negative Fund balances – The City will monitor budgetary activity to compare if estimated revenues and appropriations are in line with actual receipts and expenditures.	12/31/2012	Dana Pinkert –City Auditor
2011-04	Accounting and Reporting for on-behalf of grant activity from ODOD. The City will monitor the AOS web page for this activity and record and identify it to the City's accounting system	12/31/2012	Dana Pinkert –City Auditor

**This page intentionally left blank.**



# Dave Yost • Auditor of State

CITY OF ASHTABULA

ASHTABULA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
DECEMBER 13, 2012